AKER HORIZONS

ANNUAL AND SUSTAINABILITY REPORT 2021

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Introduction

This is the first annual report of Aker Horizons ASA (referred to herein as "Aker Horizons" or "the Company", and taken together with its consolidated subsidiaries, the "Group"), which is an integrated report presenting the financial, environmental, social, and governance (ESG) performance of Aker Horizons and its portfolio companies for 2021. Aker Horizons' external auditor has submitted an independent auditor's report on the audit of Aker Horizons' financial statements and a limited assurance report in respect of the carbon emission data in the integrated report for 2021, in accordance with the criteria as defined by the GRI Standard 305: Emission. This section provides a brief overview of how to navigate the report. The first sections of the report contain a brief introduction to Aker Horizons, shareholder information, the Board of Directors' Report and an overview of Aker Horizons' Board of Directors.

The section Sustainability at the Heart of Planet-Positive Investments introduces Aker Horizons' work on sustainability from a strategic, forward-looking perspective. Specifically, the section presents Aker Horizons' policy, targets and strategy, external commitments that reflect our sustainability ambitions, and the materiality assessment that guides and informs Aker Horizons' strategy, goals and target-setting.

The section Sustainability Progress Report takes a deep-dive into the work and the progress made on sustainability in Aker Horizons and our portfolio in 2021. 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. In addition to presenting progress across these four main topics, this section also contains one-pagers summarizing the sustainability work and the scorecard for selected sustainability performance measures for Aker Horizons and the Platform portfolio companies, a one-page summary of the portfolio-wide status on the Principal Adverse Impacts Indicators, and the EU Taxonomy status 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 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 final section, Transparent Reporting, gives further details on the key aspects of this integrated report, including frameworks utilized, accounting principles, definitions, and guidance to reading the company sustainability summaries.

The report is published in digital format only, and is available on Aker Horizons' website.

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Aker Horizons in Brief

Who we are

Aker Horizons is dedicated to incubating and developing companies that solve fundamental challenges to sustainable existence. The Company has a dedicated team working to build leading companies that can meaningfully reduce CO_2 emissions, while creating substantial value over time. 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 180 years of 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 Zero, and accelerate decarbonization and environmental innovation.

Sustainability

Sustainability underpins all our actions. Our Sustainability Policy, established in 2021 and based on key international frameworks, 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

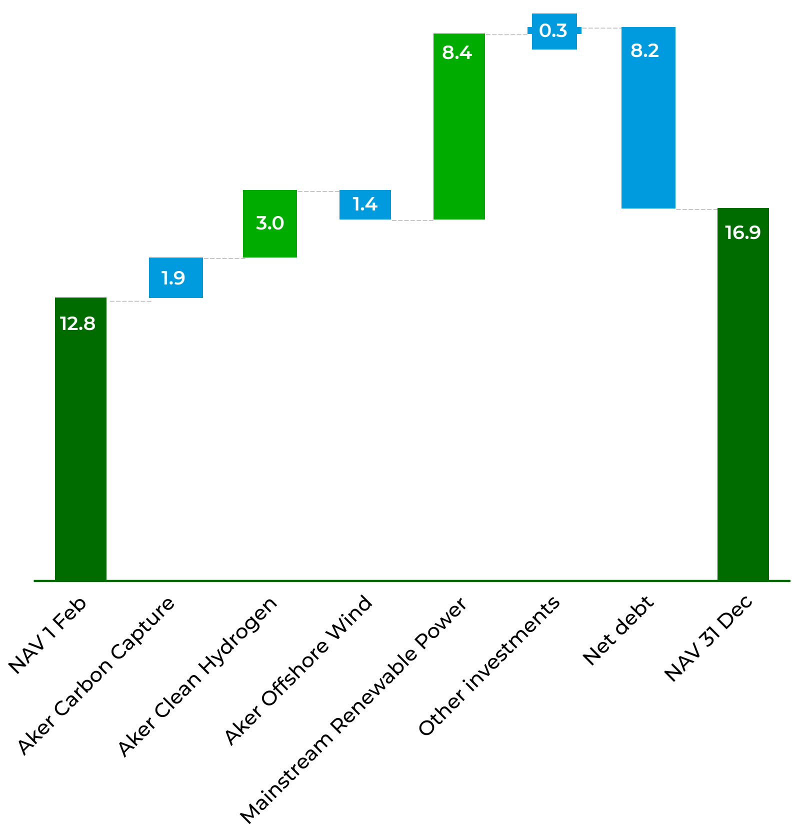
As an active owner, Aker Horizons' develops and strengthens its portfolio companies by driving strategy developments, operational improvements, financing, restructuring and transactions, to ensure long-term sustainable value creation for all stakeholders. All our actions, across the Company and its portfolio, 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 new future-fit solutions and technologies, contributing to sustainable development and driving a green transition.

Business development and investment

Aker Horizons' investment thesis is grounded in the SDGs. Our investment policy is rooted in long-term strategies, responsible value creation, and strong ESG considerations in both investment analysis and the decision-making process. The Company invests in solutions and companies that respect the environment, human rights, diversity and a safe working environment, and uphold good corporate governance principles. Aker Horizons strongly believes that responsible investment is vital not only for building business resilience, creating competitive advantage and long-term returns, but also for having a planet-positive impact and achieving the UN SDGs.

Net Asset Value Development

NOK billion, 1 February – 31 December 2021



Total Net Asset Value

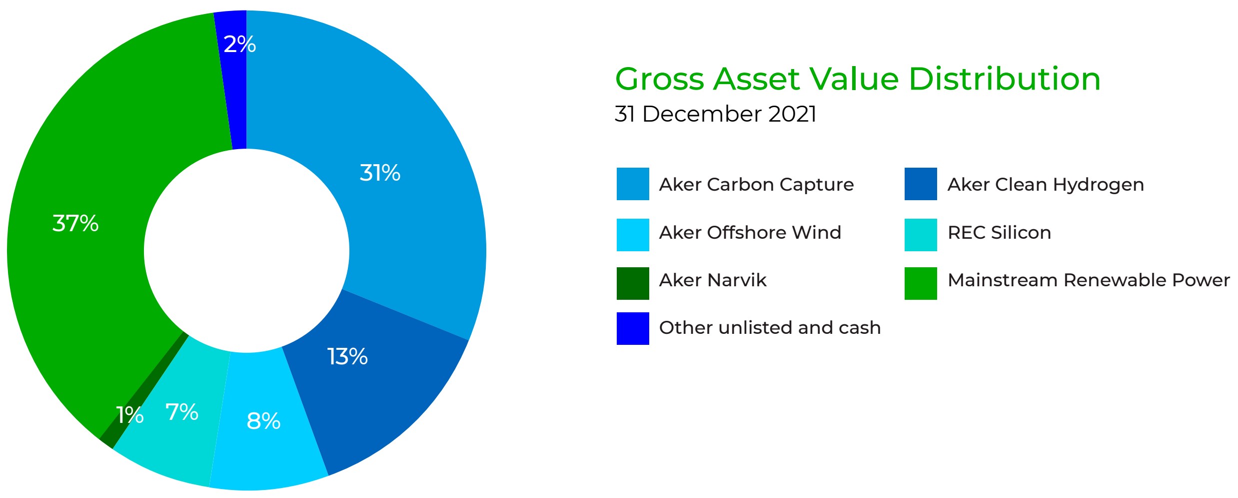
NOK million

Holding	Shares outstanding (million)	Market capitalization or book value	Aker Horizons ownership	Value to Aker Horizons
Aker Carbon Capture	604.2	16,683	42.3%	7,061
Aker Clean Hydrogen	687.8	3,934	77.2%	3,039
Aker Offshore Wind	678.7	3,441	51.0%	1,756
REC Silicon	420.6	7,542	24.7%	1,695[1]
Listed assets				**13,551**
Mainstream			75.0%	8,419
Other				352
Unlisted assets				**8,770**
Cash and receivables				498
GAV				**22,819**
Liabilities				-5,896
NAV				**16,923**

1) Market value of 16.7% shareholding post sale to Hanwha in January 2022 plus NOK 438m in agreed proceeds

Gross Asset Value Distribution

31 December 2021



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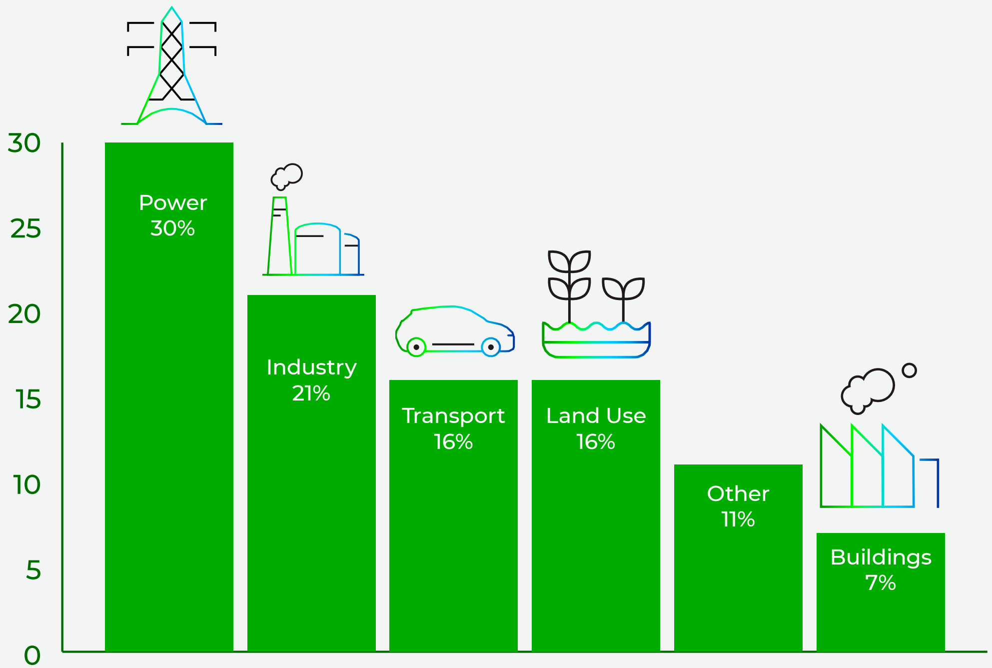
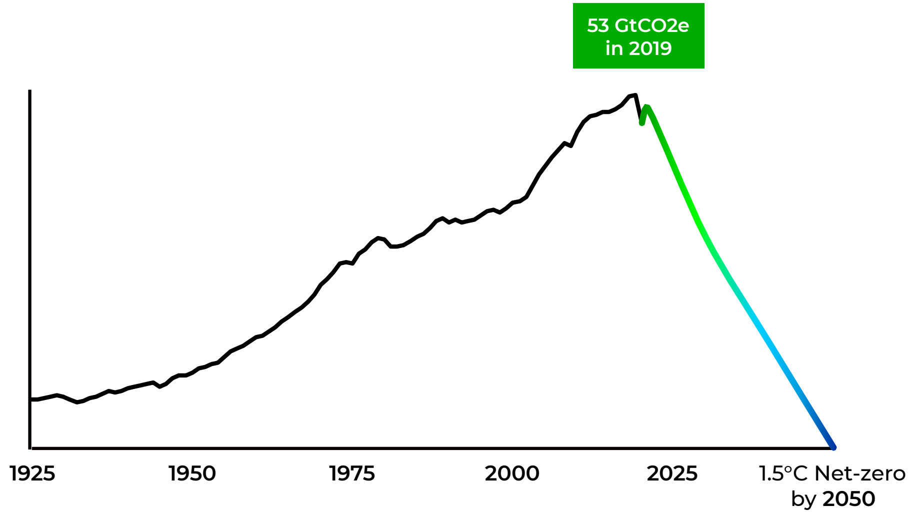
World Emissions by Sector



Total emissions in 2019 was 53GtCO_2e

Reaching Net Zero by 2050

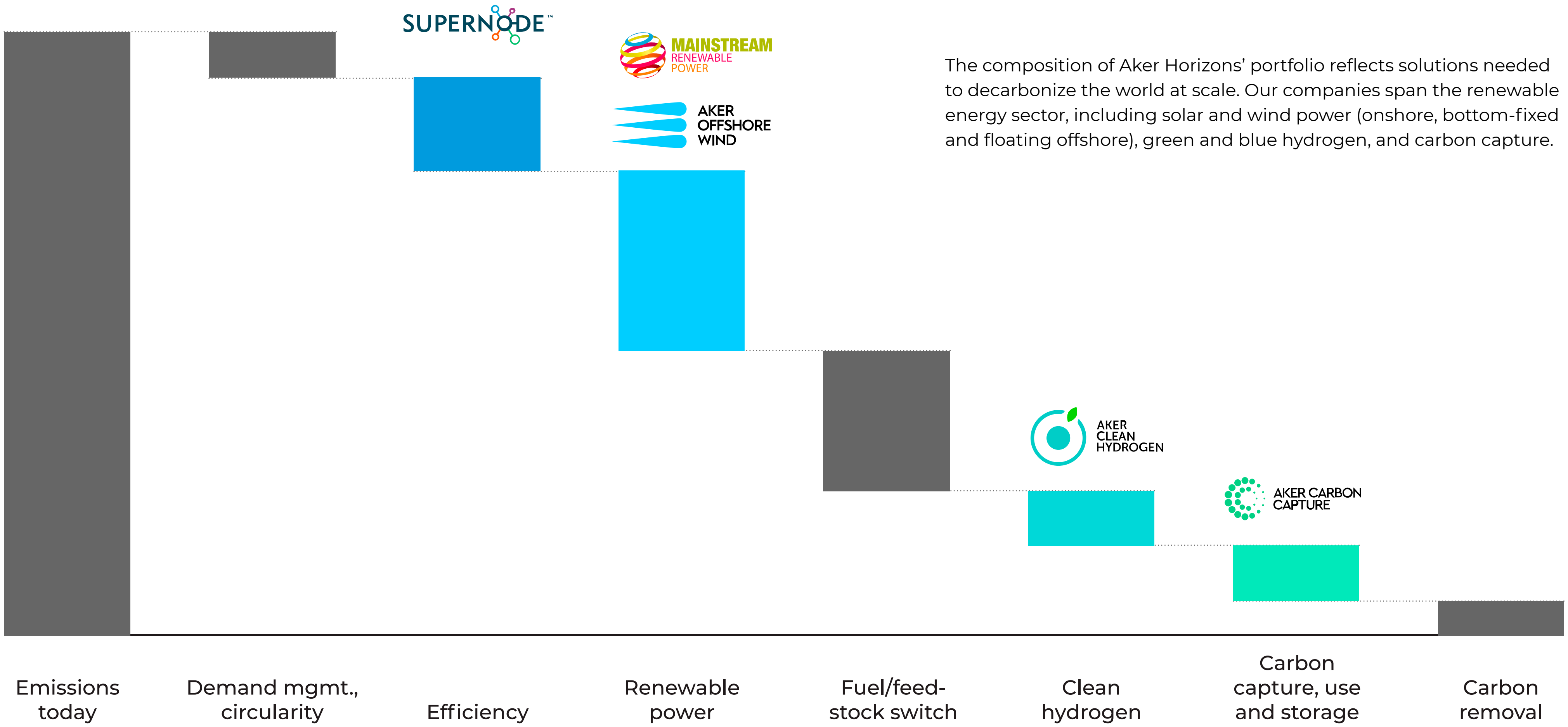
A tremendous global effort is required to reach net zero emissions by 2050. By 2030, the world must halve the nearly 53 gigatonnes of CO_2 equivalents[1] released into the atmosphere annually. By 2050, this must be further reduced to zero, or compensated for, in order to reach net zero. This will only 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. Equally 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.



1) Source: EDGAR 5.0, IEA, UNEP Emissions Gap Report; 2019 figures

How we contribute 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.



Our Portfolio Companies

Aker Horizons invests in and develops companies within renewable energy and technologies that make material contributions to reducing emissions or promoting sustainable living.

Aker Horizons leverages the significant industrial and financial capabilities of the Aker group to identify and develop opportunities, and to expand its portfolio of investment platforms 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 2021. Where the report refers to "Platform portfolio" or "Platform companies", this includes Aker Offshore Wind, Aker Carbon Capture, Aker Clean Hydrogen and Mainstream Renewable Power (Mainstream Renewable Power or Mainstream). For further details, see the section Transparent Reporting.

Aker Carbon Capture

Aker Carbon Capture is a pure play, carbon capture technology provider 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 carbon capture technology offers a unique, environmentally friendly solution for removing CO_2 emissions.

2021 highlights

- Starting up the Brevik CCS project – the world's first CCS plant in the cement industry
- Introducing Carbon Capture as a Service – offering a pay-per-tonne service
- Starting up carbon capture and utilization project at Twence's waste heat plant in the Netherlands

Ownership agenda

- Contribute to rapid development of Carbon Capture as a Service
- Support development and cost optimization of the entire CCS value chain
- Drive growth in new markets
- Develop best in class ESG practices and performance

AKER CARBON CAPTURE

16.7
Market Cap
NOK billion

42.3%
Aker Horizons ownership

7.1
Investment value
NOK billion

128
Employees and contractors[1]

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

Aker Clean Hydrogen

Aker Clean Hydrogen is set up to develop and operate clean hydrogen production at industrial scale globally, by taking advantage of the Aker group of companies' combined capabilities across the hydrogen value chain, from renewable energy production to end consumers of clean hydrogen and ammonia.

2021 highlights

- Launching and listing the company on Euronext Growth Oslo
- Launching the HEGRA green ammonia project with Yara and Statkraft
- Maturing the Aukra project with partners Shell and CapeOmega, with aim to start producing blue hydrogen from the gas resources entering the Nyhamna facility

Ownership agenda

- Develop both existing and new strategic partnerships
- Support promotion and development of the clean hydrogen value chain
- Utilize Aker group experience to significantly reduce Levelized Cost of Hydrogen (LCOH)
- Develop best in class ESG practices and performance

AKER CLEAN HYDROGEN

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

3.9
Market Cap
NOK billion

77.2%
Aker Horizons ownership

3.0
Investment value
NOK billion

72
Employees and contractors[1]

Aker Offshore Wind

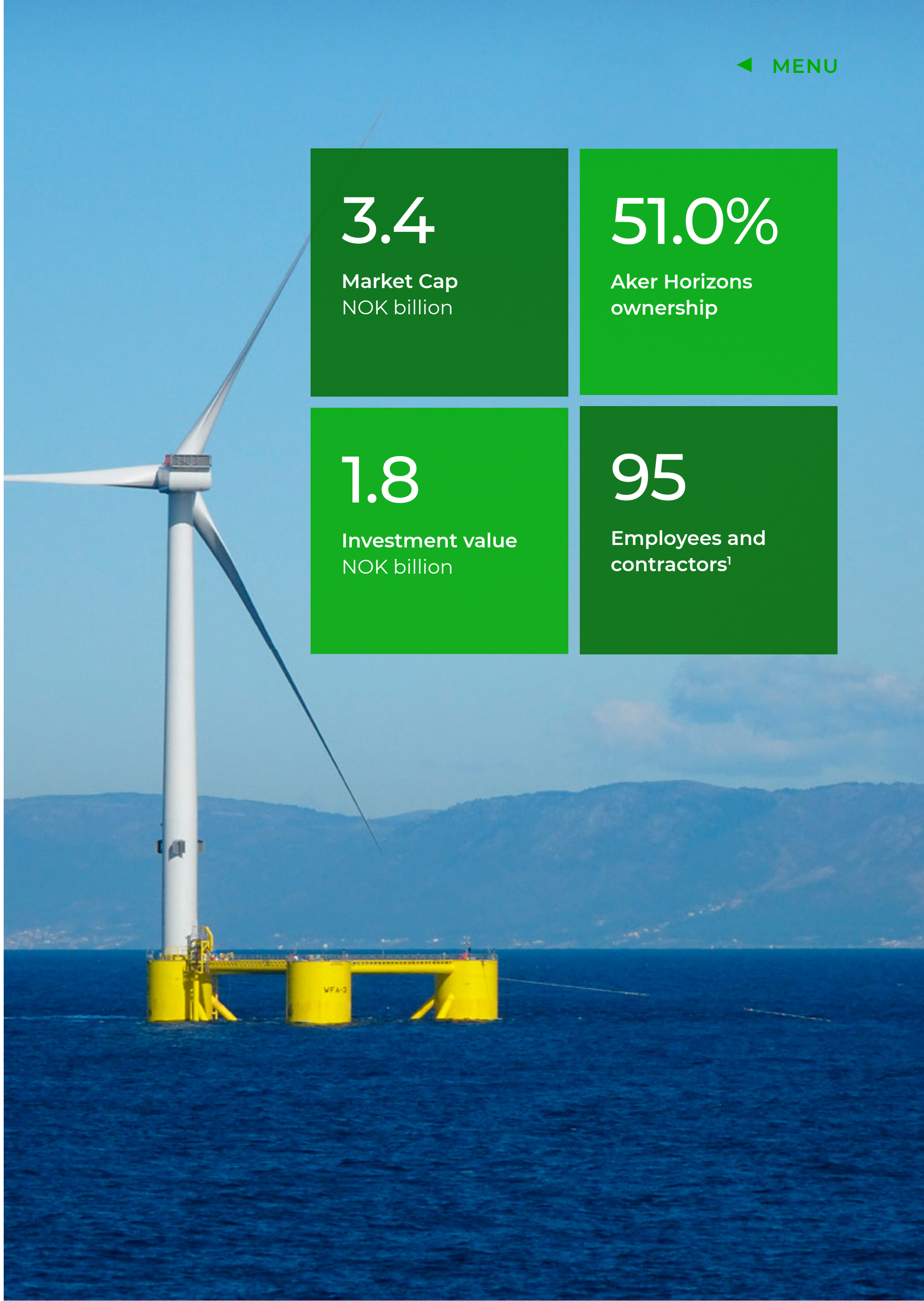
Aker Offshore Wind originates and develops deepwater offshore wind power projects with leading global partners, and utilizes competency and experience from five decades in the offshore industry to scale and industrialize floating offshore wind power in a sustainable way. The company is actively developing opportunities in Europe, Asia and North America.

2021 highlights

- Joining forces with Ocean Winds, BP and Statkraft in consortiums bidding to develop offshore wind energy in the Norwegian North Sea
- Maturing 1.2 GW floating wind project in South Korea
- Entering new markets, including Sweden and Japan

Ownership agenda

- Develop both existing and new strategic partnerships
- Grow pipeline organically and through M&A
- Utilize Aker group experience to significantly reduce Levelized Cost of Energy (LCoE)
- Develop best in class ESG practices and performance



3.4
Market Cap
NOK billion

51.0%
Aker Horizons ownership

1.8
Investment value
NOK billion

95
Employees and contractors[1]

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

Mainstream Renewable Power

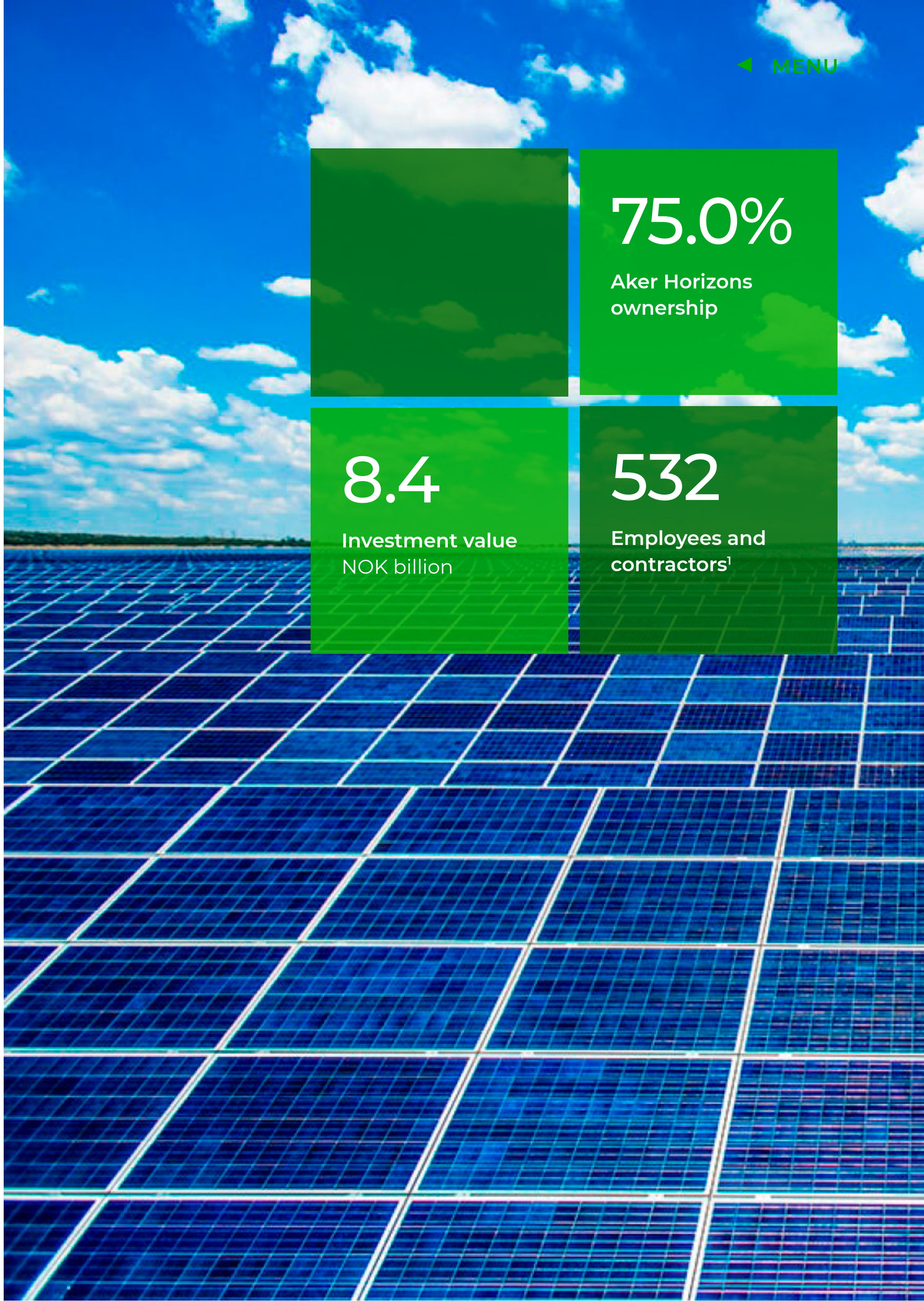
Mainstream Renewable Power is a leading independent renewable energy player with a global footprint and a proven track record in onshore and offshore wind and solar power across Europe, South America, Asia and Africa.

2021 highlights

- Progressing construction of 1.37 GW Andes Renovables portfolio in Chile and commissioned all Condor projects (591 MW) in November
- Launching next Chilean hybrid renewable energy platform, Nazca Renovables, with more than 1 GW capacity
- Securing preferred bidder status for a total capacity of 1.27 GW in South Africa
- Acquiring 80 percent of 405 MW solar energy development portfolio Dak Nong in Vietnam
- Progressing the Phu Cuong Soc Trang project to build 1.4 GW of offshore wind in Vietnam

Ownership agenda

- Accelerate growth through maturing development pipeline and additional M&A
- Drive synergies with Aker Offshore Wind and Aker Horizons' digital program, Electron
- 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

Sunrise Portfolio

Rainpower

- A hydropower technology company that optimizes hydropower developments and operations
- Aker Horizons ownership: 100.0%

Supernode

- A global technology development company that designs and delivers superconducting systems to connect renewable generation and increase grid interconnection in mature markets. Acquired as part of the Mainstream Renewable Power transaction
- Aker Horizons ownership: 50.0%

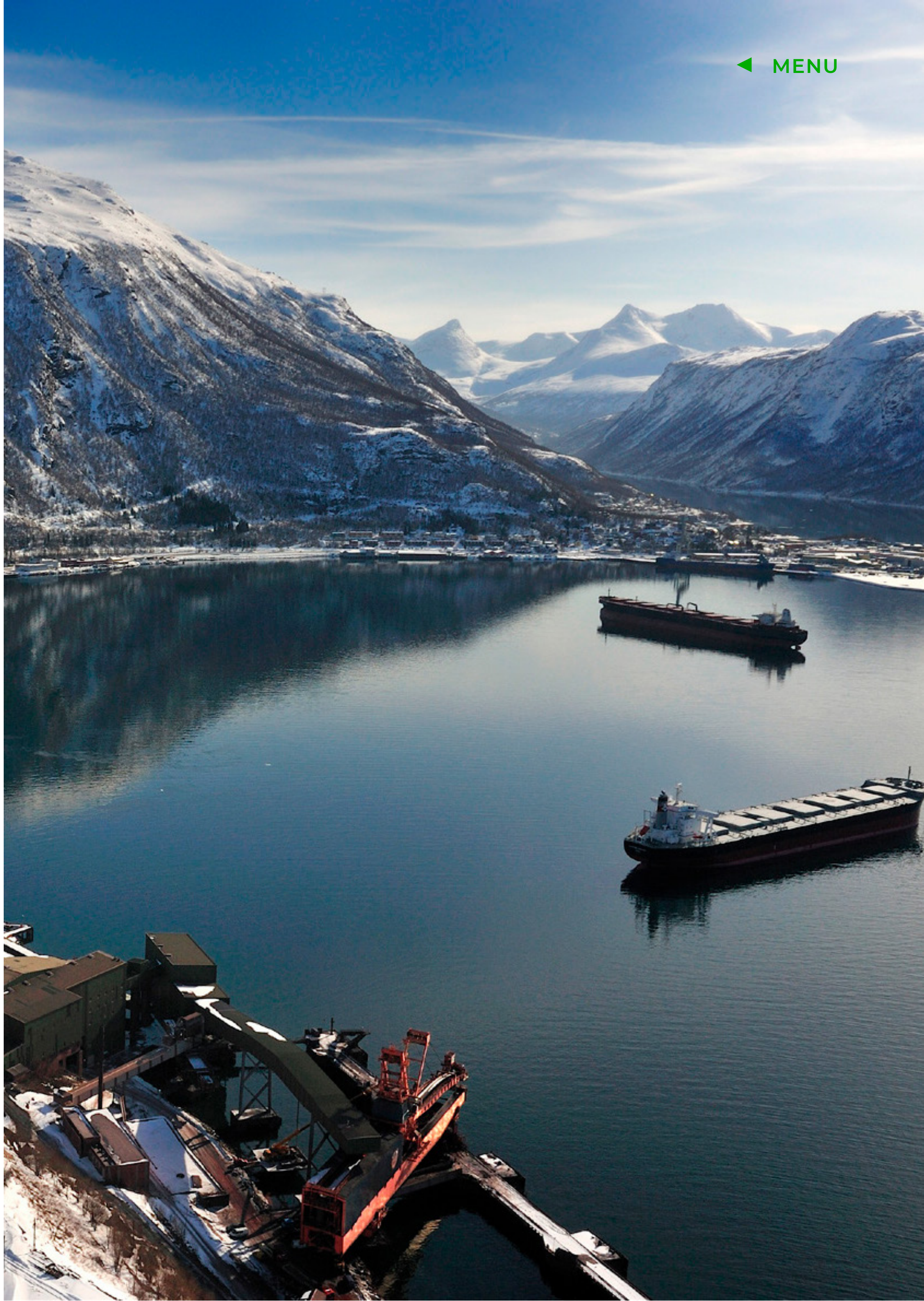
REC Silicon

- A leading producer of advanced silicon materials, supplying high-purity polysilicon and silicon gases to the solar and electronics industries worldwide
- Aker Horizons ownership: 16.67% (after completed sale to Hanwha Solutions in January 2022)

Narvik

Aker Horizons has launched several strategic initiatives in the Narvik region to establish green value chains for power-intensive industries in Northern Norway. Together with the local community, Aker Horizons aims to develop industrial activities in line with its planet-positive investment mission, converting renewable power into green jobs and sustainable export industries.

The Narvik region offers several benefits as a hub for Aker Horizons' activities in Northern Norway. The region has access to renewable energy that is among the cheapest in Europe, an excellent transport network, including road, rail and port facilities, and local authorities with a strong commitment to the energy transition.



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 values 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 2021 was NOK 609.7 million divided between 609,736,165 shares with a nominal value of NOK 1.00 each.

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

Stock market listing

Aker Horizons was listed on Euronext Growth Oslo from 1 February 2021 until it transferred to the Oslo Stock Exchange (ticker code: AKH) on 21 May 2021.

At the end of 2021, the Company's market capitalization was NOK 20.1 billion. A total of 369.2 million shares have been traded since listing on the Oslo Stock Exchange, corresponding to a turnover rate of 60.6 percent.

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

Shareholder structure

At the end of 2021, Aker Horizons had 17,051 shareholders. According to the shareholder register maintained by the Norwegian Central Securities Depository (VPS), non-Norwegian shareholders held 14.3 percent of the Company's shares as at 31 December 2021.

At the balance sheet date, Aker ASA (through its subsidiary Aker Capital) was the largest shareholder, holding 76.15 percent of the Aker Horizons shares, followed by Baillie Gifford & Co with approximately 5 percent and Swedbank Robur Funds with 2 percent.

The 20 largest shareholders held a total of 91.8 percent of the Company's shares at the end of the year.

Option schemes

As of 31 December 2021, 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 Oslo Børs’ 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 Børs' Code of Practice for IR". Compliance with the recommendation is based on a "comply or explain" principle, which means that Aker Horizons’ website explains any deviations from the recommendation.

All written financial information is as a main 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 the 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 the two members, Lone Fønss Schrøder (chair) and Lise Kingo.

Annual General Meeting

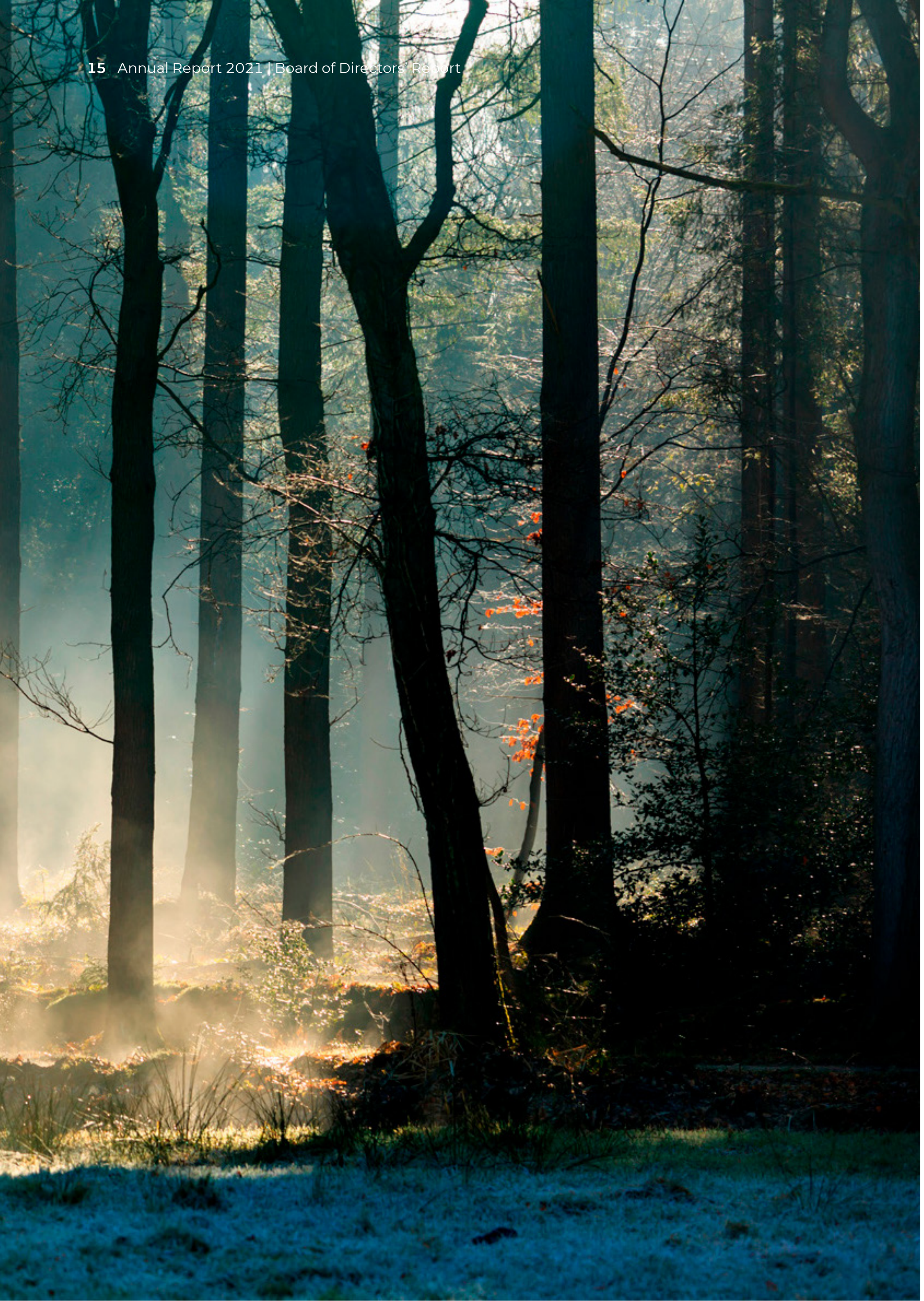
In accordance with Norwegian law, the Annual General Meeting of the Company's shareholders is required to be held each year on or prior to June 30. Aker Horizons’ annual general meeting is scheduled this year to be held on 22 April 2022. Written notification is sent to all shareholders and shareholder nominees.

Meeting notices and attendance registration forms are sent to shareholders by the deadlines laid down in the Norwegian Public Limited Liability Companies Act and made available on the Company’s website and through the Oslo Stock Exchange distribution service. The annual report and other enclosures to the meeting notice are made available solely via the Company’s website and the Oslo Stock Exchange distribution service.

Shareholders who wish to receive the enclosures by post must contact the Company. Shareholders who are unable to attend the general meeting may vote on individual agenda items electronically on Aker 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' first full year of operation was marked by a series of transformative investments, transactions and partnerships that grew the Company into an established planet-positive investment platform. New projects were secured from the Netherlands to South Africa, industrial progress was made across the portfolio and strategic initiatives were launched. Aker Horizons' net asset value stood at NOK 16.9 billion at the end of 2021, up from NOK 12.8 billion on 1 February 2021, when the Company was listed. Going into 2022, the Company is benefiting from strong industrial momentum, with a significant number of attractive project and investment opportunities, and a strengthened financial position.

MENU

Introduction

Aker Horizons is dedicated to incubating and developing companies within renewable energy and green technology. Its aim is to reduce greenhouse gas emissions and promote sustainable living, while providing substantial value creation over time through active ownership.

The Company was established in November 2020, and is headquartered at Fornebu, Norway. Aker Horizons is 76.15 percent indirectly owned by Aker ASA, a Norwegian industrial investment company with a 180-year industrial history and ownership interests concentrated in energy and green technologies, maritime assets, marine biotechnology and industrial software, 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 identify ventures and companies within its investment mandate, incubate or acquire them, and subsequently grow and develop these companies to create value for Aker Horizons' shareholders.

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.

Grounded in eight selected SDGs, Aker Horizons has established a framework for identifying opportunities that incorporates a broad set of defined investment criteria. The Company's investment criteria include a strong growth outlook and profitability potential, a clear path to earnings and a unique capability set which addresses global challenges in line with the SDGs. In addition, the company concerned must play to the Aker group's strengths.

The Company utilizes both internal capabilities and Aker's ecosystem to incubate new companies and pursue merger and acquisition opportunities by leveraging a unique deal-sourcing capability. Aker Horizons has access to dedicated in-house resources comprising a team of 42 professionals offering a combination of financial, industrial and operational experience. The team works in close collaboration with the portfolio companies' executive managements.

Aker Horizons' current portfolio secures established positions in verticals such as carbon capture, offshore wind, renewable power and hydrogen. The Company will continue to broaden its portfolio by exploring opportunities in new areas within its mandate and expanding its footprint within its current holdings.

Key developments in 2021

The fundamentals behind Aker Horizons' investment mandate strengthened in 2021, with more than two-thirds of global gross domestic product now covered by some form of commitment to reach net-zero emissions. European carbon credits rose over 100 percent to reach record highs in 2021, as European Union (EU) policymakers unveiled new legislation to curb emissions faster, and by at least 55 percent, by 2030, from 1990 levels. At the UN General Assembly in September 2021, President Xi Jinping pledged that China, the world's largest greenhouse gas emitter, would stop funding new coal plants abroad. In the US, President Biden's Build Back Better Act earmarked more than USD 300 billion for new and expanded tax credits for wind and solar power, nuclear plants, biofuels and advanced energy manufacturing. Over 200 nations committed to pursue efforts to limit global warming to 1.5 degrees Celsius at the COP26 UN climate summit in Glasgow, and agreed that it would require reducing greenhouse gas emissions by a minimum of 45 percent by 2030 and achieving net zero emissions by 2050. Glasgow also produced unprecedented private sector commitment to action, identifying trillions of dollars of investments available for the energy transition.

Aker Horizons joined the global corporate movement in setting ambitious and time-bound targets to reach net zero. By 2025, the Company aims to originate NOK 100 billion in green investments, develop over 10 GW in renewable power capacity, and enable the removal or avoidance of 25 million tonnes of CO_2 equivalents annually.

In order to reach these ambitions, Aker Horizons completed a successful private placement and listing on Euronext Growth Oslo on 1 February, raising NOK 4.6 billion in equity, NOK 1.5 billion in a convertible bond and NOK 2.5 billion in an unsecured green bond. The Company was listed on the Oslo Stock Exchange in May and raised another NOK 1.0 billion in equity in November.

Through the year, Aker Horizons has accelerated the development of its investment portfolio, which at the beginning of 2021 included equity stakes in Aker Carbon Capture, Aker Offshore Wind and REC Silicon. Following several strategic acquisitions and business incubations, Aker Horizons' portfolio at year-end comprised 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 Carbon Capture is a pure play carbon capture company with certified market-leading proprietary technology. With more than two decades of experience, the company started up its flagship Brevik carbon capture and storage (CCS) project in January 2021, the world's first CCS plant at a cement facility. Aker Carbon Capture also commenced work on a carbon capture and usage (CCU) project for a waste-to-energy plant in Netherlands.

Aker Clean Hydrogen was launched and listed on Euronext Growth in March, raising NOK 3.0 billion in equity. The company has expanded and matured its project portfolio throughout the year, with projects such as HEGRA, which will electrify Yara ASA's ammonia plant at Herøya in Norway, and the Aukra Hydrogen Hub demonstrating commercial and technical viability.

Aker Offshore Wind is a pure play offshore wind power developer with focus on assets in deep waters. During the year, the company has established strategic partnerships to develop offshore wind power facilities in Norway, South Korea, Sweden, Japan and the US, with leading energy companies such as Ocean Winds, BP, Statkraft and Hexicon.

Mainstream Renewable Power is a leading independent renewable energy player with a global footprint and a proven development track record across wind power and solar PV, having matured 6.5 GW of projects to a financial investment decision. Aker Horizons acquired 75 percent of Mainstream Renewable Power in a transaction announced on 19 January 2021, which closed on 11 May 2021. During 2021, Mainstream Renewable Power progressed construction of the 1.37 GW Andes Renovables portfolio in Chile and reached several milestones for its development portfolio, including being awarded 1.27 GW of new wind and solar projects in South Africa together with partners.

For REC Silicon, Aker Horizons joined forces with Hanwha Solutions in 2021, one of the leading solar PV manufacturers in the US, to explore opportunities for US solar PV value chain expansion. Hanwha Solutions acquired shares in REC Silicon from Aker Horizons and subscribed for new shares in a private placement, which completed in January 2022.

Aker Horizons' Net Asset Value (NAV) was NOK 16.9 billion at the end of 2021, compared to NOK 12.8 billion on 1 February. At year-end 2021, Aker Horizons had available corporate liquidity (cash and undrawn facilities) of NOK 5.4 billion, after raising a total of NOK 3.4 billion in additional liquidity in the fourth quarter of 2021. The net debt position was NOK 5.4 billion at year-end. Aker Horizons' share price ended the year at NOK 33.05, down from NOK 35 in the private placement ahead of the 1 February listing.

The COVID-19 pandemic continued to impact day-to-day work during 2021 as Aker Horizons and its portfolio companies followed national guidelines and implemented proactive measures to protect employees' health and limit the spread of the virus, while upholding business continuity and productivity. Aker Horizons benefited from being part of the Aker group and its pool of internal and external resources. A dedicated team of medical experts and other resources – in place since the outbreak in March 2020 – provided advice on recommended protective measures to the Aker companies' managements.

Business operations

Investment portfolio

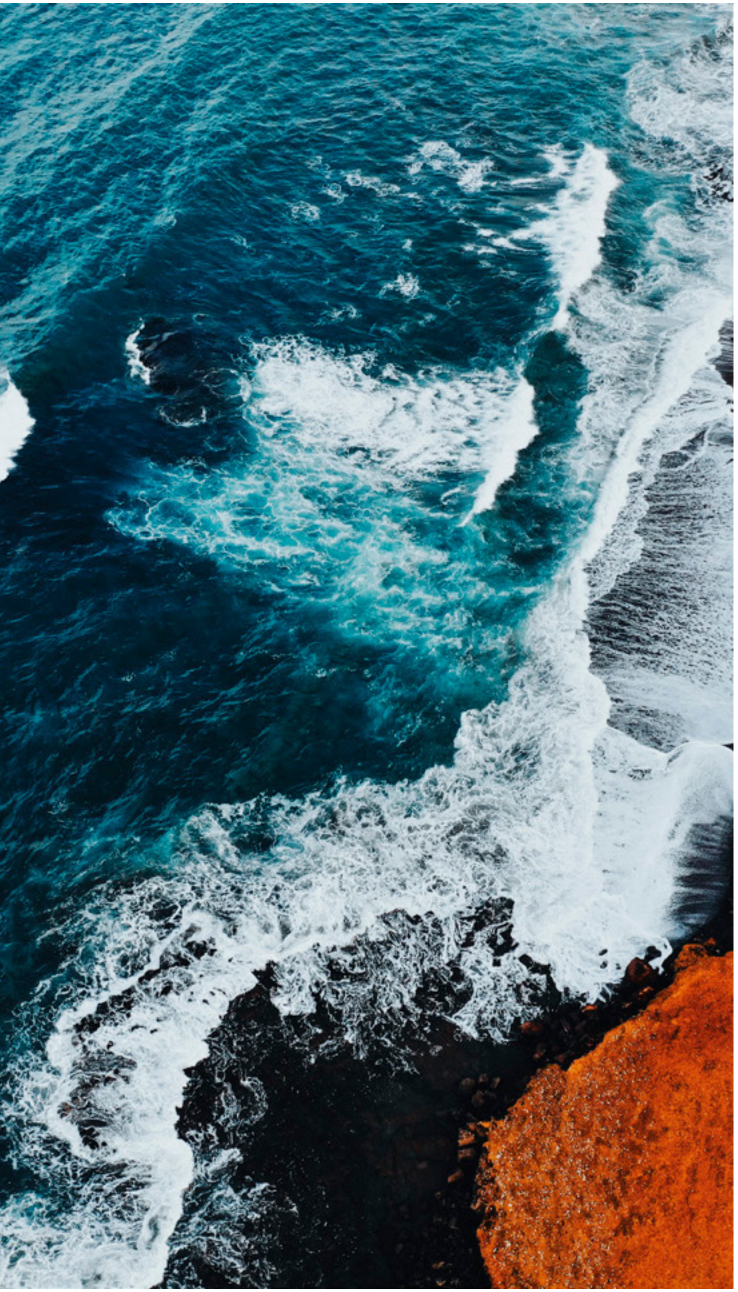
Aker Carbon Capture

Aker Carbon Capture is a pure play, carbon capture technology provider 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 carbon capture technology, which has been developed over the past two decades, offers a unique, environmentally-friendly solution for removing CO_2 emissions.

Carbon capture, utilization and storage (CCUS) will be critical if the world is to reach net zero emissions by 2050. To many industrial CO_2 emitters, CCUS is the only viable solution to significantly reduce emissions. The commercial market is at an early stage, but developed favorably during 2021, with key projects being approved.

The start-up of the Brevik CCS EPC contract at the beginning of the year marked a breakthrough for Aker Carbon Capture and a milestone for the CCS industry. Brevik CCS is the world's first carbon capture project at a cement facility. Aker Carbon Capture mobilized its project team, in close cooperation with sister company Aker Solutions, and progressed according to plan. The plant is scheduled to be in operation in 2024.

In the United Kingdom, Aker Carbon Capture is the technology and key equipment subcontractor for one of the consortiums awarded a Front-End and Engineering Design (FEED) contract for BP's large scale Net Zero Teesside Power and CCS project. This is the world's first commercial scale gas-fired power station with carbon capture. The company will work with the consortium of Aker Solutions, Siemens Energy and Doosan Babcock to deliver the FEED during 2022.



During 2021, Aker Carbon Capture launched Carbon Capture as a Service; an integrated offering that covers everything a customer needs to reduce emissions by means of CCS. As part of the service, Aker Carbon Capture will deliver and operate the carbon capture facilities, and transport and storage will be embedded in the service through strategic partnerships.

The project to deliver a Just Catch modular carbon capture plant to Twence's waste-to-energy facility in the Netherlands started up at the end of the year. 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.

During the year, Aker Carbon Capture entered into several Memorandums of Understanding (MoUs) that pave the way for future project developments and collaborations. An MoU was signed with Ørsted and Microsoft to explore ways to support the development of CCS at biomass-fired heat and power plants in Denmark. Aker Carbon Capture and Iceland's Carbfix established a partnership aimed at combining the companies' complementary technologies to offer the full CCS value chain. Carbonor and Aker Carbon Capture signed an MoU to jointly develop Carbonor's planned low-CO_2 char production in Øygarden in western Norway. In the UK, Viridor, one of the country's leading recycling resources and waste management companies, announced a partnership with Aker Carbon Capture for next-generation modular CCUS technology.

On 18 June, Aker Carbon Capture moved to the Oslo Stock Exchange from Euronext Growth. The Aker Carbon Capture share rose 55 percent during the year, closing at NOK 27.61, up from NOK 17.80 a year earlier, attracting significant interest from international institutional investors.

Aker Clean Hydrogen

Aker Clean Hydrogen will develop and operate clean hydrogen production at industrial scale by leveraging the Aker group's combined capabilities across the hydrogen value chain, from renewable energy production to end-consumers of clean hydrogen and ammonia. Aker Clean Hydrogen was launched in February as a new portfolio company incubated by Aker Horizons.

Together with renewable energy producer Statkraft and fertilizer company Yara, Aker Clean Hydrogen launched a partnership for industrial-scale green ammonia projects, to enable the hydrogen economy and accelerate the energy transition. The partners launched HEGRA - a project to electrify Yara's existing ammonia facility at Herøya, Norway, which could create new green value chains in the shipping and agriculture industries, while removing 800,000 tonnes of CO_2 per year.

Aker Clean Hydrogen and Varanger Kraft progressed plans to build a green hydrogen and ammonia plant in Berlevåg in Northern Norway, which aims to decarbonize arctic shipping and off-grid power plants. The green ammonia will be produced from renewable power sources and could replace traditional fossil fuels for ships, rigs and off-grid power stations, removing about 200,000 tonnes of CO_2 per year. The project for a 100 MW hydrogen plant passed the feasibility study and concept phase in 2021.

Aker Clean Hydrogen, CapeOmega and Shell signed an MoU to explore opportunities to develop the Aukra Hydrogen Hub into a large-scale production facility for clean hydrogen, using natural gas from the local gas processing plant at Nyhamna. The project, located in the north west of Norway, is a so-called blue hydrogen development, powered by natural gas with carbon capture, removing emissions of greenhouse gases.

In 2021, Aker Clean Hydrogen also progressed plans to realize projects in Rjukan and Meråker in Norway, as well as in Chile and Uruguay.

Shares in Aker Clean Hydrogen closed the year at NOK 5.72, compared with NOK 16 in the initial private placement and NOK 13.52 after the first day of trading on 11 March.

Aker Offshore Wind

Aker Offshore Wind builds on more than five decades of offshore operations in the Aker group to identify and develop deepwater offshore wind power projects around the world, with a focus on floating offshore facilities. The company is actively developing opportunities in several markets in Asia, Europe and North America. At the close of the year, Aker Offshore Wind held a 47.1 percent interest in leading floating offshore wind technology company Principle Power Inc. (PPI). Following the declaration of an option by fellow shareholder EDP Renováveis, Aker Offshore Wind will sell a shareholding of 10.9 percent in PPI.

In South Korea, KF Wind, a consortium of Aker Offshore Wind and Ocean Winds, and local partner Kumyang are developing a 1.2 GW floating wind power project 80 km offshore of the city of Ulsan. The Korean projects are on track to be the largest and first commercial scale floating wind farm in the world. In 2021, the consortium applied for an electricity business license, a mandatory requirement to generate and supply electricity in South Korea. The license grants KF Wind continued exclusive development rights to realize the project.

UK energy company BP joined Statkraft and Aker Offshore Wind in a consortium bidding to develop offshore wind energy in Norway. The partnership – in which BP, Statkraft and Aker Offshore Wind each hold a 33.3 percent share – will jointly bid to develop offshore wind power in the Sørlige Nordsjø II (SN2) license area.

Aker Offshore Wind, Ocean Winds and Statkraft signed a collaboration agreement to bid for, develop, construct and operate offshore wind and associated infrastructure in the Utsira Nord license area in the Norwegian North Sea. The equal partnership plans to apply to the Norwegian authorities for the development of a commercial scale floating offshore wind farm in Utsira Nord.

Aker Offshore Wind and Mainstream Renewable Power were selected as the preferred bidder to acquire an initial 50 percent stake in Progression Energy's 800 MW floating offshore wind power project in Japan. The project is a well-formed, early-stage development asset.

Shares in Aker Offshore Wind closed the year at NOK 5.07, compared with NOK 10.60 a year earlier.

Mainstream Renewable Power

Mainstream Renewable Power is a leading pure play renewable energy company, with a global footprint and a proven track record across onshore and offshore wind power and solar PV, having matured 6.5 GW of projects to a financial investment decision.

The acquisition of Mainstream Renewable Power, valued at EUR 900 million on a 100 percent basis, gave Aker Horizons a portfolio of 1.6 GW of solar and wind power projects in operation and under construction, proven development capabilities at gigawatt scale and a global pipeline of development assets. Aker Horizons is targeting both organic and inorganic growth for Mainstream Renewable Power, and since the acquisition was announced on 19 January, the pipeline has increased by more than 5 GW, giving a total project portfolio including development pipeline of 16.6 GW (net).

Mainstream Renewable Power is one of the largest renewable energy companies in Chile, with a presence since 2008. Mainstream progressed the construction of the 1.37 GW Andes Renovables portfolio in Chile in 2021, with construction and commissioning of all Condor projects (591 MW) completed in November. Huemul (630 MW) and Copihue (148.5 MW) are on track to complete construction in 2022 and 2023. Mainstream Renewable Power also launched its next Chilean hybrid renewable energy platform, Nazca Renovables, with more than 1 GW capacity.

Mainstream Renewable Power is the leading renewable energy company in South Africa with 2.1 GW awarded under the South Africa's Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) to date. In October, Mainstream Renewable Power secured preferred bidder status on 12 projects in Round 5 with a total capacity of 1.27 GW, representing half of the total allocation in the Round.

In June, Mainstream Renewable Power signed an agreement to acquire an 80 percent interest in the 405 MW solar energy development portfolio Dak Nong in Vietnam. The portfolio of three projects, which is included in the Vietnamese government's power development plan, has been in development since 2019.

Plans to build out 1.4 GW of offshore wind power in Vietnam progressed as the company received a Decision on Investment and an Investment Registration Certification (IRC) from the provincial government of Soc Trang for the first 200 MW of the offshore wind farm.

At the end of the year, Mainstream Renewable Power raised EUR 90 million in additional equity funding to accelerate new market entries and the build-out of gigawatt-scale wind and solar assets across Latin America, Africa and the Asia Pacific region. The capital increase came from Mainstream's current shareholders, including Aker Horizons, which maintained its 75 percent stake in the company.

Sunrise portfolio

Aker Horizons' Sunrise portfolio consists of investments in Rainpower, SuperNode, REC Silicon and Aker Narvik AS.

Aker Horizons acquired Rainpower, a technology provider to the hydropower industry, in order to build a next generation technology company to optimize hydropower developments and operations.

SuperNode, a technology company developing superconducting transmission systems, was acquired as part of the Mainstream Renewable Power transaction. Aker Horizons owns 50.0 percent of SuperNode.

REC Silicon is a producer of advanced silicon materials and is listed on the Oslo Stock Exchange. In November, Aker Horizons and South Korea's Hanwha Solutions Corporation, one of the leading solar PV manufacturers in the US, announced their intention to join forces to explore the expansion of solar PV value chains in the US. Hanwha Solutions agreed to acquire shares in REC Silicon from Aker Horizons and to subscribe for new shares in REC Silicon through a private placement that was completed in January 2022.

In October, Aker Horizons announced several strategic initiatives in the Narvik region to establish green value chains for power-intensive industries in Northern Norway. Together with the local community, Aker Horizons aims to develop industrial activities that are in line with the Company's planet-positive investment mission, leveraging access to renewable power to create green jobs and sustainable export industries.

Aker Narvik AS, a wholly-owned subsidiary of Aker Horizons, reached agreements to acquire two sites in Ballangsleira and Framneslia for a total consideration of NOK 200 million. Further, Aker Narvik invested NOK 90 million to acquire 75 percent of the shares in Narvik Batteri AS by means of a private placement.

The Narvik region offers several benefits as Aker Horizons' hub for activities in Northern Norway, with access to some of Europe's cheapest renewable energy, excellent transport connections for exports, including road, rail and port facilities, as well as local authorities committed to the energy transition.

The next steps will be to further assess the different sites and mature the individual projects together with business partners and local authorities toward reaching investment decisions.

Subsequent events

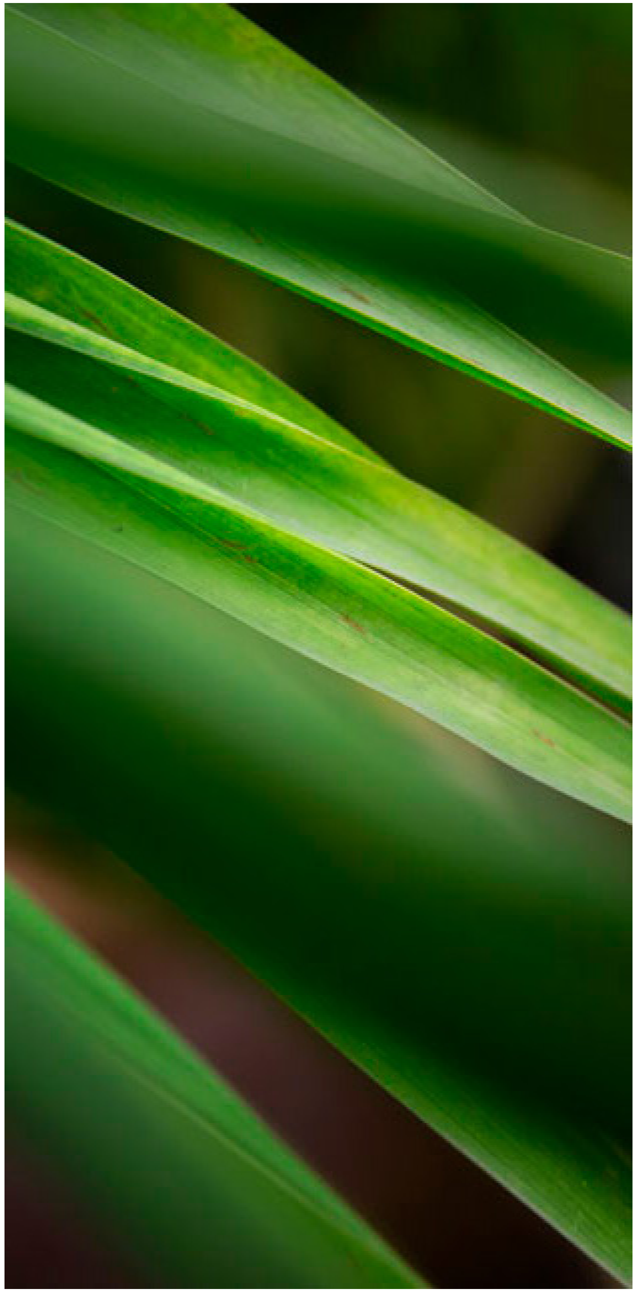
After the end of the 2021 financial year, the transaction between Aker Horizons and Hanwha Solutions was finalized. Aker Horizons sold approximately 21.9 million shares in REC Silicon to Hanwha Solutions for NOK 20 per share and thus received approximately NOK 438 million. In addition, Hanwha Solutions acquired approximately 48.2 million new shares in REC Silicon through a private placement, providing approximately NOK 964 million in proceeds. Following the transaction, Hanwha Solutions and Aker Horizons both own approximately 16.67 percent in REC Silicon.

In February 2022, Mainstream Renewable Power and Actis, a leading global investor in sustainable infrastructure, announced the sale of Aela Energía ("Aela"), to the Canadian-listed developer Innergex Renewable Energy for USD 691 million. The planned exit represented a successful conclusion of Actis and Mainstream Renewable Power's strategy for Aela. The divestment will generate net proceeds after tax to Mainstream Renewable Power of approximately USD 114 million.

KF Wind, the joint venture between Ocean Winds (66.7 percent) and Aker Offshore Wind (33.3 percent), obtained its first Electric Business License (EBL) from the Ministry of Trade, Industry and Energy of the Republic of Korea for a capacity of 870 MW. The EBL grants KF Wind continued exclusive development rights to realize the project. A second EBL, for a capacity of 450 MW, followed in February 2022. The consortium will continue to mature the project with the objective of reaching financial close in 2024.

In March, Aker Offshore Wind and Mainstream Renewable Power closed the transaction to acquire an initial 50 percent stake in Progression Energy's 800 MW floating offshore wind power project in Japan.

Expectations for higher long-term interest rates triggered a broad sell-off in global equity markets from the beginning of 2022. Declines were led by growth stocks, with high future earnings potential but lower near-term cash generation. The sell-off was followed by the war in Ukraine and subsequent policy initiatives by the EU to boost renewable energy production in Europe to reduce its reliance on natural gas imports. These factors have resulted in a market volatility above normal for most of 2022 and in the middle of March, shares in Aker Horizons were down versus year-end 2021.



Financial performance

Presentation of annual accounts

Aker Horizons' annual accounts consist of the consolidated financial statements and the separate financial statement of the parent. 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, Aker Offshore Wind, Aker Clean Hydrogen and Rainpower. REC Silicon and SuperNode are accounted for as equity-accounted investees.

The Group was established on 19 January 2021. Comparative figures are carve-out combined financial statements of Aker Horizons as included in the uplisting prospectus dated 19 May 2021. These accounts reflect mainly the operation of Aker Carbon Capture, Aker Offshore Wind, REC Silicon and corporate costs.

Income statement

The Group had operating revenues of NOK 1.2 billion in 2021, compared to NOK 27 million the previous year. The increase in operating revenues is mainly explained by the increased activity in Aker Carbon Capture and revenues from the acquisitions of Mainstream Renewable Power and Rainpower. Total operating expenses came in at NOK 2.7 billion in 2021, compared to NOK 216 million in 2020. Expenses have increased due to increased activity in the portfolio companies Aker Carbon Capture and Aker Offshore Wind, the establishment of Aker Clean Hydrogen, as well as the newly acquired businesses Mainstream Renewable Power and Rainpower.

In 2021, depreciation and amortization amounted to NOK 100 million, against NOK 5 million the previous year.

Net financial expenses were NOK 752 million in 2021, compared to NOK 7 million in 2020. The increase is explained by interest expenses from new corporate borrowings in 2021 and borrowings assumed in business combinations, and also foreign exchange effects.

Profit (loss) from equity-accounted investees ended with a loss of NOK 215 million compared with a loss of NOK 125 million in 2020.

Pre-tax profit (loss) and profit (loss) for the period showed a loss of NOK 2.4 billion in 2021, compared with a loss of NOK 326 million in 2020. Earnings per share were negative NOK 3.5.

Balance sheet

The Group's total assets amounted to NOK 32.6 billion as of 31 December 2021, compared to NOK 1.7 billion at year-end 2020. Total non-current assets ended at NOK 21.1 billion, up from NOK 665 million in 2020. The Group's total intangible assets totaled NOK 6.8 billion as of 31 December 2021. This figure reflects contractual assets of NOK 4.1 billion related to the Andes Renovables platform assumed in the business combination of Mainstream Renewable Power and also goodwill, including technical goodwill, of NOK 2.6 billion, mainly from the same acquisition. Current assets were NOK 11.4 billion as of 31 December 2021, up from NOK 986 million a year earlier. The large changes in the book value of assets since 2020 are mainly explained by the acquisition of Mainstream Renewable Power.

Current assets include assets held for sale of NOK 1.2 billion, which mainly reflects expected sale of various shareholdings, see Note 17 Assets held for sale. Cash position amounts to NOK 7.5 billion, of which NOK 2.1 billion is restricted and relates to construction activity in Chile.

Current liabilities amounted to NOK 3.5 billion, while non-current liabilities totaled NOK 19.1 billion at year-end 2021. The corresponding figures for 2020 were NOK 297 million and NOK 1.0 billion, respectively. The Group's interest-bearing debt amounted to NOK 17.5 billion as of 31 December 2021, of which NOK 424 million is current, compared to total borrowings of NOK 1.2 billion at the end of 2020. The increase on the liabilities side is explained mainly by the acquisition of Mainstream Renewable Power and borrowings assumed in Aker Horizons.

The Group's equity ratio was 30.7 percent at the end of 2021, compared with 19.4 percent at the end of 2020.

Cash flow statement

The Group's cash balance was NOK 5.4 billion as of 31 December 2021, net of restricted cash. This is up by NOK 4.5 billion from year-end 2020. The Group's net cash flow from operations amounted to negative NOK 1.8 billion in 2021, compared to negative NOK 100 million in 2020. Net cash flow from investment activities totaled negative NOK 9.3 billion in 2021, against negative NOK 595 million in 2020. The change is mainly explained by the acquisition of Mainstream Renewable Power and capital expenditure in Chile.

Net cash flow from financing activities amounted to NOK 15.8 billion in 2021, compared to NOK 1.6 billion in 2020. Cash flow for the year from financing activities is primarily attributable to proceeds from new borrowings and proceeds from share issues in Aker Horizons and in subsidiaries.

Aker Horizons' accounts

Aker Horizons was founded in November 2020 and had no activity prior to the foundation of the Group in January 2021. Accordingly there are no comparative figures.

The parent company Aker Horizons made a loss for the year of NOK 177 million in 2021. An operating loss of NOK 32 million mainly reflects costs related to uplisting, audit fees and fees to the Board of Directors. Net finance costs of NOK 145 million includes interest costs on borrowings and currency loss related to hedging of the EUR consideration for Mainstream Renewable Power, partly offset by NOK 400 million in group contribution from the subsidiary Aker Horizons Holding AS.

Assets totaled NOK 21.0 billion and equity amounted to NOK 14.5 billion at the end of 2021. This represents a 69% percent equity ratio at the end of 2021.

Information on salary and other remuneration to executive management, as well as compensation guidelines, is presented in Note 33 Management remuneration in the consolidated financial statements.

The parent company had no research and development activities in 2021. 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 payment of a dividend for 2021. Net loss for the year of NOK 177 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 Rule Book II, rules for issuers listed at 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 contacts. The Chair of the Board is elected by the General Meeting. An Audit Committee comprising two independent board members has been established.

The directors and officers of Aker Horizons ASA are covered under an Aker group Director & Officer's Liability Insurance (D&O). The insurance covers personal legal liabilities including defence- and legal costs. The officers and directors of the parent company and all subsidiaries globally (owned more than 50 percent) are covered by the insurance. The cover also include employees in managerial positions or employees who become named in a claim or investigation.

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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 2021 has been approved by the Board of Directors and can be found in a separate section of this annual report (see page 160).

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 six meetings in 2021, and its Audit Committee met four times.

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 Note 33 Management remuneration to the consolidated accounts.

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 of 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 issues such as climate change and resource scarcity, social issues such as labor practices, and governance matters such as corporate governance and business ethics. Aker Horizons' Board of Directors has adopted a Sustainability Policy that guides Aker Horizons' 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 relations, as well as a respected social actor and corporate citizen. Aker Horizons' most important contribution to society is to solve fundamental problems 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 Aker Horizons and its portfolio's progress and performance on sustainability. For further information, see the sections Sustainability at the Heart of Planet-Positive Investments and Sustainability Progress Report.

People

Aker Horizons had 42 employees as of 31 December 2021, with a gender split of 60 percent men and 40 percent women. The Aker Horizons executive management, defined as the CEO and CFO, is represented by one man and one woman. Aker Horizons will continue to work systematically for equality, diversity and inclusion throughout its business.

Aker Horizons started 2021 with 10 employees, of which eight were men and two were women. During 2021, the Company hired and onboarded 33 new employees and increased the percentage of women from 20 percent to 40 percent. In addition to the 42 employees, Aker Horizons has 10 employees on long-term secondments across its portfolio companies (five men and five women). They are included in the headcount of the companies for which they work.

Aker Horizons and its portfolio companies increased their capacity throughout 2021. The number of permanent employees working for companies where Aker Horizons is the main shareholder, directly or indirectly, increased from 862 to 1,174 during 2021, with 27 percent women at year-end. Including all employees and contract staff, the total workforce is about 1,450 full-time equivalents (FTE). At year-end, Aker Horizons had 5.8 FTE contract staff, while the total Platform portfolio had about 200 FTE. Aker Horizons assists its portfolio companies with their build-up of staff capacity.

In 2021, the Company implemented measures to increase diversity, with a special focus on gender in its recruitment. Aker Horizons' people policy commits the Company to ensuring equality, diversity and inclusion throughout its business. The Company shall ensure equal opportunities and strive for a balance between the genders, increased diversity and inclusion in all parts and levels of the businesses. Aker Horizons does not tolerate any form of discrimination on the basis of, for example, gender expression, sexuality, disability, race or religious beliefs.

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. At Aker Horizons, staff are offered competitive compensation and reward, and 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 Group or wider Aker group of companies. In 2021, Aker Horizons established a flexible working model, with opportunities to work from home and limited core hours. By offering increased flexibility, the Company aims to facilitate an improved work-life balance.

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

Aker Horizons has implemented 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 2021, 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, Lifestyle. In addition, employees have access to an on-site health and wellness center, Moloklinikken, with access to a physician, health counseling, and medical treatment. Annual health assessments are offered to all staff to help identify potential or existing health risks. The total rate of absence due to illness at Aker Horizons in 2021 was 0.6 percent.

Health, Safety, Security and Environment (HSSE)

The Sustainability Policy approved by the Board lays out Aker Horizons' ambitions for HSSE. Aker Horizons works to ensure a secure working environment, which provides a basis for healthy and meaningful working conditions, and ensures complete safety from harmful physical and mental influences and a standard of welfare consistent with the level of technological and social development of society. Aker Horizons shall strive to ensure non-excessive working hours and safeguard employees' work-life balance. Aker Horizons shall work systematically for health, safety and wellbeing, and strive for zero harm and for continuous improvements throughout the value chain.As an active owner, Aker Horizons focuses on ensuring that its portfolio companies have high standards for HSSE, a robust management system, and control and reporting routines in place. This includes the safety and wellbeing of employees, contractors and business partners. Aker Horizons actively encourage the exchange of knowledge and best practices within the HSSE spectrum across our portfolio. Currently, HSSE risk is included in project and operational risk, as part of the existing risk assessment process in Aker Horizons.

Most of Aker Horizons' portfolio companies are industrial, they have therefore established sound management systems and certifications to mitigate risk, avoid serious incidents, control and close nonconformances, and report for continuous improvement. A detailed description of management processes on the level of Aker Horizons' portfolio can be found in Management systems.

During the Covid-19 pandemic, employees have been offered vaccinations, testing, support from medical professionals and flexible working arrangements. Aker Horizons has worked closely with portfolio companies through the Aker group's CEO Forum and other relevant networks in the group, such as those for People, HSSE, Sustainability and Communications, in handling the pandemic. A medical and mental health hotline has been available for staff in Norway, while a dedicated team of medical experts and other resources closely monitored Covid-19 developments and provided advice on appropriate protective measures.

No work-related fatalities were registered across Aker Horizons' portfolio companies in 2021. There were 78 work-related injuries (TRI) reported, of which 21 were lost-time injuries (LTI).

The Company established an emergency preparedness and response capability in 2021. 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-

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based system for managing critical events. The roll-out of the system includes introductory training sessions and desktop drills for key staff and management.

Risks and risk management

Aker Horizons is exposed to financial risk, including currency and interest rate risk and liquidity risk, in addition to market risks, legal and compliance risks, climate risk, and project and operational risks in the portfolio companies.

Aker Horizons has established a process for risk management based on the assessment and monitoring of major financial, strategic, legal, climate-related and operational risk factors, including group level risks and risks related to the portfolio companies' operations. Mitigating actions have been identified for key risks and their implementation is assured and monitored. Risks and how they are managed are reported to Aker Horizons' Board on a regular basis. Aker Horizons expects to formalize, adopt and implement a risk management procedure during the course of 2022.

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 managements of the portfolio companies and participation on their boards. The main risk factors to which Aker Horizons is exposed relate to changes in the value of listed assets due to fluctuations in market prices. Developments in the global economy, particularly in energy and carbon prices, inflation and interest rates, are important variables impacting short-term market fluctuations. These variables may also influence the underlying value of Aker Horizons' unlisted assets.

Aker Horizons is dependent on functioning debt and equity markets to fund the growth of its portfolio, and access to external financing may affect the liquidity situation in individual companies. Aker Horizons and portfolio companies seek to reduce the risk by maintaining a solid liquidity reserve, by proactively planning refinancing activities, and by diversifying sources of funding.

Operating mostly in growth markets with a high degree of market and regulatory uncertainty, Aker Horizons' portfolio companies are dependent on a favorable regulatory environment and on their technologies and solutions being cost competitive in order to gain widespread market acceptance. Competition in markets for "green" investments is generally considered high and increasing. Aker Horizons' portfolio companies are also exposed to risks such as project execution risk and dependency on key sub-suppliers.

Aker Horizons is indirectly majority-owned by Aker ASA, whose portfolio is exposed to oil and gas. There is a growing trend towards investors and financial institutions opting to reduce their exposure to fossil fuel or carbon intensive assets, and organizations opting to refrain from entering partnerships with companies in the fossil fuel industry. Aker's ties to the fossil fuel industry may impact Aker Horizons and its portfolio companies.Aker Horizons believes that achieving the Paris Agreement goals will require a rapid and far-reaching transformation of the economy. Towards 2030, the world must deploy unprecedented amounts of resources and capital into demonstrating and scaling renewable energy and climate solutions. Scaling within such a limited timeframe will require vast amounts of steel, cement, heavy transport and industrial processes – all which require fossil fuels in the short term. Significant efforts are underway to scale solutions for decarbonizing hard-to-abate industries, to which Aker Horizons contributes through investments, notably in renewable energy, carbon capture and hydrogen.

For further information on Aker Horizons' work with risk management and internal control, see the report on Corporate Governance.

Outlook

The transition towards an emissions-free world, exemplified by the UN-backed global campaign rallying non-state actors, including companies, cities, regions, financial institutions to reduce emissions across all scopes in line with the Paris Agreement, is a long-term and global development that drives investments in renewable energy and decarbonization technologies. Government policies, company emission-reduction targets and private capital inflows are expected to continue to support this trend.

2021 cemented decarbonization and net zero targets and strategies for many governments and corporations. The UN Intergovernmental Panel on Climate Change (IPCC) report, released in August, provided thorough scientific evidence that global warming is progressing faster than previously forecast. The report also highlighted the urgency of developing renewable energy and technologies that address climate-related issues to avoid potentially devastating consequences.Aker Horizons is set up to accelerate and scale the solutions required to achieve necessary reductions in harmful emissions. Renewable energy and cleantech are at the heart of Aker Horizons' activities and mandate. The Company has established a broad and diversified platform, with a significant project pipeline to reach targets for decarbonization, and portfolio companies with individual strategies to significantly contribute to the race to net zero.

The development of renewable energy will decarbonize existing power production, and pave the way for electrification of parts of the transportation sector. The development of hydrogen will be crucial for the decarbonization of industries including fertilizers, metals and refineries, in addition to shipping. Hydrogen further offers a global opportunity to export energy from regions with low energy prices and thus exploit global energy and resource arbitrages. Carbon capture will enable hard-to-abate industrial sectors, such as cement and power generation from natural gas and waste, to continue operations, while at the same time reaching their decarbonization targets.

Combining and co-developing renewable power generation and hydrogen, including hydrogen derivatives such as ammonia, presents significant opportunities. In developing new green industrial value chains, the Aker Horizons ecosystem will achieve its full potential.Policy frameworks, financial support schemes and direct investments are expected to continue to support the development of renewable energy and decarbonization projects. The International Energy Agency estimates that to reach net zero emissions by 2050, annual clean energy investment worldwide will need to more than triple by 2030 to around USD 4 trillion.

The cost of emitting CO_2 continued to rise last year, as exemplified by the European ETS quota prices, which reached record highs in 2021. While prices can fluctuate short-term, emission prices are expected to remain supportive over the coming decade, narrowing, and eventually reversing, the gap between polluting the Earth and deploying decarbonization technologies such as carbon capture and hydrogen.

Capital market volatility, as experienced throughout much of 2021, may continue to impact Aker Horizons and its portfolio companies' access to capital in the public markets. Thus, Aker Horizons initiated processes to develop and access alternative sources of capital. Aker ASA established Aker Asset Management (AAM) at the end of 2021. AAM's goal is to establish large funds that will invest in profitable climate solutions that create value, with green energy, green industry and green cities as prioritized investment areas. Access to private capital markets will allow the Aker Horizons' ecosystem to pursue ambitious growth strategies and target larger projects, where economies of scale will play to a project return advantage.

While volatile stock markets last year affected the returns and performance of many listed companies, including Aker Horizons, actions and commitments made by governments and corporations underline the fact that the world is in the first innings of a long-term transition, where capital flows towards renewable energy and cleantech will continue with increased strength. Aker Horizons remains committed to playing a pivotal role in the energy transition and to delivering on both carbon removal and attractive shareholder returns, in accordance with its planet-positive mandate.

In late February 2022, Russian troops invaded Ukraine, triggering a humanitarian crisis of unknown proportions. Sharply increased geopolitical tension led to spikes in oil and gas prices, amid fears of disruptions to energy exports at a time of already tight supplies. The conflict is likely to impact global energy supplies and thus fossil fuel and renewable energy markets in 2022, and potentially for much longer. The European economy is highly dependent on Russian oil and gas, which transits through Ukraine. The war is expected to further incentivize the EU to reduce its reliance on gas in the coming years, which could result in increased spending on renewable energy, nuclear power and clean hydrogen, and accelerate the deployment of energy efficiency measures.

Fornebu, 21 March 2022
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 is chair of the board at Aker BP ASA, Cognite AS, Aker Capital AS, Aker Kværner Holding AS, Rev Ocean Inc., deputy chair of Aker Solutions ASA and a director of several companies, including SalMar Aker Ocean AS, Aker Carbon Capture ASA and Aker Clean Hydrogen AS, Akastor ASA, The Resource Group TRG AS, and TRG Holding AS. He also serves as the deputy director in Aker Offshore Wind AS and on the board of the non-profit organizations Aker Scholarship, the WE Foundation (Stiftelsen VI), and the Norwegian Cancer Society (Kreftforeningen).

As of 31 December 2021, 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.

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 Aker ASA and a director of Aker Offshore Wind AS, Aker Clean Hydrogen AS, Aker Solutions ASA, Aker BP ASA and Cognite AS, among others.

As of 31 December 2021, Mr. Røkke holds no shares in Aker Horizons, and has no stock options. Mr. Røkke is however 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. She 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 top 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, Aker Solutions ASA, Queen's Gambit Growth Capital (SPAC), and Geely Sweden Holdings AB and CSL Group, Inc. Ms. Fønss Schrøder holds two master's degrees: a Master of Laws (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 2021, 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.

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) and Covestro AG (Germany). Ms. Kingo is also chair of the Leonardo Centre for Business in Society, Imperial College London, and 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 2021, Ms. Kingo holds no shares in Aker Horizons , and has no stock options. Ms. Kingo is a Danish citizen. She is elected for the period 2021-2023.

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 decarbonization of industry. He is currently chair of Hegra, a JV company focused on converting an existing ammonia plant to green ammonia. With 25 years of global experience, he has held board positions in Banenor, Spekter, Nova Naturgas and Gasunie, chaired the Institute for Energy Technology (Halden) and served as a member of the Energy Transitions Commission. 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. It was under his leadership that Statnett 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 2021, Mr. Lont holds no shares in Aker Horizons, and has no stock options. Mr. Lont is a Dutch citizen. He is elected for the period 2021-2023.

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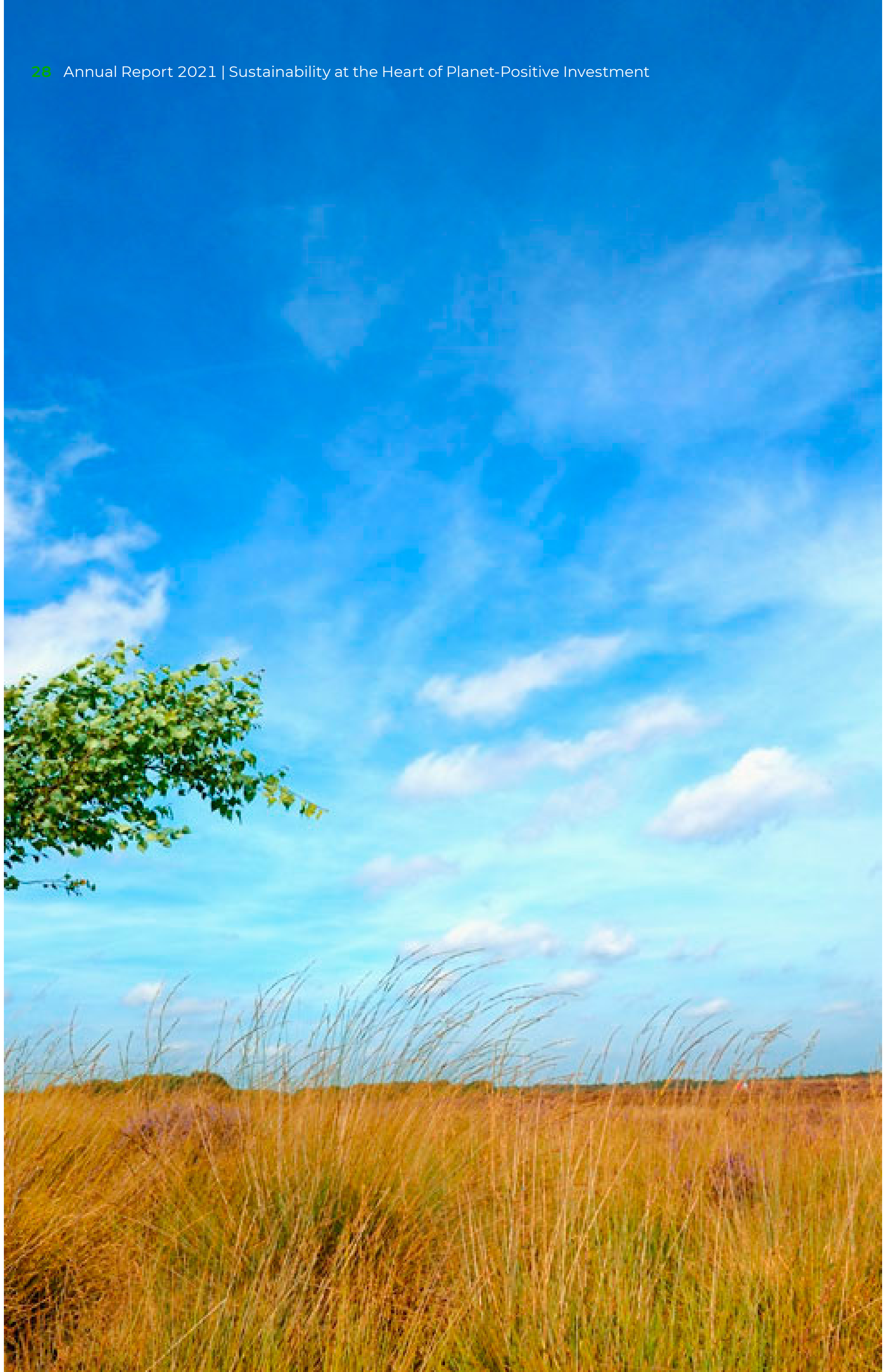

Sustainability at the Heart of Planet-Positive Investments

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

Aker Horizons' Sustainability Policy, Targets and Strategy

Aker Horizons is a planet-positive investment company committed to incubating and developing companies that solve fundamental challenges to sustainable existence. This is reflected in Aker Horizons' policies, targets and strategy.

Aker Horizons is a newly established company, and during its first full year in operation the focus has been on establishing the Company, hiring employees, putting in place policies, targets, strategies, procedures and reporting. A lot is already in place and much is currently under development.

During 2021, Aker Horizons put in place a sustainability policy that has been approved by the Board. The Aker Horizons Sustainability Policy 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 regulation and expectations, including the new Norwegian Transparency Act, which comes 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 the way it works:

- 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 Disclosures
- The Principles for Responsible Investments (PRI)

The policy lays the foundation for Aker Horizons' incorporation of sustainability considerations into its activities, to ensure sustainable and responsible business practices.

For Aker Horizons, it is vital that the Company's employees are well acquainted with the sustainability policy and its contents. All Aker Horizons employees have been offered sustainability onboarding that covers a walk-through of the policy, and by the end of 2021, 86 percent of employees had received this introduction.

For further details on the policy's content and commitments, please see the Aker Horizons' Sustainability Policy, which is available in the sustainability section of 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 regulation.

The Code of Conduct is also 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

As a planet-positive investment company dedicated to solving fundamental challenges to sustainable existence, Aker Horizons assumes its role and responsibility for 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 has identified eight key SDGs in which its investment thesis is anchored.

Aker Horizons integrates sustainability in two core focus areas:

Business development and investments

Responsible value creation and ESG are the core of Aker Horizons' investment strategy and are systematically addressed in the investment analysis and decision-making processes. The core task of any investment opportunity is to establish how the opportunity contributes to Aker Horizons' planet-positive mission and subsequently to identify any potential risk and adverse impacts it may have. This approach improves the resilience of portfolio positions for Aker Horizons and builds in-house competence in assessing what constitutes a sustainable investment opportunity and what does not meet such requirements. 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 plan is closely linked to a strategy for sustainable growth.

Active ownership

The Sustainability Policy relates to Aker Horizons' own performance as a company and employer, as well as its role as a company owner. Aker Horizons seeks to engage portfolio companies in a way that ensures sustainable development for long-term value creation. As an active owner, Aker Horizons strives to incorporate ESG factors into its ownership policies and practices. Aker Horizons shall ensure that the companies it develops and owns:

- Have a mission to solve fundamental challenges to sustainable existence
- Have a mission that is supported by clear, forward-looking targets and a strategy that ensures real planet-positive impact
- Have guidelines, processes and controls in place to ensure implementation and compliance
- Perform sustainability and climate scenario risk analysis, performance and compliance monitoring
- Transparently report on ESG issues and engage all relevant stakeholders

Aker Horizons' 2025 Ambitions

Aker Horizons has set ambitious and time-bound strategic targets for its positive impact through the expansion of planet-positive activities. Below, the targets and the progress towards achieving them are presented. For details on the calculation method behind them, please see the section Transparent Reporting.

20%

- Aker Horizons and its portfolio has originated NOK 19.9 billion of green investments
- This amounts to 20% of Aker Horizons' 2025 green investment ambition
- The progress is primarily driven by Mainstream Renewable Power (90%)

16%

- Aker Horizons' portfolio has 1.59 GW of renewable power capacity (both in construction and operation)
- This amounts to 16% of Aker Horizons' 2025 renewable power capacity ambition
- The progress is solely driven by Mainstream Renewable Power (Andes, Aela and Lekela project portfolios)

10%

- The Aker Horizons portfolio's secured projects contribute to annual emissions reductions of 2.48 million tonnes of CO_2e
- This amounts to 10% of Aker Horizons' 2025 emissions reduction ambition
- The progress is driven by Mainstream Renewable Power (80%) through renewables expansion, and Aker Carbon Capture (20%) through CCS contracts

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 and platform companies, before sell-downs. For other projects, Aker Horizons' or platform companies' pro rata share of projects has been applied.

2) The 25 Mt CO2e target consists of two main elements: 10 Mt CO2e of emissions reductions enabled through CCUS and ~15 Mt CO2e from avoiding emissions in electricity generation. Both targets include Aker Horizons projects in operation and in construction (as defined 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.

Leading the Way to Net Zero

Further, as part of its commitment to reaching Net Zero, Aker Horizons also has ambitious targets for minimizing its carbon footprint. Below, the targets and the progress towards achieving them are presented. For details on the calculation method behind them, please see the section Transparent Reporting.

100%

- Scope 1 emissions are direct emissions from owned or controlled sources, and Aker Horizons' initial target is absolute zero emissions from 2020
- Aker Horizons as an office-based organization does not own any emitting assets, and thus the target is considered achieved

99%

- Scope 2 emissions are indirect emissions from the generation of purchased energy
- Aker Horizons' target is to reach 100 percent renewable energy purchased
- Energy sourced in 2021 was, on a market-based approach[2], 99.44 percent renewable and on a location-based approach[2], 98.56 percent renewable

21%

- Scope 3 emissions are all indirect emissions that occur in the value chain of the reporting company, including investments, which for Aker Horizons will be by far the greatest driver of emissions
- Aker Horizons' target involves engagement of portfolio companies and reaching 100% portfolio commitment to both Net Zero and the Science-Based Targets initiative
- By the end of 2021, 6 of 7 of Aker Horizons' operative portfolio companies (86 percent) have a Net Zero commitment, but only 3 of 7 (43 percent) had joined a formal initiative to Net Zero, and 0 have approved Science-Based Targets in place

1) SBTi = Science-Based Targets initiative, read more on https://sciencebasedtargets.org/
2) A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice). Source: The GHG Protocol Scope 2 Guidance, available at https://ghgprotocol.org/sites/default/files/Scope2_ExecSum_Final.pdf

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Aker Horizons Targeting Profitable Growth

Aiming to deliver attractive returns to shareholders

Aker Horizons aims to deliver a total shareholder return[1] 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 is set to make up the remaining part of Aker Horizons' return target.

Impactful investments in decarbonization projects

Targeting to invest NOK 100 billion in green investments by 2025.[2]

Moderate net debt to net asset value

Targeting a net loan to value within investment grade levels[3] through the cycle.

Dividend ambition

Aker Horizons has a clear long-term ambition to become a dividend-yielding company. To reach its ambitious global decarbonization targets and build scale at the operational level, Aker Horizons will, 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 values ahead of initiation of dividends from portfolio companies.

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

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Aker Horizons' Portfolio SDG Impact Ambitions

In 2021, Aker Horizons has also developed future targets for material sustainability impacts concerning the entire portfolio. Aker Horizons has set 11 targets for 2025 that cover its most material ESG impacts across the four topical areas Planet-positive impact, Respect for people, Prosperity for all and Good governance. Aker Horizons will report its progress towards the targets in this and future reporting on sustainability.

In order to achieve those targets, Aker Horizons will develop actions and strategies to drive progress and ensure targets are met. Aker Horizons seeks to ensure long-term value creation for its shareholders while creating planet-positive outcomes. The ambition is for Aker Horizons and its portfolio companies to become the blueprint for planet-positive, profitable, safe, sustainable and responsible operations.

SDG AMBITIONS	100% OF PORTFOLIO COMPANIES[1]
PLANET	
Climate	... to have Science-Based Targets approved
Biodiversity	... to have targets on avoiding, mitigating and addressing biodiversity impact with an ambition of net zero impact
Water and ocean	... to have targets on minimizing impact on water and marine resources, and a net zero freshwater impact
Waste	... to have targets on circularity and resource usage, with a zero waste ambition
Green technology development	... to have joined at least one sectoral commitment of the First Movers Coalition
PEOPLE	
Equality, diversity and inclusion	... to have time-bound targets for diversity at all levels and inclusion of people with disabilities in the workforce
Skills for the future	... to have a commitment to initiatives for ensuring skills for the future
PROSPERITY	
Green jobs and a just transition	... to have a commitment to green job creation and a just transition
Community investments	... to have a commitment to community engagement and programs for contribution
GOVERNANCE	
Sustainability governance	... have a sustainability policy, supplier declaration and A or better ESG-rating (listed companies)
ESG board competence	... to have ESG capabilities among board competencies

1) Portfolio companies are here defined as larger enterprises where Aker Horizons has significant influence. The term does not include small enterprises as defined by the Norwegian Accounting Act

External Commitments

Aker Horizons joined several initiatives and frameworks guiding sustainability governance and implementation in 2021. While this is closely related to Aker Horizons' strategic ambitions, it also represents the tangible progress that has been made in 2021 with regards to formulating and anchoring sustainability ambitions in the organization. Signing up to external initiatives sends a strong signal of commitment.

WE SUPPORT UN GLOBAL COMPACT

In 2021, Aker Horizons 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.

Signatory of: PRI Principles for Responsible Investment

In 2021, Aker Horizons became a signatory of the Principles for Responsible Investment, that set out possible actions for incorporating ESG issues into investment practice.

IIGCC The Institutional Investors Group on Climate Change

In 2021, Aker Horizons joined the Institutional Investor Group on Climate Change (IIGCC). The IIGCC is the European membership body for investor collaboration on climate change and the voice of investors taking action for a prosperous, low carbon future.

RACE TO ZERO

In 2021, Aker Horizons became a signatory of the Net Zero Asset Managers initiative. Through this commitment, Aker Horizons also joined the Race to Zero. Formal targets are under development and will be submitted for the next round of approval.

SCIENCE BASED TARGETS

Aker Horizons has been committed to the Science Based Targets initiative (SBTi) since the beginning of 2022. As a next step, Aker Horizons will submit targets for approval, and will encourage its portfolio companies to set robust emissions reduction targets, which will be submitted to the SBTi for validation.

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

Kristian M. Røkke, CEO of Aker Horizons

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Materiality Assessment and Stakeholder Engagement

Aker Horizons' main stakeholders include employees, shareholders and investors, representatives of portfolio companies, analysts, banks, governments, policy regulators, NGOs and members of the general public. In 2020, Aker Horizons engaged an independent ESG consultant to carry out a complete materiality assessment, to map stakeholders and their expectations, and identify Aker Horizons' material topics. This assessment was conducted in accordance with the Global Reporting Initiative (GRI) Standard framework. After developing a list of relevant internal and external stakeholders, a series of semi-structured interviews were conducted with each group. As a result of the interviews, the list of material topics was created and presented to management for further prioritization.

During 2021, Aker Horizons, engaged in ongoing stakeholder dialogues, including meetings with its shareholders and investors, frequent dialogues with representatives of portfolio companies and discussions with policy makers and NGOs. Based on these dialogues, Aker Horizons has revised, updated and expanded its material topics to better reflect the Company's current material impact and the expectations of the Company's stakeholders. The result of this process provided Aker Horizons with the current selection of material topics presented in, and guiding, this first annual and sustainability report. Since material topics inform Aker Horizons' strategy, goals and target-setting, risk management and reporting, stakeholder engagement is a central part of its day-to-day business management. Aker Horizons' approach to stakeholders is based on ongoing dialogues and focused engagement, which enable the Company to maintain a continuous overview of the topics that are currently most material for both its stakeholders and its business operations. On the basis of the received input, Aker Horizons regularly reviews and prioritizes the material topics to better understand actual and potential impacts across the whole ESG spectrum.

Aker Horizons evaluates impacts on four different levels. The assessment considers whether impacts are positive or negative, actual or potential, direct or through its portfolio companies and/or business partners, and finally whether the impacts are of short or long-term scope. Proper identification and understanding of material impacts is critical, as it allows Aker Horizons to act appropriately when addressing its impact and hence secure its business resilience through responsible management of the way its business affects the planet, people and society. Additionally, by capturing key stakeholders' invaluable insights and expectations, Aker Horizons ensures that its business strategy is adequately informed in a timely manner. In turn, this enables the Company to maximize value creation to stakeholders and scale planet-positive impacts. Aker Horizons also uses stakeholder engagement as a tool to foster collaborations that support the realization of the Company's goals and secure future value creation.

One example of such fruitful cooperation is Aker Horizons' collaboration with the environmental NGO Bellona in connection with the UN Climate Summit, COP26, in Glasgow in November 2021. Together with the Bellona Foundation, the Sahara Forest Project, the Norwegian Ministry of Foreign Affairs and other partners, Aker Horizons created a partnership to identify 121 solutions for the 21st century that will address climate change. These initiatives were presented during COP26.

COP26 was also a valuable arena for multi-stakeholder networking, knowledge sharing and collaboration for climate action. Aker Horizons had the opportunity to exchange insights with world leaders from industry, politics and wide areas of civil society on the solutions needed to reach the Paris Agreement's goals. For Aker Horizons and its portfolio companies, the summit paved the way for a collaborative, concrete commitment to the Race to Zero.

Image: The Children's Panel on Climate Change in Norway, from Miljøagentene, a Norwegian environmental NGO for children, at the Bellona and Aker Horizons pavilion at COP26.

Aker Horizons' Material Topics

Planet-positive impact

- Greenhouse gas emissions
- Biodiversity
- Waste management and circular economy
- Water scarcity
- Investments in cleantech and sustainable solutions
- Environmental commitments

Respect for people

- Diversity, equality & inclusion
- Human rights
- Indigenous rights
- Health & safety
- Local communities
- Talent attraction & retention
- Employee well-being
- Stakeholder engagement

Prosperity for all

- Employment and wealth generation
- Technology innovation
- Contribution to local communities
- Green economic activity

Good governance

- Business ethics
- Good corporate governance
- Anti-corruption
- Legal compliance
- Tax transparency
- ESG Board oversight & risk management
- Executive compensation and remuneration
- Active ownership: Promoting sustainability in portfolio companies
- Risk management
- Transparent disclosures
- Integration of ESG issues in investment decision processes
- Supply chain management of portfolio companies

A more detailed description of Aker Horizons' material topics is included in the appendix.

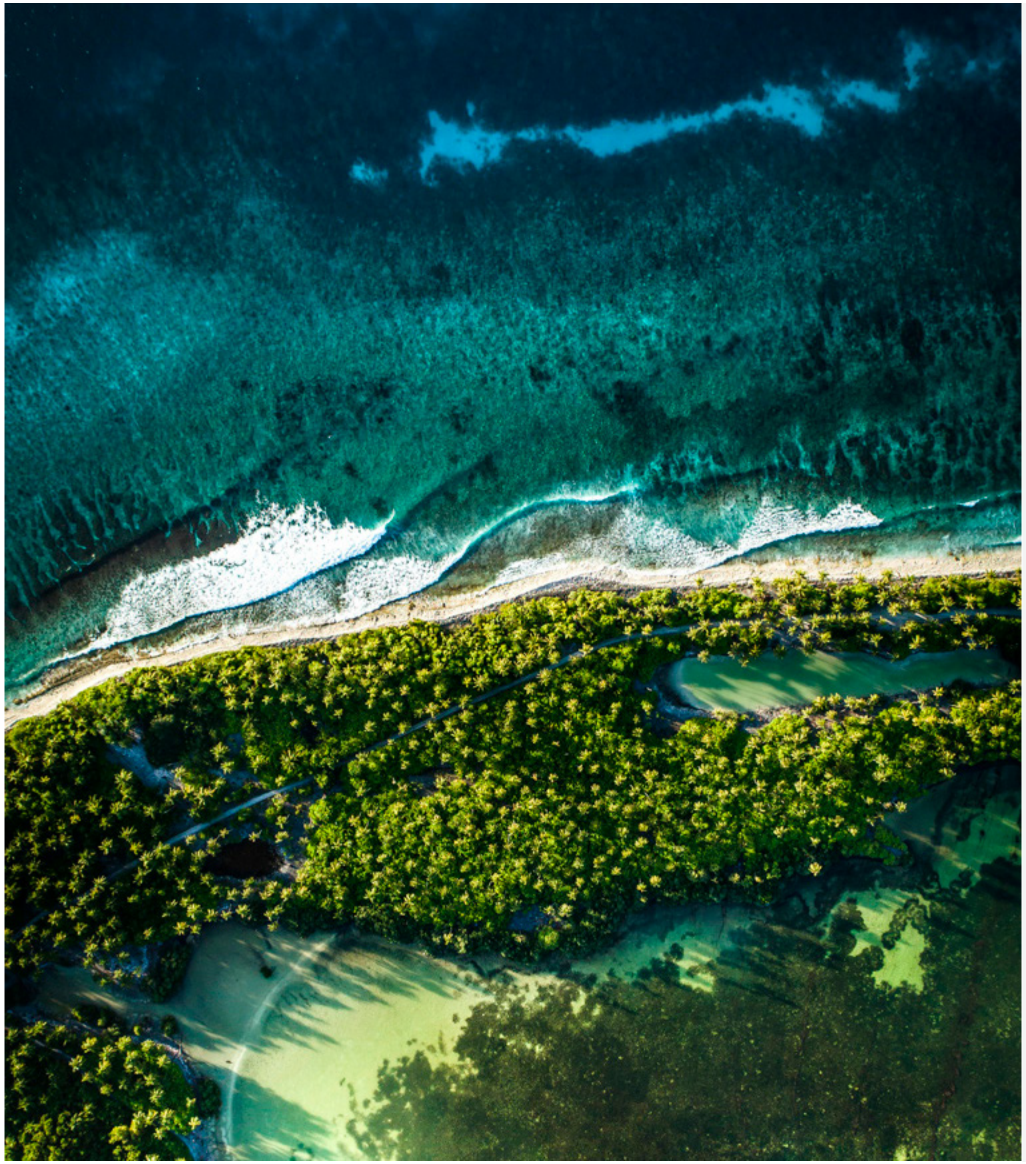
Sustainability Progress Report

Aker Horizons has high ambitions and targets for its business and portfolio companies within the area of sustainability. This section takes a deep-dive into the 2021 status and progress of sustainability in Aker Horizons and its portfolio.

As an active owner, Aker Horizons is involved in supporting sustainability efforts across the portfolio. Part of this ambition involves implementing effective measures for data collection and reporting, which allows us to understand progress towards targets and the broader impact Aker Horizons and its portfolio companies have on the planet, people and society. During Aker Horizons' first full year of operation, much effort went into building a strong sustainability network of dedicated resources, establishing governing documents, engaging in external commitments, establishing frameworks for governance and implementing reporting structures. This will continue to develop over time in order to showcase how Aker Horizons and its portfolio companies are systematically improving their sustainability practices and performance.

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 Aker Horizons and the Platform portfolio 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.

Please note that during this first round of data collection, there were different scopes for data collection from Aker Horizons' Platform and Sunrise portfolios. See the section Transparent Reporting for further details.



Planet-Positive Impact

Aker Horizons is a planet-positive investment company dedicated to incubating and developing companies that solve fundamental challenges to sustainable existence. Aker Horizons' ambition is for its portfolio companies to deliver products and services in a responsible and profitable way. The impact on the climate and environment of Aker Horizons and its portfolio companies is viewed as key not only to understanding and minimizing adverse impacts, but to guiding their efforts to contribute positively to sustainable development.

The concept of being planet-positive recognizes that climate action and sustainable development cannot be reduced to a simple, one-dimensional definition. In order to truly do good, the impact on other areas must be taken into account.

Aker Horizons aims to commercialize and scale climate solutions and contribute to the creation of new industries and green jobs. This will be done while organizing business activities in such a way that the associated emissions are in line with the UN Framework Convention on Climate Change (Paris Agreement) and the 1.5-degree trajectory. Aker Horizons will further strive to protect, preserve, and restore the environment and biodiversity on land and in the ocean - recognizing that planetary boundaries exist across multiple axes, not only the climate. Aker Horizons' ambition is zero waste, sound resource utilization and the realization of the circular economy.

Climate change

Aker Horizons is committed to addressing its climate impact and climate-related risk, both through the strategic targets and "footprint" emissions reduction targets.

Renewable energy and climate solutions

Aker Horizons' overall business and strategy is founded on a commitment to create a planet-positive impact through investments in renewable energy and cleantech solutions.

Aker Horizons climate action expectations

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 targets. To monitor and track portfolio progress, Aker Horizons is working on developing consistent GHG emission reporting across the portfolio.

Aker Horizons encourages portfolio companies and engages with them to:

- Carry out relevant environmental and climate risk assessments
- Publish information on GHG emissions performance and report on significant climate-related risks in respective annual/sustainability reports
- Set time-bound future targets for climate, emissions reduction and green supply chains

Currently, Aker Horizons is in the process of designing GHG reporting templates and structures in collaboration with portfolio companies. These will ensure consistent GHG emission reporting according to the GHG Protocol for Scope 1 and 2, and provides guidance on minimum expectations for Scope 3 reporting.

> "86 percent of Aker Horizons' operative portfolio companies have an informal Net Zero commitment, and 43 percent have joined a formal initiative"

6 out of 7 (86 percent) of Aker Horizons' operative portfolio companies have an informal Net Zero commitment. 3 out of 7 (43 percent) have joined a formal initiative. The reason not all have joined one yet, is largely because of the timeline required for implementing an ESG program. All the companies represented in Aker Horizons' Platform portfolio have a net zero policy and report on climate change metrics. 75% of Aker Horizons' Platform portfolio so far has targets and a strategy on climate change. As described in the section on Policy, Targets and Strategy, Aker Horizons' ambition is for 100% of its portfolio companies to have joined a formal commitment to Net Zero and/or have Science-Based Targets approved by 2025.

7 AFFORDABLE AND CLEAN ENERGY

Ensure access to affordable, reliable, sustainable and modern energy for all.

By developing companies dedicated to renewable power generation capacity globally, Aker Horizons contributes to increasing the share of renewable energy locally in the countries where portfolio companies operate and in the global energy mix.

Aker Horizons aims, through planet-positive investments, to build up an ecosystem of portfolio companies with a total capacity of 10 GW in renewable power in operation and under construction by 2025. With an ambition of NOK 100 billion in green investments, Aker Horizons aims to make a significant contribution to combating climate change by growing a global share of the renewable energy mix.

Aker Horizons' current portfolio comprises Aker Offshore Wind, Aker Clean Hydrogen and Mainstream Renewable Power, all three companies devoted to expanding renewable energy globally, within offshore and onshore wind and solar power, and hydrogen.

Greenhouse Gas Emissions

The GHG emissions for Aker Horizons and the portfolio companies in 2021 are presented below. The portfolio figures have not been equity weighted but rather represent the total emissions of investee companies as reported to Aker Horizons (for an equity weighted figure, see the Principal Adverse Impact Indicators).

Aker Horizons' Scope 1 and 2 have been assured, and Aker Horizons' Scope 3 has been partially assured. For further details, see the section Transparent Reporting.

	Aker Horizons	Platform portfolio[1]	Sunrise portfolio[2]
Scope 1 (tonnes CO_2e)	0	301	32,556
Scope 2 location-based (tonnes CO_2e)	2	2,498	175,276
Scope 2 market-based (tonnes CO_2e)[3]	1		
Scope 3 (tonnes CO_2e - currently in progress, picture not complete)	53,754	1,095	5,953

Aker Horizons' own energy consumption in 2021 amounted to 324.8 MWh and was 99.44 percent renewable (market-based) or 98.56 percent renewable (location-based).

	Aker Horizons consumption (MWh)	Percentage renewable (with location-based electricity emissions)	Percentage renewable (with market-based electricity emissions)
Grid electricity	143	98	100
District heating	122	99	99
District cooling	60	99	99
Total	325	98.56	99.44

99.44%

Renewable

1) Total emissions from portfolio companies, not equity weighted. GHG figures from Mainstream are from 2020, 2021 figures are not yet available
2) Total emissions from portfolio companies, not equity weighted. No figures available for Supernode, but only office-based Scope 2 and limited in scope
3) Complete data not available for portfolio

13 CLIMATE ACTION

Take urgent action to combat climate change and its impacts.

Aker Horizons was created with a mission to reduce greenhouse gas emissions by financing and developing companies that can unlock global green energy and other cleantech solutions that lead to decarbonization.

Aker Horizons, with its portfolio of companies generating wind and solar energy, developing carbon capture and hydrogen projects, as well as hydropower and transmission technology, has a transformative capacity to help combat the global climate crisis and meet the goals of the Paris Agreement.

Aker Horizons' strength in leading the way to zero-carbon transformation is twofold: To address climate change by consistently investing in companies and technologies that can solve fundamental challenges to sustainable existence, and by exercising active ownership of those companies to scale sustainable solutions.

The climate crisis is at the core of all of Aker Horizons' activities. All of Aker Horizons' investment decisions aim to be planet-positive and guided by ESG considerations.

Aker Horizons is committed to the Science-Based Target initiative (SBTi) Net-Zero Standard. With this commitment, Aker Horizons joined the Business Ambition for 1.5°C campaign, a global alliance of companies committed to halving global emissions by 2030.

Aker Horizons' short-term ambition is to engage with all portfolio companies and ensure that they set the same robust and science-based emission targets to stay on a 1.5°C trajectory.

Aker Horizons is continuously working to ensure resilience and an adaptive capacity to climate-related hazards and natural disasters in its investments and in portfolio companies' operations. Aker Horizons integrates climate change measures into policies, strategies and planning.

In November 2021, Aker Horizons joined the Net Zero Asset Managers initiative, with 220 other global investors and over USD 57.4 trillion in assets under management. The initiative's members have a shared commitment to reaching net zero emissions by 2050.

In the Race to Zero, Aker Horizons aims to accelerate decarbonization through robust planet-positive investments and the target for 2025 to reduce 25 million tonnes of CO_2.

Through Aker Horizons' portfolio companies, 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 targets. Scaling those solutions is critical in the global Race to Zero.

Climate-related risks

The Task Force on Climate-related Financial Disclosures (TCFD) has developed a framework to help public companies and other organizations more effectively disclose climate-related financial risks and opportunities. Climate-related financial risks can be described as physical risks, including extreme weather events and natural disasters, as well as transition risks, including emerging policy and legislation, technological innovation and market and reputation risk. Though both types of risks are relevant to Aker Horizons, physical risk predominantly exists within Aker Horizons' industrial investments, not within its own operations.

Overall, the climate-related financial risk for Aker Horizons is considered to be low. There is growing market demand in all climate-related policy scenarios and there are no potentially stranded assets. However, physical climate risks exist for Aker Horizons' investments and are considered significant for some assets of the portfolio companies. Further, identifying and realizing emerging commercial opportunities in a landscape of complex and fast-evolving climate regulations and green finance, requires careful attention and due diligence.

Assessment of climate-related risks is incorporated in Aker Horizons' regular enterprise risk assessment, in which risks are identified, assessed and managed on a quarterly basis. A priority in 2021 has been to set up a structured format to collect risk data from portfolio companies and support them in identifying and assessing risks. On the investment procedure side, efforts have been made to incorporate climate risk into the assessment frameworks, such as incorporating a high-level physical climate risk evaluation into early-stage investment assessments.

Aker Horizons has also invested in different cross-portfolio climate risk training initiatives. This includes the "Climate Risk Week", organized as an effort to strengthen the ability to both understand and perform climate risk analysis. The week was held in November as a joint initiative of Aker Horizons and Aker ASA. Recognized experts were invited in to address the broader group of Aker and Aker Horizons investee companies on climate topics, stimulating internal discussion and impacting the companies' understanding and awareness of climate-related risk. 100% of Aker Horizons' Platform portfolio reports on the TCFD recommendations.

Please refer to Aker Horizons' full TCFD assessment in the appendix to this report to learn more about the approach to governance, strategy and management of climate-related risks, including metrics and targets.

Aker Horizons participation at COP26

In November 2021, Aker Horizons joined world leaders in Glasgow to discuss the solutions needed to reach the Paris Agreement goals. Aker Horizons teamed up with the Bellona Foundation, the Sahara Forest Project and the Norwegian Ministry of Foreign Affairs to form a pavilion at the UN Climate Summit COP26.

Beyond the political talks between national governments, the week was marked by an unprecedented mobilization of capital by the financial industry. The total capital committed to net zero by the time the conference took place was USD 130 trillion – representing 40 percent of the world's financial assets. Aker Horizons officially joined the Race to Zero through the Net Zero Asset Managers Initiative on the first day of COP26.

Image: Sustainability Director of Aker Horizons, Jeanett Bergan at COP26, where she engaged with policy makers, NGOs, partners and others for climate action and solutions.

First Movers Coalition

The ground-breaking First Movers Coalition was initiated by the World Economic Forum and US Special Presidential Envoy for Climate John Kerry, and announced by President Biden during COP26. The Coalition is a buyers' club set to fast-track the development of emerging green technologies. 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.

The founding members of the Coalition have pledged to utilize their collective purchasing power for emerging green technologies and actively engage in the development of the supply of several of such technologies.

"Aker wants to accelerate the race to zero emissions. As innovators of some of the required climate solutions, we know that early adaptors of new technology are critical success factors. We will engage the Aker companies to commit some of their purchasing power to clean, green tech," stated Øyvind Eriksen, CEO of Aker ASA and Chair of Aker Horizons, in connection with the launch of the First Movers Coalition.

Aker Horizons is proud of Aker's strong commitment to scaling clean green tech. Since the launch of the initiative, Aker Horizons has set a target for 100% of its portfolio to commit to at least one sectoral commitment by 2025. Over the coming years Aker Horizons will actively engage and collaborate both 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 targets.

Image: From the launch of First Movers Coalition at COP 26 in Glasgow. Executives from founding members together with Børge Brende (CEO of WEF) and John Kerry (US Special Presidential Envoy for Climate)

Biodiversity and nature loss

Aker Horizons' Sustainability Policy describes the Company's commitment to minimizing impact on ecosystems, particularly in relation to operations in or near biodiversity sensitive areas and operations that may affect endangered species.

Understanding the impact Aker Horizons' investments have on nature and biodiversity is high on the Company's ownership agenda. This has already been requested as part of the data collected from the Platform portfolio, but building the capabilities for collecting sound, portfolio-wide data takes time.

In 2021, 75% of the companies in Aker Horizons' Platform portfolio reported having a policy on nature loss and 50% had targets, strategy and reported on nature loss. As described in the section on Policy, Targets and Strategy, it is among Aker Horizons' 2025 ambitions that 100% of portfolio companies have targets for avoiding, mitigating and addressing biodiversity impacts, with an ambition of net zero impact.

As an investment company, Aker Horizons occupies a negligible amount of land, a total of 0.1425 hectares tied to office space. None of Aker Horizons' Platform companies reported having operational sites owned, leased, or managed adjacent to areas of high biodiversity value or in protected or biodiversity sensitive areas. Further, none of the companies reported having operations affecting endangered species (as defined by the IUCN Red List).

Finally, Aker Horizons has incorporated high-level considerations around nature loss in early-stage investment assessments.

15 LIFE ON LAND

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

Aker Horizons strives to ensure that the companies in its portfolio are devoted to the protection, preservation and restoration of the environment and biodiversity. Aker Horizons uses its ownership across the portfolio to set targets and monitor best management practices for terrestrial ecosystems and expects full compliance with relevant legislation for the protection and conservation of life on land. Aker Horizons is actively promoting close cooperation between its portfolio companies and all relevant stakeholders (especially local and indigenous communities, governments, NGOs) to contribute to the protection and restoration of terrestrial ecosystems and biodiversity.

Read more about

AKER OFFSHORE WIND

Digital solutions to help prevent biodiversity loss

Aker Offshore Wind provides a good example of how companies in Aker Horizons' portfolio are tackling the biodiversity issue in an innovative way. In 2020, Aker Offshore Wind, partnering with Cognite, HT Harvey & Associates and Marine Situ, developed the NextWind project, which aims to use digital tools to improve the reliability, safety, efficiency and sustainability of floating offshore wind farms. The aim of the project was to create a data-gathering platform that can inform the company's understanding of the relationship between floating offshore wind farms and the surrounding environment in real time – from the skies to the ocean floor. For example, drones, microphones and cameras could detect passing and migrating birds, allowing an operator to adjust the speed of the turbine blades; optical cameras, sonars, and underwater microphones could provide insight into how diving birds and marine animals use the area just below the ocean surface; while remote operated vehicles could monitor the numbers and types of species around the floating structures and how those change over time. The project continued through 2021, exploring potential new areas of application of the digital tool such as monitoring and learning about marine mammals in the vicinity of a wind farm. The research also explores how to use these data-gathering technologies on and around the floating offshore wind platform to create a digital copy of not only what is happening on the platform, but in the world around it – all in real time. The project's findings will be presented in 2022.

Fresh water availability

Aker Horizons is committed to safeguarding limited and shared water resources.

In 2021, Aker Horizons, as part of its ambition to be water-positive and protect water resources, developed specific policies and targets, a strategy and a reporting structure related to water scarcity. In order to fully understand the impact of the Company and its portfolio on freshwater availability and water scarcity, Aker Horizons has started to request relevant data from its Platform companies. However, building the capabilities around collecting sound, portfolio-wide data takes time.

Aker Horizons' own water data is expressed as a pro rata share of the consumption at the Fornebuporten complex, where its offices are located. In 2021, Aker Horizons withdrew 0.835 megaliters[1] of water, none from areas of high water stress. Aker Horizons' Platform portfolio withdrew a total of 53.9 megaliters of water.

Currently, 50% of Aker Horizons' Platform companies have a policy on water scarcity. 25% have targets, strategy or report on the topic. As described in the section on Policy, Targets and Strategy, it is among Aker Horizons' 2025 ambitions that 100% of its portfolio has targets on minimizing impact on water and marine resources, and a net zero freshwater impact.

Aker Horizons has incorporated high-level considerations around implications for water impact in early-stage investment assessments.

1) One megaliter is one million liters

Ensure Availability and suitable management of water and sanitation for all.

Aker Horizons, by exercising its active ownership, sets expectations and supports its portfolio companies in developing and implementing best practices in water management, protection and restoration of water-related ecosystems. Aker Horizons encourages close cooperation with local communities and suppliers with regard to minimizing water-related impacts, to ensure water-use efficiency and a reduction of potential water stress.

Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

Renewable energy infrastructure may potentially have negative impacts on marine environments. Therefore, Aker Horizons encourages research on critical environmental impacts and expects that appropriate assessments of potential adverse impacts on marine biodiversity are always conducted. As an active owner, Aker Horizons encourages close cooperation with local communities and other relevant stakeholders (such as NGOs or local governments) in order to ensure protection of marine ecosystems and safeguard sustainable use of the oceans and seas.

Circularity and waste

Aker Horizons' Sustainability Policy sets out its ambition of zero waste, sound resource utilization and the realization of the circular economy. Further, it describes the commitment of Aker Horizons to ending pollution in the environment both on land and in the ocean.

Understanding the impact on waste creation and the degree of circularity of Aker Horizons and its portfolio is high on the agenda. In 2021, Aker Horizons developed a strategy, targets and a reporting framework for waste. This has already been requested as part of the data collected from the Platform portfolio, but building the capabilities around collecting sound, portfolio-wide data takes time.

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. The proportion of non-recycled waste for 2021 was 46 percent (residual mixed waste and hazardous waste), indicating room for improvement. The total amount of waste attributed to Aker Horizons was 4.4 tonnes, while non-recycled waste totaled 2.0 tonnes (46 percent) and recycled totaled 2.4 tonnes (54 percent). Aker Horizons generated a total of 0.012 tonnes of hazardous waste[1] in 2021.

In 2021, Aker Horizons' employees participated in the Norwegian national beach clean-up day to remove plastic litter from the beaches around the Company's main office at Fornebu, Norway. Employee involvement is an important step in building a strong company culture, which connects joint activities with goals to support responsible consumption and production.

In 2021, 75% of Aker Horizons' Platform companies report having a policy on waste and circularity. 50% of the Platform companies have targets, strategy and reporting on nature loss. As described in the section on Policy, Targets and Strategy, it is among Aker Horizons' 2025 ambitions that 100% of its portfolio have targets on circularity and resource usage, with a zero waste[2] ambition.

Ensure sustainable consumption and production patterns.

Aker Horizons has incorporated high-level considerations around circularity and waste in early-stage investment assessments. Aker Horizons invests in companies that provide solutions for the sustainable use of natural resources and facilitate emission reductions for some hard-to-abate industries. As an active owner, Aker Horizons promotes, across its portfolio, the application of sustainable working methods, sustainable procurement practices, sound utilization of resources and the realization of the circular economy.

1) Calculating a share of all waste in the office premises means that also waste from operating and maintaining common areas will be reflected in the total waste data - hazardous waste may include remains of paint, spray cans, detergents, etc.
2) Aker Horizons views this as the implementation of waste minimization and circularity efforts in all stages of production processes and directing all remaining redundant resources to their most valuable use according to the waste hierarchy, with no more than 10% of solid waste going to landfills

Read more about

Addressing difficult-to-manage waste streams

In 2021, Aker Offshore Wind, in collaboration with the University of Strathclyde (UK), embarked on a mission to find potential solutions to waste management issues in the wind industry. Currently, decommissioning end-of-life wind turbine blades results in sending them to landfill. Consequently, by 2050, the annual waste from wind turbines is expected to reach around two million tonnes globally. Today, there are no commercially available solutions for managing this waste sustainably. The project, initially intended as a three-year pilot, aims to develop a commercially viable method to separate the fiberglass and resin components in composites and recover the fiberglass component which can then be reprocessed, molded, and reused in other industries. Aker Offshore Wind also supports the industry association WindEurope's call for a Europe-wide ban on sending decommissioned wind turbine blades to landfills and considers this project a crucial step towards setting a new standard for the wind industry. Aker Offshore Wind's goal is to recycle 100% of turbine blades as they reach their end of life and are decommissioned.

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, distributors or retailers. Contributing to improving people's well-being, prosperity and knowledge is an integral part of Aker Horizons' approach to being planet-positive.

Human and labor rights

Most of Aker Horizons' portfolio companies are in the early stage of their business development. As an active owner Aker Horizons is therefore providing them with support to adopt best practices as the benchmark for future operations. Aker Horizons' ambition is that all its portfolio companies have human rights policies in place and perform regular human rights assessments. For Aker Horizons, it is important that its portfolio companies embed human and labor rights, gender equality, non-discrimination and equal opportunities in both policies and business practices.

Aker Horizons' Code of Conduct stipulates the Company's respect and support for human rights, including children's and labor rights. Aker Horizons has a zero tolerance approach to infringement or circumvention of human and labor rights, child and forced labor, and modern slavery. Given the scope of Aker Horizons' Platform portfolio, close cooperation with local and indigenous communities, based on respect for these communities' history, culture, customs and the environment is deemed important.

Aker Horizons sets the same high expectations for its portfolio companies as for its business partners. 100% of Aker Horizons' Platform companies have established Codes of Conduct outlining their commitments to human, child and labor rights. Aker Horizons aims to ensure effective monitoring mechanisms that recognize and reflect human rights as an integral part of the business across the portfolio in their value chains. Due to the early stage of their development, 50% of Aker Horizons' Platform companies currently have processes and mechanisms to monitor compliance with the UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. The rest of the portfolio companies are actively working on ensuring that adequate compliance processes are put in place within a short timeframe.

At the same time, Aker Horizons encourages all portfolio companies to introduce obligatory training for employees on human and labor rights. Currently, Aker Horizons, Aker Carbon Capture, Aker Offshore Wind and Mainstream Renewable Power cover human rights in their Code of Conduct training. In 2021, 86% of the employees of Aker Horizons, 100% of Aker Carbon Capture, 72% of Aker Offshore Wind, and 60% of Mainstream Renewable Power received training on human rights as part of their Code of Conduct training. The ambition for 2022, across the whole portfolio, is to develop a dedicated human rights training, including issues of modern slavery and human trafficking.

In its role as a responsible owner, Aker Horizons requests both qualitative and quantitative data on human and labor rights from portfolio companies as a part of its monitoring and reporting process. In 2021, three out of four of the Platform companies reported on human rights. Two of the reporting companies had already set specific human rights targets. However, given the early stage of operations of most portfolio companies, and the level of ambition for data collection, it is currently an ongoing process that will take time to mature.

Image: Soc Trang Community engagement

As part of the Aker group, Aker Horizons is committed to the implementation of the Global Framework Agreement between Aker and the Norwegian 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 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.

Through the Aker group, Aker Horizons promotes Global Works Council's (GWC) ongoing dialogue between management and employee representatives in Aker and portfolio companies. The council continually works to ensure alignment on corporate responsibility efforts in Norway and internationally. Collaboration with employee representatives has been part of the Aker group for decades. Aker Horizons' ambition is to carry this forward through the expansion of planet-positive investment and the building of new industrial businesses and workplaces for a low carbon future.

In 2021, Aker Horizons did not receive any reported cases related to violations of human and labor rights.

Going forward, Aker Horizons will support the portfolio companies in safeguarding labor and human rights throughout their 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.

Local communities

Being a planet-positive investment company also means being respectful of the rights of people and local communities. Dialogue with local communities is critical and ensures mutual trust and thus a license to operate in developing the sustainable solutions that the portfolio companies are offering.

As the portfolio companies will be expanding their operations globally and maturing their projects, Aker Horizons will continue to ensure that portfolio companies prevent, detect and address any potential human rights infringement, through close cooperation and dialogue with local communities through all stages of project development.

Read more about

MAINSTREAM RENEWABLE POWER

Involving local communities across the world

Mainstream Renewable Power, the most well-established company in the portfolio, has for years been actively building relationships with local communities - from the early development stages through construction and into commercial operations.

In 2013, Mainstream Renewable Power established its Community Charter. The Charter sets out the principles under which Mainstream Renewable Power interacts with local communities. These principles guide its community relations and development teams, and sets out the way it works in cooperation with communities around its projects. The Charter focuses on key areas such as timely and open communications to ensure community engagement, particularly during the project design and construction stages; a commitment to understanding and respecting the diversity of cultures in the areas in which it operates; and support for community initiatives. Mainstream Renewable Power supports the needs of the communities through specifically tailored programs in support of education, health and local employment initiatives.

Image: Mandela Day PPE handover at Harmony Home

Diversity, equality and inclusion

Aker Horizons strongly values diversity in its workforce. As stipulated in its Sustainability Policy, Aker Horizons shall ensure equal opportunities and strive for a balance between the genders, increased diversity and inclusion in all parts and levels of the businesses. Aker Horizons does not tolerate any form of discrimination on the basis of gender expression, sexuality, disabilities, race, and religious beliefs, among others.

Women constituted 20% of Aker Horizons' workforce at the beginning of 2021. Following measures implemented to increase diversity, with a special focus on gender in recruitment, Aker Horizons reached a 60/40 gender balance by year-end. Six different nationalities are represented in the workforce. Diversity is also important in the executive management. Aker Horizons' executive management is defined as the CEO and CFO, and it is therefore important to look at the broader organization to consider gender balance. As the owner of portfolio companies, Aker Horizons is concerned to have diversity in competence and highly qualified board members and managers who serve as role models in their companies.

Half of the Platform companies currently have female CEOs, and their management teams consist of 29% women. The gender diversity at the CEO level is above the national average[1] in Norway, while executive diversity is on par. The number of permanent employees working for companies where Aker Horizons is the main shareholder, directly or indirectly, increased from 862 to 1,174 during 2021, with women making up 27% at year end.

1) CORE Norwegian Gender Balance Scorecard: https://www.samfunnsforskning.no/core/english/news/2020/gender-equality-slowly-increasing-at-the-top-of-no.html

People from more than 45 different nationalities are employed by Aker Horizons Platform companies, and the aim is to attract additional nationalities going forward.

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.

In 2021, no cases related to discrimination or other unacceptable behavior had been reported in Aker Horizons, including cases of harassment. For further information on procedures to enhance ethical behavior, see the section "Good Governance".

Health and wellbeing

Aker Horizons' ambition is to foster well-being in the workplace. Aker Horizons aims to do this by providing a good working environment, enabling low levels of absence due to illness and retaining a highly skilled and motivated workforce. These ambitions are also expected of the portfolio companies.

Alongside competitive compensation, Aker Horizons offers comprehensive benefit packages to all employees, including 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.

All the employees in Aker Horizons are entitled to parental leave. To better support its employees, Aker Horizons offers full wages for primary caregivers in the event of childbirth or adoption. Aker Horizons also pays full wages when employees' children or the children's other primary caregivers, or other close family

1,177

Permanent employees

45

Different nationalities

members, are ill, provided that the national insurance scheme's criteria for payment of care benefits or attendance allowance are met.

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, Moloklinikken, where all Aker Horizons employees have access to a physician, health counseling and medical treatment. All employees are offered an annual health assessment to help identify potential or existing health risks. All Aker Horizons employees are also offered membership of the on-site Lifestyle fitness center, as well as a membership of the training and lifestyle portal Aker Active.

During the pandemic, employees have been offered vaccinations, testing, support from medical professionals and extra flexible working arrangements. Aker Horizons has worked closely with its portfolio companies through the CEO Forum, consisting of Aker's CEO and top leaders in the industrial portfolio companies, and through networks for HR, HSE and communication, in handling Covid-19. A medical and mental health hotline has been available for staff in Norway, while a dedicated team of medical experts and other resources closely monitored the development of the pandemic and provided advice on appropriate protective measures.

In 2021, Aker Horizons established a flexible working model with opportunities to work from home and limited core hours. By offering increased flexibility, the Company aims to support a healthy work-life balance.

In 2021, Aker Horizons had a total sickness absence rate of 0.6%. The turnover rate in Aker Horizons was 0.11, and none of the Platform companies had a turnover rate above 0.15.

No work-related fatalities were registered in Aker Horizons or across the Aker Horizons' portfolio of companies in 2021. There were 78 work-related injuries (TRI) reported, of which 21 were lost-time injuries (LTI).

Skills for the future

As an active industrial majority shareholder, it is important for Aker Horizons to employ the best people. With the many exciting developments within the green energy transition and the growing number of green jobs, it is crucial to attract, select, develop and retain the right talent in Aker Horizons and its portfolio.

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. At Aker Horizons, staff are offered competitive compensation and reward, and varied opportunities. There is ongoing professional growth with a great deal of on-the-job training due to frequent new challenges and projects, contributing to competence development. There are also career opportunities across Aker Horizons investee companies or wider Aker group of companies.

In Aker Horizons and across the portfolio, all employees participate in a performance review twice a year. Aker Horizons and portfolio companies actively promote skills development by providing employees with training opportunities. An overview of specific data on average hours of training per employee across the portfolio can be found under Aker Horizons and the Portfolio's Sustainability Summary section.

0.6%

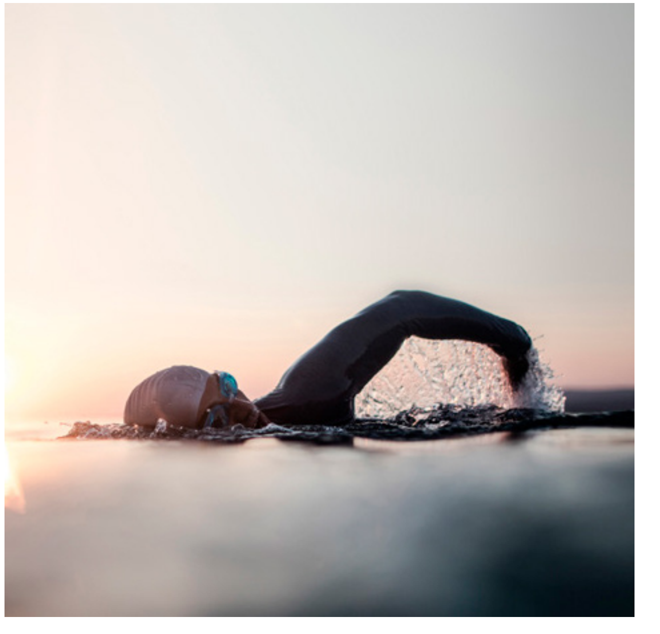
Sickness absence

78

Work-related injuries

21

Lost-time injuries



CXO

During 2021, the Aker group established a new executive leadership program, CXO. The purpose of the program is to develop executive leadership talent across the portfolio. In the first pilot, starting in March 2022, ten men and ten women will take part in a year-long program of developmental activities. The program focuses on expanding their business acumen as well as leadership development. Participants will hone in on building greater self-awareness, goal setting, stakeholder management, for example. The program is also designed to develop understanding and a shared perspective of what it takes to make a positive difference. It is intended that participants build deeper insights around their executive roles and strengthen relationships across the Aker group.

Aker Talent Student Challenge

For the fourth time, nine Aker companies, including Aker Horizons, invited 40 students to the Aker Talent Student Challenge at Fornebu, Norway, in 2021. The students were given 30 hours to find solutions to make the companies fit for the future. The case challenges covered a range of sustainability topics, including developing renewable energy solutions and new low-carbon concepts, digitalization and making current operations, products or services more sustainable. Aker Horizons provided mentors to guide the student groups in their work. A number of the candidates will be offered internships or graduate positions at one of the Aker companies.

Aker Scholarship

The Aker Scholarship awards grants to Master and Ph.D. students who can make a difference in the development of industry and society at large. Over the course of six years, 125 students have been granted scholarships, 26 in 2021. The grant is awarded by Anne Grete Eidsvik 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 2021, four former Aker Scholars were employed in Aker Horizons and Aker Horizons' portfolio companies.

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

Image: Aker Scholars gathered at Aker's offices at Fornebu

Prosperity for All

Aker Horizons is committed to contributing to Prosperity for All through the development of green industries and the creation of green jobs. Central to reaching this objective is research and development, innovation and the adoption of principles for equitable growth. Aker Horizons' very purpose is to solve fundamental challenges to sustainable existence - at its core this is about protecting, preserving and restoring prosperity for all.

Every investment Aker Horizons makes shall be planet-positive and contribute to positive impacts for people, the planet and society. While what Aker Horizons does is important, how the Company does it is equally important. So while decarbonizing energy systems in Chile, South Africa and several other countries, Aker Horizons' portfolio companies actively engage in community dialogue and projects, use local labor and suppliers to maximize positive impact.

Employment and wealth creation

Aker Horizons and its portfolio companies are rapidly expanding their outreach. The number of employees working for companies where Aker Horizons is the main shareholder, directly or indirectly, increased from 862 to 1,177 during 2021. Including all staff and contract staff, the total workforce is about 1,450.

Aker Horizons promotes strong investment in development and training throughout its portfolio. With high growth, significant recruitment and a dynamic operating environment, Aker Horizons is, through its portfolio companies, contributing to rewarding employment opportunities in sustainable industries. As an active owner and employer, the wealth generated and distributed by Aker Horizons is a cornerstone of its value creation proposition.

Investing in innovation

Aker Horizons invests in innovative companies in renewable energy and green technologies, with a planet-positive investment mandate that is anchored in the UN's Sustainable Development Goals. Aker Horizons' investments are concentrated in sectors with dynamic development opportunities and significant potential for growth. All of Aker Horizons' portfolio companies have a strong and sustained focus on building intellectual capital. They are knowledge-based businesses with substantial research and development. As industrial climate technology companies, many of them exist at the cutting edge of market-leading solutions. Investing in and sustaining innovation is in their DNA and core to their success. Aker Horizons, through its portfolio companies, contributes indirectly to the prosperity of local communities, whether by bringing economic development, job creation or indirect positioning of the location. Leveraging synergies between the private and public sectors can help transform small or remote locations into thriving communities and centers for innovation.

Research and development

The companies in Aker Horizons' portfolio have a strong focus on research and development, which is core to their activities. Addressing the crises the world faces today requires new thinking and new technologies, and it is the combination of developing novel solutions and the industrial muscle to bring them to scale that makes Aker Horizons uniquely positioned to drive the green transition.

Combined, the companies in Aker Horizons' Platform portfolio[1] spent NOK 124.867 million on R&D in 2021: Aker Carbon Capture spent NOK 81.77 million, Aker Clean Hydrogen spent NOK 20.1 million and Aker Offshore Wind spent NOK 23 million. R&D spending for Mainstream Renewable Power was not available at the time of writing.

11 SUSTAINABLE CITIES AND COMMUNITIES

Make cities and human settlements inclusive, safe, resilient and sustainable.

Aker Horizons consistently invests in companies that can provide sustainable solutions to cities, reduce their negative impact on the environment, increase resilience and boost economic growth and innovation through the deployment of new clean technologies. Aker Horizons will seek to invest in large-scale infrastructure projects in green energy, industry and sustainable cities.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Upgrade infrastructure and retrofit industries to make them sustainable. Upgrade the technological capabilities of industrial sectors in all countries.

Aker Horizons' commitment to reach net zero drives the Company to incubate and scale future-fit innovation on an industrial scale. By facilitating green industrialization and investing in innovation, the Company is unlocking the potential of green energy to allow for the widespread deployment of clean technologies and facilitate the retrofitting of hard-to-abate industries to help them become sustainable. By boosting technological progress, Aker Horizons also indirectly creates local economic growth opportunities through job creation and access to new skills and technological advancements.

Portfolio companies' projects such as Herøya Green Ammonia or Brevik CCS, which are designed to cut 800,000 tonnes and 400,000 tonnes of CO_2 per year respectively, are great examples on how Aker Horizons supports and contributes to accelerating innovation and sustainable industrialization. The projects contribute to the decarbonization of the production of important commodities, such as ammonia and cement, and the retrofit and upgrade of existing infrastructure for a low carbon future.

1) Except Mainstream Renewable Power, figures were not available at the time of writing.

Read more about

AKER CLEAN HYDROGEN

Harnessing innovation to foster prosperity

In its efforts to reduce greenhouse gas emissions globally, Aker Clean Hydrogen aims to reach a net production capacity of 5 GW by 2030. As a way of realizing this goal, the company, in partnership with Varanger Kraft, progressed plans to build a green hydrogen and ammonia plant in Berlevåg, Northern Norway, which could help decarbonize arctic shipping and off-grid power plants. The project will also boost prosperity for the local community by positioning Berlevåg as an Arctic powerhouse for green development. Both the business partners and the municipality are therefore working together to help this project succeed.

The initiative was started in 2019 by Zero Emission Energy Distribution at Sea (the Zeeds), with the aim of decarbonizing the shipping sector. Aker Clean Hydrogen is working with Zeeds partners such at Wärtsila, Store Norske and Grieg to decarbonize the Arctic by establishing a comprehensive green value chain connected to the green ammonia project in Berlevåg. The project aims to develop a 100 MW capacity hydrogen plant. The project passed the feasibility study and concept phase in 2021. According to the current timeline, production should start by the end of 2024. A small, 2.5 MW, hydrogen pilot facility is already in operation.

The Berlevåg plant will produce green ammonia from renewable power from Varanger Kraft's wind farm, with back-up from the power grid. The project creates the potential for replacing traditional fossil fuels for ships, rigs and off-grid power stations, and removing about 200,000 tonnes of CO_2 per year.

Community and social vitality

Stiftelsen VI ("The WE Foundation") was founded in 2018 by Kjell Inge Røkke's private company The Resource Group and Aker ASA, with the goal of ensuring equal opportunities and quality of life for people with disabilities. Kjell Inge Røkke privately funds the foundation's basic capital as well as its operational costs. Aker Horizons is one of several Aker companies supporting Stiftelsen VI. In 2019, Aker companies committed a combined total of NOK 100 million in funding for the foundation over a five-year period.

The Aker group's commitment to Stiftelsen VI was extended to also support the Para World Cup – an Olympic Para Snow Sports event held in Lillehammer in January 2022 - along with the Norwegian Ministry of Culture. The Aker group actively contributed to the event through its support of Stiftelsen VI and the Aker Active employee volunteer program. The Para World Cup brought together para athletes from 45 nations, and was a considerable success, in large part due to the significant volunteer effort from the local community. Aker Horizons is proud to support para snow sports and contribute to raising its public visibility.

Responsible tax practice

Aker Horizons is committed to responsible tax practices, and has procedures to facilitate compliance with applicable tax laws in a responsible manner. The same will be expected of its portfolio companies. Tax planning shall be aligned with the substance of the economic and commercial activity of the business and based on reasonable interpretations of applicable law. Aker Horizons does not engage in tax positions or arrangements defined as aggressive tax planning. As a Norwegian investment company, taxes will mainly be paid at the level of the portfolio companies.

Read more about

AKER CARBON CAPTURE

Increasing the carbon capture rate through research and development

The carbon capture, utilization and storage (CCUS) market has developed significantly over the last couple of years, and with it an increasing demand for the technical performance of carbon capture plants.

Aided by a rapid increase in the EUA (EU ETS) over the last year, the relative amount of CO_2 captured has become an important competitive factor when developing new CCUS projects. Aker Carbon Capture's technology is validated for a capture rate up to 95%.

Aker Carbon Capture executed an extensive battery of tests at SINTEF's test facilities in Trondheim. The company successfully tested its proprietary solvent on flue gases with CO_2 concentrations ranging from 4-13% and at capture rates of 90%, 95% and 98%.

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% when going from a capture rate of 90% to 95%.

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 foundational to achieving this alignment, and provides the mechanisms to monitor and execute Aker Horizons' aspirations, while navigating risks and embracing opportunities. It further provides the lens through which to evaluate whether the interests of all stakeholders, including shareholders, are being safeguarded.

Governing purpose

Effective corporate governance provides the foundation for Aker Horizons' ability to achieve its goals. Aker Horizons' corporate culture is based on integrity, transparency, and respect for people and the planet. These principles underpin Aker Horizons' approach to investments and ownership and secure value creation for Aker Horizons' shareholders and other stakeholders.

Quality of governing body

Good corporate governance is a key concern for Aker Horizons' Board of Directors. The Board is engaged in setting ambitions and commitments, targets, strategies and a risk profile for the Company. The Board also receives and reviews updates on key risks, sustainability compliance and the Company's corporate governance at least on an annual basis. Aker Horizons has a board-approved sustainability policy for how it integrates the interests of society at large into its value creation. The Board of Directors also reviews the annual integrated report, which addresses environmental, social and governance issues and describes Aker Horizons' sustainability progress and performance. This report also covers the sustainability reporting requirement under Norway's Public Limited Liability Companies 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 for 2021.

Aker Horizons is a Norwegian public limited liability company (ASA), listed on the Oslo Stock Exchange and established under Norwegian law. In accordance with the Norwegian Accounting Act (section 3-3b), Aker Horizons includes a description of its principles for corporate governance as part of the Board of Directors' report.

The Norwegian Corporate Governance Board (NUES) has issued recommendations on corporate governance for companies listed in Norway (the Norwegian Code of Practice for Corporate Governance). The Oslo Stock Exchange requires listed companies to publish an annual statement on their corporate governance in accordance with the Code of Practice in force at the time. Aker Horizons complies with all applicable laws and regulations, as well as with the current edition of the Norwegian Code of Practice for Corporate Governance, issued 14 October 2021, in most material aspects.

Aker Horizons' commitment to good governance extends to its role as an active owner. Aker Horizons has clear expectations of the portfolio companies' adherence to governing documents, which must meet its 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 interaction built on mutual trust, openness and respect play an even greater role and form the foundation for cooperation on development, productivity and improvement.

The Aker group's model of cooperation

The indirect majority owner of Aker Horizons, Aker ASA, 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". While Aker Horizons and its portfolio companies are newly established and currently have not yet formalized statute-based cooperation, the model and engagement through the Global Works Council (GWC) are 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. These are arenas for open dialogue and discussion on strategy, development, HSSE, ethics, sustainability and cooperation. 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's Board of Directors are elected by and from among employees - including the portfolio companies' employees.

Responsible supply chain management

Supply chain management constitutes both material risk and an opportunity for Aker Horizons. While Aker Horizons has limited procurement activities, responsible supply chain management at the portfolio company level is important for Aker Horizons as an owner. Aker Horizons encourages its portfolio companies to ensure responsible procurement and to unlock green supply chains. Aker Horizons actively encourages its companies to set expectations, monitor and mitigate risk, combat corruption and act to verify compliance with human rights and climate change goals within their supply chains.

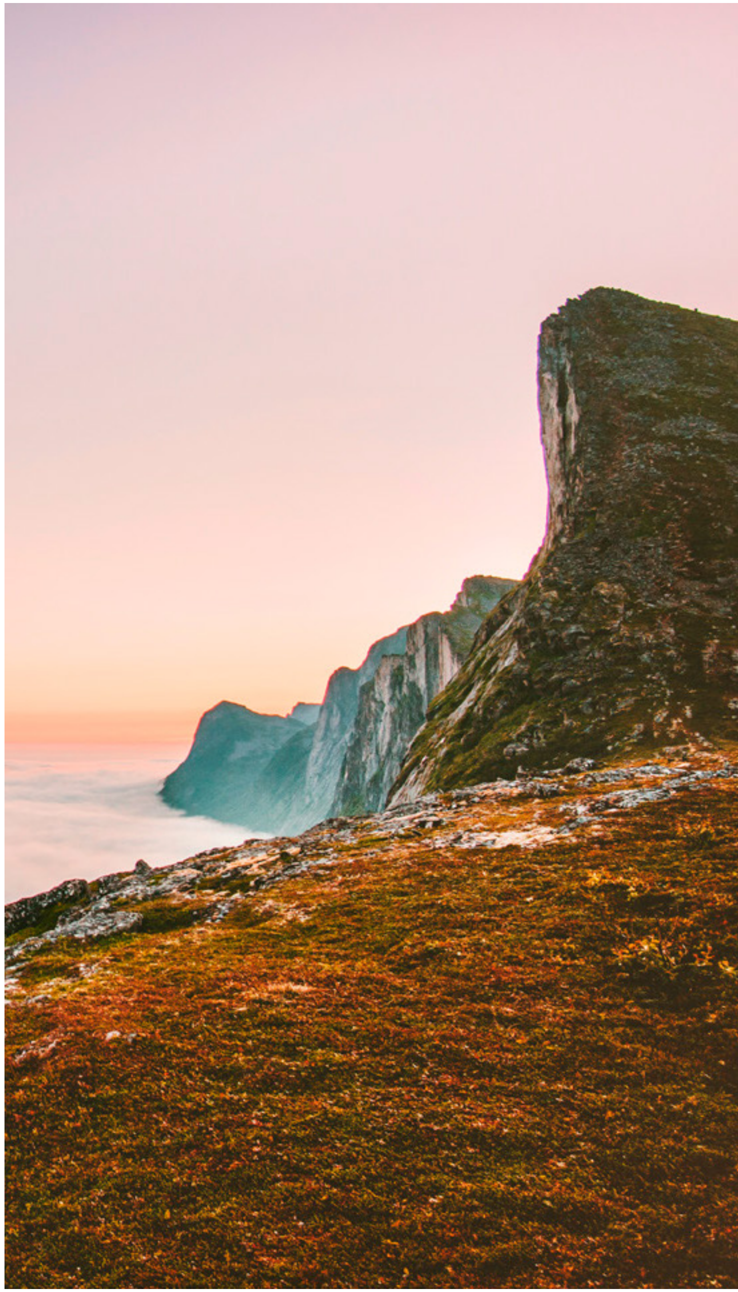
In 2021, Aker Horizons started requesting data on supply chain management from the portfolio companies. Currently, three portfolio companies have supply chain declarations in place, while Aker Horizons and others are currently working to introduce them. Going forward, Aker Horizons aims to develop more specific metrics to capture its portfolio's ESG supply chain management performance.

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, climate, social and human 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 impacts in their supply chains and to have mechanisms in place that allow for any grievances to be raised and adequately addressed. Aker Horizons' ambition is to engage companies to create processes that can effectively prevent or mitigate any adverse impacts in the supply chain. 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.

The new Norwegian Transparency Act, which comes into force on 1 July 2022, will highlight the importance of human rights and decent working conditions. Aker Horizons, as an active owner, is currently building awareness and competence around these important, but challenging, future demands and will ensure that the portfolio companies take appropriate steps to implement and comply with the Act.

In 2022, Aker Horizons will establish a taskforce for good supply chain management across the portfolio, devoted to the strategic development of supply chain



management. It will also provide a forum for sharing best practices in supply chain processes, monitoring, and reporting.

Business ethics and integrity

Aker Horizons' Code of Conduct, Sustainability Policy and other governing documents set out principles on important issues such as bribery, gifts and other possible forms of corruption. All Aker Horizons' employees are expected to be familiar with the Code of Conduct, the Anti-corruption Policy and the Sustainability Policy, and complete an obligatory 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 permanent employees as well as temporary employees and contract staff hired for a significant period. Participation is logged and included in quarterly reports to management and the Audit Committee. All employees for whom integrity risk is relevant for their role receive regular in-depth training.

In 2021, 80% of Aker Horizons Platform companies conducted ethics and integrity trainings. Exact information as to the percentage of employees covered by this training in each of the Platform companies is provided in respective one-pagers in Aker Horizons and the Portfolio's Sustainability Summary.

Aker Horizons' Code of Conduct also expresses expectations that its portfolio companies will implement their own codes of conduct that adequately addresses the same principles for ethical behavior. In addition, an internal procedure defines Aker Horizons' requirements for an adequate compliance program. The board of directors of each portfolio company is responsible for implementing policies adapted to the specific business. Such policies should be sufficient to govern the business, meet stakeholder expectations and specific challenges relevant to the Company. Aker Horizons follows up to ensure that the portfolio companies implement and meet its expectations. Key conduct figures are reported annually to Aker Horizons, and the reports submitted to its Audit Committee include key data from across the investee companies.

Aker Horizons has zero tolerance for all forms of corruption, bribery, money laundering and all other financial crime. This is a prioritized area within Aker Horizons and its portfolio, as highlighted in the companies' policies, codes of conduct, reporting mechanisms, due diligence, training, compliance and whistleblowing channels. Aker Horizons sets the same high expectation for its portfolio companies as for its business partners.

Aker Horizons and most of its Platform portfolio companies have anti-corruption training in place. In 2021, anti-corruption training was completed by 86 percent of Aker Horizons employees, 100 percent of Aker Carbon Capture employees, 72 percent of Aker Offshore Wind employees and 60% of Mainstream Renewable Power employees.

Aker Horizons has a procedure in place which encourages 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 censurable conditions or 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 guidelines. Matters reported either to managers and board members or through the integrity channel will be managed according to the same procedure. In 2021, no whistleblowing report was registered and followed-up at Aker Horizons. The Company has plans to increase implementation of the third-party solution, and boost awareness and training in 2022.

Whistleblower reports on matters in portfolio companies are addressed via their own legal and compliance officers. All of Aker Horizons' Platform companies have access to the independent whistleblowing channel provided by Aker Horizons. In addition, they have dedicated reporting channels, which may be used to report any 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.

Conflict of interest

Aker Horizons has strict norms and requirements for avoiding and managing conflicts of interests, which are defined in the Code of Conduct. The Code of Conduct prohibits personal relationships, participation in external activities or interest in another venture that could influence or could be perceived to influence a person's decision-making when acting on behalf of Aker Horizons. All business transactions must be entered into solely for the best interests of Aker Horizons. Any conflicts of interest that cannot reasonably be avoided shall be made transparent and reported in accordance with Aker Horizons' Code of Conduct and its Related Party Principles. Aker Horizons' managers 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 to Aker Horizons, must be approved in writing by Aker Horizons. In the first half of 2022, Aker Horizons will develop a more detailed process for managing and registering perceived, potential and real conflicts of interest.

Risk and opportunity oversight

Managing financial and ESG 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.

Tax governance

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

Several of Aker Horizons' portfolio companies 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, control and report for continuous improvement.

Aker Carbon Capture

Since the company's start-up during 2020, Aker Carbon Capture has maintained a certified operating model based on the methods developed in Aker Solutions. During spring 2021, the company's management system was certified to ISO 9001 Quality management system and ISO 14001 Environmental management system by DNV, and during the fall Aker Carbon Capture also achieved the important milestone of ISO 45001 Occupational health and safety management system certification. This standard serves the company across its technology development, studies, EPCI projects and plant life services.

Aker Clean Hydrogen

Aker Clean Hydrogen is committed to building a zero-incident safety culture. In 2022, it will build and implement an HSSEQ management system that will support both projects and future operations. As part of this, the company will establish HSSE and Quality policies, along with relevant targets and objectives for the company. The management system will be built on the framework of ISO 9001, 14001 and 45001, and Aker Clean Hydrogen aims to have its management system certified in 2023. Aker Clean Hydrogen is in the process of implementing a quality management system in accordance with ISO 9001, for which it aims to start certification process in 2022.

Mainstream Renewable Power

Safety is Mainstream Renewable Power's number one value. The company is committed to applying the highest standards of health, safety and environmental management, whilst developing world-class renewable energy projects. This approach is reflected in Mainstream Renewable Power's SHEQ policy and SHEQ Management Systems, which have been externally validated as being in compliance with relevant ISO standards. The company has also received accreditation under the Great Place to Work Institute Ireland and was awarded A- in its climate change mitigation through the CDP.

Aker Offshore Wind

During 2021, a new management system for the company was developed and rolled out across the organization. The system will be further developed in 2022. The structure includes a sustainability governance process for ESG-reporting. The process will be reviewed and updated regularly and as necessary. Aker Offshore Wind's policies will be made available publicly on the company's website.

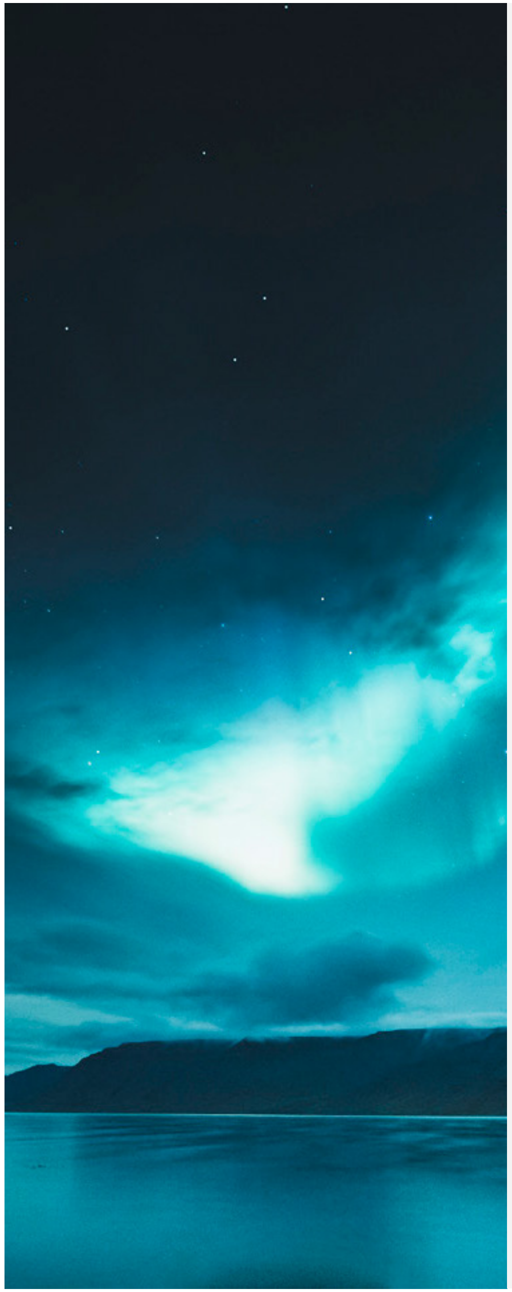
Legal compliance

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 that 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. The Code of Conduct is the top governing document in Aker Horizons.

In 2021, Aker Horizons developed a Management of Integrity Procedure that sets out the minimum requirements for Integrity Compliance Programs in Aker Horizons and its portfolio companies. The aim is to ensure compliance with Aker Horizons' Integrity Principles, as set out in the Code of Conduct, Anti-corruption Policy and Sustainability Policy. Overall responsibility for the implementation and execution of the compliance procedure in Aker Horizons and its portfolio companies lies in the Chief Compliance Officer's role. The Chief Compliance Officer is also responsible for performing risk-based monitoring and controls, and reporting to both the CEO and the Board of Directors.

In 2021, Aker Horizons was not subject to any 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.

More information on Aker Horizons' compliance can be found in the Corporate Governance Report section.



Read more about

AKER HORIZONS

Building synergies for maximizing impact

Addressing the world's most pressing challenge requires systemic changes, and those are best addressed through partnerships. For Aker Horizons, partnerships are key to progress and a central part of good governance. Being an active owner, Aker Horizons works across the portfolio, building synergies in order to maximize its planet-positive impact. In the last year, the Aker Horizons companies have continued to work together to develop its capacity for sustainable operation. To make this effort a success, Aker Horizons cooperates across the portfolio to build competence, share best practices and solutions for common challenges, optimize work methods and processes, inspire each other to set ambitious science-based goals and mobilize to progress towards their realizations. United by environmental, social and commercial motives, Aker Horizons and its portfolio companies are all driven by the same goal, to catalyze sustainable development and pave the way to a better future.

In the last year, Aker Horizons and its portfolio companies have intensified their focus on supporting common efforts across the portfolio to build good sustainable governance practices, enable structured tracking of the fast changing regulatory landscape, and in the "Hour of insights" weekly meetings, tackle emerging risks and opportunities relevant to Aker Horizons companies. Aker Horizons developed a set of "Economic assumptions" that are to be used across its companies to support a unified and well-informed approach to a complex economic landscape. To strengthen Aker Horizons' ability to both understand and perform on sustainability and climate risk, it has also invested in different cross-portfolio sustainability training initiatives, like the "Climate Risk Week", initiated a TCFD and EU taxonomy project and participated in the Climate Ambition Accelerator Program. Aker Horizons has engaged in a comprehensive effort to establish sustainability policies and build a sustainability reporting framework across the portfolio that meets best practice, regulatory development and investor expectations. Going forward, Aker Horizons will continue providing support initiatives across its portfolio to harness the full potential of the partnerships and accelerate realization of the commitment to the 2030 Agenda for Sustainable Development and the Paris Agreement.

Aker Horizons and the Portfolio's Sustainability Summary

This section contains one-pagers summarizing the sustainability work performed by Aker Horizons and each of Aker Horizons' Platform 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.

MENU

Aker Horizons

Chair: Øyvind Eriksen
CEO: Kristian M. Røkke

Aker Horizons is dedicated to incubating and developing companies that solve fundamental challenges to sustainable existence – or planet-positive investing.

Corporate purpose: Aker Horizons purpose is to invest in and develop companies and businesses within energy, climate and environmental solutions, and infrastructure, and associated technology, goods and services.

Sustainability governance: The Board of Directors has the overall responsibility and approves governing documents, including the sustainability policy. Targets, strategy, reporting and performance are reviewed by the Audit Committee and Board of Directors.

2021 highlights: Recruited sustainability resources in Aker Horizons and its companies, and establishing a sustainability network. The Company has established a sustainability policy, joined the UN Global Compact, PRI, the Race to Zero and Science Based Targets Initiative. Aker Horizons had extensive presence at COP26 and made progress on green investments, renewable energy production and reduced and avoided emissions.

Board of Directors
- Sustainability policy
- Independence
- ESG competence

External commitments

UN Global Compact · Race to Zero · Science Based Targets

ESG implementation
- Targets
- Strategy
- Reporting

Selected SDGs

6 Clean water and sanitation · 7 Affordable and clean energy · 9 Industry, innovation and infrastructure · 11 Sustainable cities and communities · 12 Responsible consumption and production · 13 Climate action · 14 Life below water · 15 Life on land

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

Greenhouse gas emissions[1]

Scope 1:	Scope 2:	Scope 3:	Total:
0	1.85	53754.46	53756.31

Read the Company Sustainability Summary Guide.

	Board	Management	Company
Women	40%	50%	40%
Men	60%	50%	60%

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

	SDGs	P	T	S	R	Indicator	2021
PLANET							
Climate change		✔	✔	✔	✔	Scope 1 and 2 GHG emissions (tonnes CO_2e)[2]	1.9
Nature loss		✔	✔	✔	✔	# sites in/adjacent to protected natural areas (# sites)	0
Water scarcity		✔	✔	✔	✔	Water withdrawn in water stressed areas (ML)	0
Waste and circularity		✔	✔	✔	✔	Non-recycled waste (tonnes)	2.0
PEOPLE							
Dignity and equality		✔	✔	✔	✔	Pay equality (women/men)[3]	0.59
Health & wellbeing		✔		✔	✔	Rate of work-related recordable injuries (TRIF, employees)	0
Skills for the future		✔	✔	✔	✔	Average hours of training per employee[4]	17.5
Human rights		✔		✔	✔	% of staff completing human rights training[5]	86
PROSPERITY							
Employment and wealth generation		✔		✔	✔	Total wages paid (NOK million)	48.1
Innovation in better products, services		✔		✔	✔	Total R&D expenditure (NOK million)	0.0
Community and social vitality		✔		✔	✔	Total tax paid (NOK million)[6]	75.0
GOVERNANCE							
Ethics and integrity		✔	✔	✔	✔	% of staff completing ethics and integrity training[7]	86
Legal compliance		✔	✔	✔	✔	# legal proceedings of non-compliance with laws and regulations	0

1) All in tonnes CO2, Scope 2 emissions are location-based
2) Scope 2 emissions are location-based
3) The ratio is based on average salary in the organization regardless of employment level, including the CEO, and is affected by a larger percentage of men in senior positions
4) Estimate based on offered training
5) Sustainability onboarding incl. walk-through of the sustainability policy and commitments. Dedicated human rights training on the agenda for 2022.
6) See the section "Prosperity for All" for a description of Aker Horizons' approach to responsible tax practice
7) All employees, including temporary staff and persons seconded to Aker Horizons subsidiaries, are required to attend ethics and integrity training. The target group is thus bigger than for the sustainability onboarding.

Aker Carbon Capture

Chair: Henrik O. Madsen
CEO: Valborg Lundegaard

Aker Carbon Capture is a pure play engineering and technology company focused on carbon capture markets. The company has a proprietary and field-proven solution to enable carbon emission reductions in energy and hard-to-abate industries.

Corporate purpose: Mitigate climate change by enabling carbon removals from industries and energy solutions

Sustainability governance: The Board of Directors provides guidance and approves the sustainability ambitions in the corporate strategy. Sustainability is an integral part of the company's risk assessment, strategy, and annual objectives where ESG targets are linked to CEO remuneration for 2022 and ESG risks are reviewed by the Audit Committee.

2021 highlights: During Aker Carbon Capture's first full year in operation the company's sustainability work has matured further in terms of targets and priorities. The company has defined a carbon reduction target for own carbon footprint and has committed to the Science-Based Targets initiative. The company has conducted both a TCFD and taxonomy assessment as disclosed in the annual report.

Board of Directors
- Sustainability policy
- Independence
- ESG competence

External commitments
UN GLOBAL COMPACT

ESG implementation
- Targets
- Strategy
- Reporting

Selected SDGs
3 Good health and well-being; 5 Gender equality; 7 Affordable and clean energy; 8 Decent work and economic growth; 9 Industry, innovation and infrastructure; 13 Climate action; 12 Responsible consumption and production; 16 Peace, justice and strong institutions; 17 Partnerships for the goals

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

Greenhouse gas emissions[1]

Scope 1:	Scope 2:	Scope 3:	Total:
0	3.2	81.1	84.3

Read the Company Sustainability Summary Guide.

	Board	Management	Company
Women	43%	38%	34%
Men	57%	62%	66%

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

	SDGs	P	T	S	R	Indicator	2021
PLANET							
Climate change	13, 7	✔	✔	✔	✔	Scope 1 and 2 GHG emissions (tonnes CO_2e)[2]	3.2
Nature loss	15, 14	✔				# sites in/adjacent to protected natural areas (# sites)	0
Water scarcity	6	✔				Water withdrawn in water stressed areas (ML)	0
Waste and circularity	12	✔				Non-recycled waste (tonnes)	3.2
PEOPLE							
Dignity and equality	10, 5	✔	✔	✔	✔	Pay equality (women/men)[3]	0.94
Health & wellbeing	3	✔	✔	✔	✔	Rate of work-related recordable injuries (TRIF, employees)	0
Skills for the future	4	✔	✔	✔	✔	Average hours of training per employee[4]	48.0
Human rights	8	✔	✔		✔	% of staff completing human rights training[5]	100
PROSPERITY							
Employment and wealth generation	1, 8	✔	✔	✔	✔	Total wages paid (NOK million)	92.1
Innovation in better products, services	9	✔	✔	✔	✔	Total R&D expenditure (NOK million)	81.8
Community and social vitality	11	✔			✔	Total tax paid (NOK million)	128.4
GOVERNANCE							
Ethics and integrity	16	✔	✔	✔	✔	% of staff completing ethics and integrity training	100
Legal compliance	16	✔	✔	✔	✔	# legal proceedings of non-compliance with laws and regulations	0

1) All in tonnes CO2, Scope 2 emissions are location-based
2) Scope 2 emissions are location-based
3) The ratio is based on average salary in the organization regardless of employment level, including the CEO, and is affected by a larger percentage of men in executive and management positions
4) Estimate based on offered training
5) Code of conduct training for 100% of employees. Dedicated human rights training on the agenda for 2022

Aker Clean Hydrogen

Chair: Karl Johnny Hersvik
CEO: Knut Nyborg

Aker Clean Hydrogen is a value chain integrator for industrial scale clean hydrogen and ammonia, aiming to develop, build, own and operate facilities globally. The company has a specific focus at solving industrial climate challenges.

Corporate purpose: Aker Clean Hydrogen exists to accelerate planet-positive impact, and does this by industrializing clean hydrogen, enabling hard-to-abate sectors to go green. The result of Aker Clean Hydrogen's work is affordable and clean hydrogen made safe and easy.

Sustainability governance: The Board of Directors provides strategic guidance on sustainability, and monitors and approves the sustainability ambitions in the corporate strategy. The Executive Management Team is accountable for the sustainability program and approves the annual update of sustainability initiatives. Aker Clean Hydrogen is in the process of developing the sustainability governance and policy, embedding sustainability assessments in the company's projects and business development activities.

2021 highlights: The sustainability focus in 2021 has been to develop ESG tools for decision making and business development, embedding sustainability in the way the company develops its projects and production facilities. In 2021 the company commited to UN Global Compact, conducted a TCFD assessment and materiality analysis, and participated in the Climate Ambition Accelerator to set Science Based Targets.

Board of Directors

- Sustainability policy
- Independence
- ESG competence

External commitments

UN Global Compact

ESG implementation

- Targets
- Strategy
- Reporting

Selected SDGs

7 Affordable and clean energy, 8 Decent work and economic growth, 9 Industry, innovation and infrastructure, 12 Responsible consumption and production, 13 Climate action, 17 Partnerships for the goals

ESG management

- Materiality assessment
- ESG risk management
- Supply chain monitoring

Greenhouse gas emissions[1]

Scope 1:	Scope 2:	Scope 3:	Total:
0	0.9	6.4	7.3

Read the Company Sustainability Summary Guide.

Board		Management		Company	
0%	100%	17%	83%	31%	69%

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

	SDGs	P	T	S	R	Indicator	2021
PLANET							
Climate change	13, 7	✔			✔	Scope 1 and 2 GHG emissions (tonnes CO_2e)[2]	0.9
Nature loss	15, 14					# sites in/adjacent to protected natural areas (# sites)	0
Water scarcity	6					Water withdrawn in water stressed areas (ML)	0
Waste and circularity	12					Non-recycled waste (tonnes)	0.9
PEOPLE							
Dignity and equality	10, 5	✔				Pay equality (women/men)[3]	0.91
Health & wellbeing	3					Rate of work-related recordable injuries (TRIF, employees)[4]	0
Skills for the future	4					Average hours of training per employee	20
Human rights	8	✔				% of staff completing human rights training[5]	66
PROSPERITY							
Employment and wealth generation	1, 8					Total wages paid (NOK million)	43.0
Innovation in better products, services	9		✔		✔	Total R&D expenditure (NOK million)	20.1
Community and social vitality	11					Total tax paid (NOK million)	-17.6
GOVERNANCE							
Ethics and integrity	16	✔	✔	✔	✔	% of staff completing ethics and integrity training	66
Legal compliance	16	✔	✔	✔	✔	# legal proceedings of non-compliance with laws and regulations	0

1) All in tonnes CO2, Scope 2 emissions are location-based
2) Scope 2 emissions are location-based
3) The ratio is based on average salary in the organization regardless of employment level, including the CEO, and is affected by a larger percentage of men in executive and management positions
4) No production facilities in operation yet.
5) Only business in Norway as of 2021.

Aker Offshore Wind

Chair: Kristian M. Røkke
CEO: Philippe Kavafyan

Aker Offshore Wind aims to drive the industrialization of deepwater and floating offshore wind power and take early mover positions in the development of large-scale deepwater wind farms across the globe.

Corporate purpose: Aker Offshore Wind was created to power a sustainable energy transition by developing clean, green and affordable energy.

Sustainability governance: Sustainability is an integrated part of the company strategy and operationalized through internal processes and business operations across the organization. Starting at the highest level of the organization, specific targets hold leadership, managers and employees accountable for sustainability at Aker Offshore Wind. The Board of Directors has the overall authority and responsibility to oversee and safeguard the company's sustainability (environmental, social, and governance - ESG) work.

2021 highlights: During 2021 Aker Offshore Wind has invested substantially in establishing sustainability targets, systems and training. The Board of Directors has approved an ambitious Sustainability Policy with targets of net zero emissions by 2030, zero waste and positive biodiversity impacts through protection, preservation and restoration of ecosystems.

Board of Directors
- Sustainability policy
- Independence
- ESG competence

External commitments
UN Global Compact
Grønnvaskingsplakaten

ESG implementation
- Targets
- Strategy
- Reporting

Selected SDGs
5 Gender equality, 7 Affordable and clean energy, 8 Decent work and economic growth, 12 Responsible consumption and production, 13 Climate action, 14 Life below water, 17 Partnerships for the goals

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

Greenhouse gas emissions[1]
Scope 1: 0
Scope 2: 14.7
Scope 3: 32.9
Total: 47.6

Read the Company Sustainability Summary Guide.

Board
25% | 75%

Management
30% | 70%

Company
25% | 75%

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

	SDGs	P	T	S	R	Indicator	2021
PLANET							
Climate change		✔	✔	✔	✔	Scope 1 and 2 GHG emissions (tonnes CO_2e)[2]	14.7
Nature loss		✔	✔	✔	✔	# sites in/adjacent to protected natural areas (# sites)	0
Water scarcity						Water withdrawn in water stressed areas (ML)	0
Waste and circularity		✔	✔	✔	✔	Non-recycled waste (tonnes)	2.0
PEOPLE							
Dignity and equality		✔			✔	Pay equality (women/men)[3]	0.86
Health & wellbeing		✔	✔		✔	Rate of work-related recordable injuries (TRIF, employees)	0
Skills for the future		✔				Average hours of training per employee[4]	29.7
Human rights		✔	✔		✔	% of staff completing human rights training[5]	72
PROSPERITY							
Employment and wealth generation		✔				Total wages paid (NOK million)	90.5
Innovation in better products, services		✔				Total R&D expenditure (NOK million)	23.0
Community and social vitality						Total tax paid (NOK million)	3.4
GOVERNANCE							
Ethics and integrity		✔	✔	✔	✔	% of staff completing ethics and integrity training	72
Legal compliance		✔	✔	✔	✔	# legal proceedings of non-compliance with laws and regulations	0

1) All in tonnes CO2, Scope 2 emissions are location-based
2) Scope 2 emissions are location-based
3) The ratio is based on average salary in the organization regardless of employment level, including the CEO, and is affected by a larger percentage of men in executive and management positions
4) Estimate based on reported training hours
5) Code of Conduct training covered human rights components.

Mainstream Renewable Power

Chair: Kristian M. Røkke
CEO: Mary Quaney

Mainstream Renewable Power is a leading pure-play renewable energy company that develops, builds and operates renewable energy plants around the globe. Established in 2008, the company has a global development portfolio of 14.97 GW (net), 1.28 GW in construction and 0.31 GW under operational management (net) at the end of December 2021. Mainstream Renewable Power employs 430 people with offices in 12 countries. In May 2021, Aker Horizons took a 75% ownership position in Mainstream Renewable Power.

Corporate purpose: Mainstream Renewable Power's purpose is to develop, build and operate wind and solar power plants around the globe and in doing so, to electrify the world with renewable energy. Mainstream Renewable Power fully integrates sustainability into its day-to-day operations.

Sustainability governance: The Board of Mainstream Renewable Power has a sustainability sub-committee which comprises three directors and senior executives from Mainstream Renewable Power and Aker Horizons. This committee meets quarterly to review sustainability performance.

2021 highlights: CDP awarded Mainstream Renewable Power an A- Leadership Status for the fourth consecutive year. Mainstream Renewable Power operations in Vietnam received ISO Quality Management System accreditation (ISO9001). Great Place to Work-Certified.

Board of Directors[2]

- Sustainability policy
- Independence
- ESG competence

External commitments

Global Alliance for Sustainable Energy

CDP

ESG implementation

- Targets
- Strategy
- Reporting

Selected SDGs

4 Quality Education, 5 Gender Equality, 13 Climate Action

ESG management

- Materiality assessment
- ESG risk management
- Supply chain monitoring

Greenhouse gas emissions[1]

Scope 1:	Scope 2:	Scope 3:	Total:
300.5	2479.25	974.91	3754.66

Read the Company Sustainability Summary Guide.

	Board	Management	Company
Women	20%	31%	39%
Men	80%	69%	61%

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

	SDGs	P	T	S	R	Indicator	2021
PLANET							
Climate change	13, 7	✔	✔	✔	✔	Scope 1 and 2 GHG emissions (tonnes CO_2e)[3]	2779.75
Nature loss	15, 14	✔	✔	✔	✔	# sites in/adjacent to protected natural areas (# sites)	In progress
Water scarcity	6	✔	✔	✔	✔	Water withdrawn in water stressed areas (ML)[4]	In progress
Waste and circularity	12	✔	✔	✔	✔	Non-recycled waste (tonnes)	825.71
PEOPLE							
Dignity and equality	10, 5	✔	✔	✔	✔	Pay equality (women/men)	In progress
Health & wellbeing	3				✔	Rate of work-related recordable injuries (TRIF, employees)	0
Skills for the future	4		✔			Average hours of training per employee	38
Human rights	8	✔		✔	✔	% of staff completing human rights training	60
PROSPERITY[4]							
Employment and wealth generation	1, 8	✔	✔	✔	✔	Total wages paid (EUR million)	54.8
Innovation in better products, services	9	✔	✔	✔	✔	Total R&D expenditure (EUR million)	In progress
Community and social vitality	11	✔	✔	✔	✔	Total tax paid (EUR million)[6]	3.9
GOVERNANCE							
Ethics and integrity	16	✔	✔	✔	✔	% of staff completing ethics and integrity training[7]	60
Legal compliance	16	✔	✔	✔	✔	# legal proceedings of non-compliance with laws and regulations	0

1) All in tonnes CO2, Scope 2 emissions are location-based. Reported emissions are from 2020 because 2021 figures are not yet available.
2) This refers to the BoD in the newly formed Aker Mainstream Renewables AS company, the holding company formed when Aker Horizons invested in Mainstream Renewable Power
3) 2020 figures, Scope 2 emissions are location-based
4) Data is being collected at all sites, but no aggregate figure across all operations has yet been developed
5) All figures presented in this table are for full year 2021, not since Aker Horizons acquisition
6) Mainstream Renewable Power is committed to working with its communities throughout the lifetime of the asset. For details on monetary community investment, see the Full ESG Performance Metrics in the Appendix to this report
7) Mainstream Renewable Power's Code of Conduct is the overarching document addressing ethics and integrity.

Platform Portfolio Sustainability Implementation Summary

	Aker Horizons	Aker Carbon Capture	Aker Clean Hydrogen	Aker Offshore Wind	Mainstream Renewable Power
KEY INFO					
Aker Horizons equity stake	N.A.	42%	77%	51%	75%
Revenue (NOK million)	N.A.	363	14	14	588
FTEs total workforce (incl contract staff)	46	128	71.6	94.9	532.3
DIVERSITY					
BoD diversity (% women)	40%	43%	0%	25%	20%
Management diversity (% women)	50%	38%	17%	30%	31%
Company diversity (% women)	40%	34%	31%	25%	39%
BOARD OF DIRECTORS					
Sustainability policy					
Independence					
ESG competence					
ESG IMPLEMENTATION					
Time-bound future targets					
Integrated strategy					
Sustainability reporting					
ESG MANAGEMENT					
Materiality assessment					
ESG risk management					
Supply chain monitoring					

Principal Adverse Impact Indicators

The Sustainable Finance Disclosure Regulation and its Principles Adverse Impact Indicators aim to give information about potential adverse impacts associated with Aker Horizons' business and investments. The table below indicates the proportion of the total portfolio data for which has been available. Where data has not been received from all portfolio companies, this has also been accounted for in the calculations for the Platform and Sunrise portfolios. For further details on the calculation methods, see the section on sustainability accounting principles and methodology under the section Transparent Reporting.

	Portfolio data coverage	Full portfolio	Platform	Sunrise
GREENHOUSE GAS (GHG EMISSIONS)				
Scope 1 (tonnes CO2e)	100%	8,267	225	8,041
Scope 2 (tonnes CO2e)	100%	45,426	1,869	145,196
Scope 3 (tonnes CO2e)[1]	100%	6,74	787	5,953
Total (tonnes CO2e)	100%	60,432	2,882	159,19
Carbon footprint (tonnes CO2e)	100%	28	1	814
GHG intensity of investee companies (tonnes CO2e)	100%	180	31	1,657
Share of investments in companies active in the fossil fuel sector (percent)	100%	0%	0%	0%
Share of non-renewable energy consumption(percent)[2]	99%	42%	42%	42%
Share of non-renewable energy production (percent)	99%	0%	0%	0%

	Portfolio data coverage	Full portfolio	Platform	Sunrise
Energy consumption intensity per high impact climate sector (GWh per million EUR invested)[3]	61%	1.0	0.1	6.7
Activities negatively affecting biodiversity-sensitive areas (percent)	62%	0%	0%	0%
Emissions to water (tonnes per million EUR invested)	100%	0.0	0.0	0.0
Hazardous waste (tonnes per million EUR invested)	100%	0.0	0.0	0.1
Violations of UNGC principles and OECD Guidelines for Multinational Enterprises (percent)	100%	0	0	0
Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises (share of investments, percent)	100%	23%	24%	15%
Unadjusted gender pay gap (ratio)	61%	0.90	0.92	0.77
Board gender diversity (ratio)	100%	0.26	0.25	0.37
Exposure to controversial weapons (share of investments, percent)	100%	0%	0%	0%

1) Scope 3 emissions are a priority to calculate for all portoflio companies, but the current figure has limited scope due to this still being an area of learning and with limited data available.
2) Consumption figures only cover HQ for AOW (88% of consumption) and ACC
3) Scope 1 and 2 energy consumption only

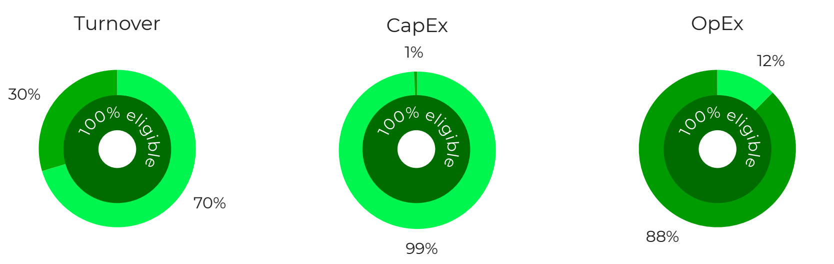
Taxonomy Status

Taxonomy status of Aker Horizons' investments

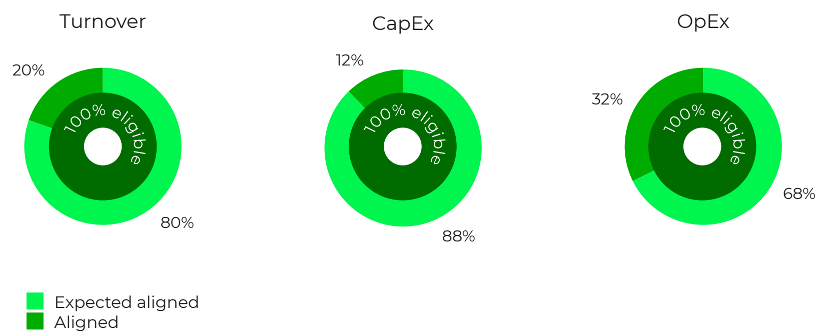
The figures presented represent 92% of Aker Horizons' operative portfolio, and exclude REC Silicon and Supernode. REC Silicon has been omitted from the 2021 calculation because 1) the operational status of 2021 involved a non-representative picture of REC Silicon's activities because the REC Solar Grade facility was idle, and 2) the primary activity in 2021 of producing silicon gases for production of semiconductors is complicated to assess even at the level of Eligibility and Substantial Contribution.

For all KPIs, both main and voluntary, 100% of activities are eligible and 0% are non-eligible.

Main KPIs - determined in accordance with Annex 1 of the Art 8 Delegated Act



Voluntary KPIs - equity share of all investments



Taxonomy accounting guidelines

The key performance indicators (KPIs) presented in this report include turnover, CapEx and OpEx KPIs, for the reporting period 2021. The KPIs have been calculated according to Annex 1 of the Art 8 Delegated Act, and include Aker Horizons' consolidated share of turnover, CapEx and OpEx in relation to total turnover, CapEx and OpEx, as presented in the consolidated financial statements.

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, 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 taxonomy-eligible activities across Aker Horizons' investee companies are conducted through special purpose vehicles (SPVs). Such assets are often accounted for using the equity method, as opposed to being included in the consolidated figures. Thus, the additional KPIs will assist users of Aker Horizons' annual report in understanding the full extent of its' taxonomy-eligible activities. For further details, refer to the sustainability accounting principles and methodology within the section Transparent Reporting.

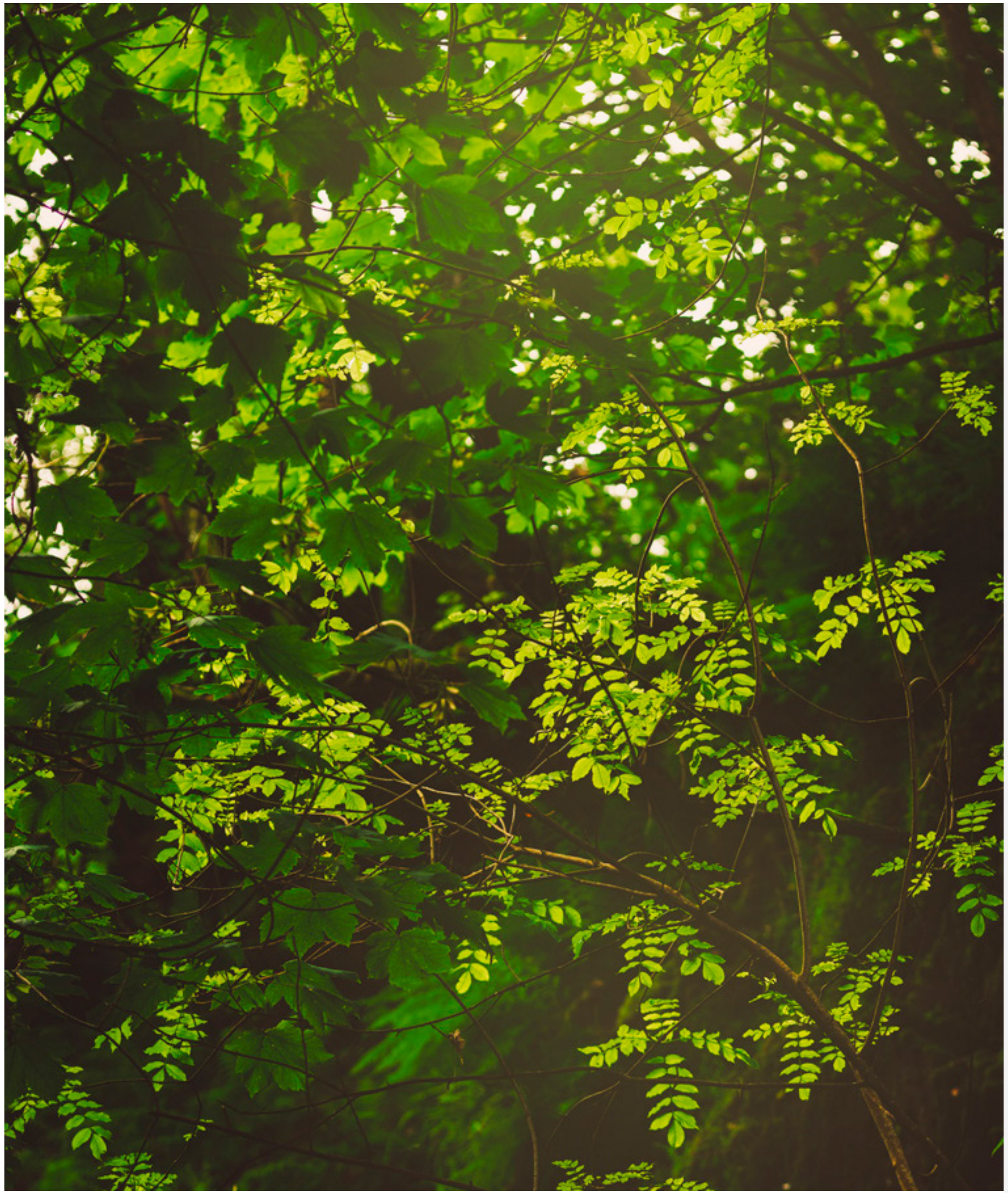
Approach to classifying activities

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. Similarly, 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:

- Substantial contribution: The economic activity contributes substantially to one or more of the environmental objectives
- Do no significant harm: It does not significantly harm any of the environmental objectives
- Minimum safeguards: It is carried out in compliance with the minimum safeguards
- It 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. Aker Horizons has chosen to report on the proportion of activities that are taxonomy aligned, and also the share of the KPIs that are defined as "expected aligned". This is in recognition of the fact that while activities are deemed likely to be aligned on the basis of an assessment of their substantial contribution, full documentation efforts have not been undertaken for all the technical screening criteria. In many cases, however, management believes the required documentation on alignment will be completed in the near future. For further details, refer to the sustainability accounting principles and methodology within the section Transparent Reporting.



Financials and Notes

Aker Horizons Consolidated Accounts

Income Statement

Consolidated statement for the year ended 31 December

Amounts in NOK million	Note	**2021**	**2020**[1]
Revenues	3, 4	1,238	27
Other income	27	174	—
Materials, goods and services		(1,126)	(17)
Salaries, wages and social security costs	5	(833)	(66)
Other operating expenses	6	(777)	(133)
Operating expenses		(2,737)	(216)
Operating profit (loss) before depreciation, amortization and impairment		**(1,325)**	**(190)**
Depreciation, amortization and impairment	10, 11, 20	(100)	(5)
Operating profit (loss)		**(1,425)**	**(195)**
Financial income		26	2
Financial expenses		(779)	(9)
Net financial expenses	**7**	**(752)**	**(7)**
Profit (loss) from equity-accounted investees	12	(215)	(125)
Profit (loss) before tax		**(2,393)**	**(326)**
Income tax benefit (expense)	8	(36)	—
Profit (loss) for the period		**(2,428)**	**(326)**
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:			
Non-controlling interests (NCI)	30	(477)	(48)
Equity holders of the parent company		(1,951)	(278)
Profit (loss) for the period		(2,428)	(326)
Basic and diluted earnings (loss) per share (NOK)	9	(3.54)	(0.50)

1) 2020 are carve-out combined financial statements, see Note 2 Basis of preparation for more information.

Other Comprehensive Income (OCI)

Consolidated statement for the year ended 31 December

Amounts in NOK million	Note	**2021**	**2020** [1]
Profit (loss) for the period		**(2,428)**	**(326)**
Other comprehensive income			
Cash flow hedges, effective portion of changes in fair values	26	(97)	—
Currency translation differences - foreign operations		284	(29)
Share option reserve		5	—
Equity-accounted investees - share of OCI		(33)	(2)
Total items that may be reclassified subsequently to profit or loss, net of tax		**160**	**(32)**
Total comprehensive income (loss) for the period, net of tax		**(2,268)**	**(358)**
Attributable to			
Equity holders of the parent		(1,842)	(301)
Non-controlling interests		(426)	(57)
Total comprehensive income (loss) for the period, net of tax		**(2,268)**	**(358)**

1) 2020 are carve-out combined financial statements, see Note 2 Basis of preparation for more information.

Balance Sheet

Consolidated statement for the year

Amounts in NOK million	Note	31 Dec 2021	31 Dec 2020[1]	1 Jan 2020[1]
ASSETS				
Non-current assets				
Goodwill	11	2,587	—	—
Intangible assets	11	4,182	4	—
Right-of-use assets	20	700	38	—
Property, plant and equipment	10	12,324	3	—
Deferred tax assets	8	1	—	—
Equity-accounted investees	12	1,072	620	215
Non-current interest-bearing receivables	33	26	—	—
Derivative financial instruments	26	243	—	—
Total non-current assets		**21,136**	**665**	**216**
Current assets				
Current interest-bearing receivables	12	—	25	—
Inventories	13	716	—	—
Trade and other receivables	14	1,319	18	4
Other investments	15	702	—	—
Restricted cash	16	2,071	—	—
Cash and cash equivalents	16	5,412	943	—
Assets held for sale	17	1,202	—	—
Total current assets		**11,422**	**986**	**4**
Total assets		**32,557**	**1,650**	**219**

Amounts in NOK million	Note	31 Dec 2021	31 Dec 2020[1]	1 Jan 2020[1]
EQUITY AND LIABILITIES				
Equity				
Paid-in capital		14,365	—	—
Reserves		86	(23)	—
Retained earnings and other equity		(8,726)	(285)	200
Total equity attributable to the parent	18	5,725	(308)	200
Hybrid capital	18	16	—	—
Non-controlling interests	30	4,245	628	—
Total equity		**9,985**	**320**	**200**
Non-current liabilities				
Non-current borrowings	19	17,118	1,000	—
Non-current lease liabilities	20	605	28	—
Pension liabilities		8	5	—
Provisions	21	93	—	—
Derivative financial instruments	26	153	—	—
Deferred tax liabilities	8	1,112	—	—
Total non-current liabilities		**19,089**	**1,033**	**—**
Current liabilities				
Current borrowings	19	424	184	—
Current lease liabilities	20	63	12	—
Trade and other payables	22	2,996	101	18
Total current liabilities		**3,483**	**297**	**18**
Total liabilities		**22,572**	**1,330**	**18**
Total equity and liabilities		**32,557**	**1,650**	**219**

1) 2020 are carve-out combined financial statements, see Note 2 Basis of preparation for more information.

Fornebu, 21 March 2022
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

Consolidated statement for the year ended 31 December

Amounts in NOK million	Note	**2021**	**2020**[1]
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss) for the period		(2,428)	(326)
Adjustments for:			
Income tax expense (benefit)	8	36	—
Net interest cost and unrealized currency loss (income)		748	—
Depreciation, amortization and impairment	10	100	5
Share of (profit) loss from equity-accounted investees	12	215	125
Other non-cash effects	27	(168)	—
Profit (loss) for the period, adjusted		(1,497)	(196)
Changes in operating assets		(142)	96
Cash generated from operating activities		(1,640)	(100)
Interest paid		(214)	—
Interest received		30	—
Income tax paid		(1)	—
Net cash from operating activities		(1,826)	(100)
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	10	(3,335)	(3)
Payments for capitalized development	11	(13)	(4)
Payments for shares in subsidiaries, net of cash acquired	27	(4,852)	—
Payments for equity-accounted investees	12	(239)	(570)
Proceeds sale of property, plant and equipment		6	—
Payments for other investments	15	(700)	—
Payments related to interest-bearing receivables	12	22	(18)
Change in restricted cash	16	(145)	—
Net cash from investing activities		(9,257)	(595)

Amounts in NOK million	Note	**2021**	**2020**[1]
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings	19	7,300	832
Transaction costs related to loans and borrowings	19	(177)	—
Repayment of borrowings	20	(1,022)	—
Proceeds from issue of share capital	18	5,573	496
Transaction costs related to issue of share capital	19	(159)	(30)
Payment of lease liabilities		(58)	(3)
Repurchase of treasury shares	20	4	(1)
Proceeds from sale of treasury shares		(6)	—
Proceeds from capital increase from non-controlling interest	30	3,300	—
Proceeds sale of non-controlling interest		1,010	—
Net contribution from parent[1]		—	342
Net cash from financing activities		15,766	1,637
Effect of exchange rate changes on cash and bank deposits		(214)	—
Net increase (decrease) in cash and bank deposits		4,469	943
Cash and cash equivalents at the beginning of the period		943	—
Cash and cash equivalents at the end of the period		5,412	943

1) 2020 are carve-out combined financial statements, see Note 2 Basis of preparation for more information

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Changes in Equity

Amounts in NOK million	Note	Share capital	Other paid-in capital	Retained earnings	Other equity	Cash flow hedge reserve	Share option reserve	Currency translation reserve	Equity attributable to parent company	Hybrid capital	Non-controlling interests	Total equity
Opening balance 1 January 2020		—	—	—	200	—	—	—	200	—	—	200
Profit (loss) for the period		—	—	(131)	(147)	—	—	—	(278)	—	(49)	(326)
Other comprehensive income		—	—			—	—	(23)	(23)		(9)	(32)
Total comprehensive income		**—**	**—**	**(131)**	**(147)**	**—**	**—**	**(23)**	**(301)**	**—**	**(57)**	**(358)**
Transaction with owners of the company												
Continuity difference		—	—	—	(1,807)	—	—	—	(1,807)	—	—	(1,807)
Loss on sale of treasury shares		—	—	—	(1)	—	—	—	(1)	—	—	(1)
Changes in parent's investment		—	—	—	1,819	—	—	—	1,819	—	—	1,819
Total contributions and distributions		—	—	—	11	—	—	—	11	—	—	11
Changes in ownership interests												
Issuance of shares in subsidiaries		—	—	—	—	—	—	—	—	—	497	497
Transaction costs, issuance of shares in subsidiaries		—	—	—	—	—	—	—	—	—	(30)	(30)
Other		—	—	—	(219)	—	—	—	(219)	—	219	—
Total change in ownership interests		**—**	**—**	**—**	**(218)**	**—**	**—**	**—**	**(218)**	**—**	**686**	**467**
Equity as of 31 December 2020 [1]		**—**	**—**	**(131)**	**(154)**	**—**	**—**	**(23)**	**(308)**	**—**	**628**	**320**

1) Aker Horizons ASA was incorporated on 1 November 2020 with a share capital of NOK 30,000. The table shows equity at the beginning of the period from the carve-out combined financial statements, see Note 1 General information and Note 2 Basis of preparation.

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Changes in Equity cont.

Amounts in NOK million	Note	Share capital	Other paid-in capital	Retained earnings	Other equity[3]	Cash flow hedge reserve	Share option reserve	Currency translation reserve	Equity attributable to parent company	Hybrid capital[2]	Non-controlling interests	Total equity
Opening balance 1 January 2021[1]		—	—	(131)	(154)	—	—	(23)	**(308)**	—	628	**320**
Profit (loss) for the period		—	—	(1,951)	—	—	—	—	**(1,951)**	—	(477)	**(2,428)**
Other comprehensive income		—	—	—	—	(73)	4	177	**109**	—	51	**160**
Total comprehensive income		**—**	**—**	**(1,951)**	**—**	**(73)**	**4**	**177**	**(1,842)**	**—**	**(426)**	**(2,268)**
Transaction with owners of the company												
Share issues		610	13,924	—	(8,963)	—	—	—	**5,571**	—		**5,571**
Transaction costs, share issues			(169)	—	—	—	—	—	**(169)**			**(169)**
Continuity difference	28	—	—	—	(803)	—	—	—	**(803)**	—	—	**(803)**
Equity portion convertible bond	18	—	—	—	349	—	—	—	**349**	—	—	**349**
Treasury shares					(1)		—	—	**(1)**		(1)	**(2)**
Total contributions and distributions		**610**	**13,755**	**—**	**(9,419)**	**—**	**—**	**—**	**4,946**	**—**	**(1)**	**4,945**
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	**2,595**
Sale to non-controlling interests	30	—	—	—	2,929	—	—	—	**2,929**	—	(1,848)	**1,081**
Total change in ownership interests		**—**	**—**	**—**	**2,928**	**—**	**—**	**—**	**2,929**	**16**	**4,044**	**6,988**
Equity as of 31 December 2021		**610**	**13,755**	**(2,082)**	**(6,644)**	**(72)**	**4**	**154**	**5,724**	**16**	**4,245**	**9,985**

1) Aker Horizons ASA was incorporated on 1 November 2020 with a share capital of NOK 30,000. The table shows equity at the beginning of the period from the carve-out combined financial statements, see Note 1 General information and Note 2 Basis of preparation.
2) See Note 18 Share capital and capital reserves.
3) Other equity includes negative NOK 8,963 million, representing the difference between fair value and book value of assets transferred as contribution-in-kind in an internal reorganization. See Note 28 Other significant transactions for more information.

1 General information

Aker Horizons is an investment company dedicated to developing companies that solve fundamental challenges to sustainable existence - or planet-positive investing. Its portfolio includes an offshore wind power developer, 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, and a company dedicated to developing, building, owning and operating clean hydrogen production at industrial scale globally. In addition, the Company has invested in a Sunrise portfolio containing businesses that are in an early phase or require further development to realize their full potential.

Aker Horizons is a limited liability public company incorporated and domiciled in Norway, whose shares are traded on the Oslo Stock Exchange. On 1 February 2021, the Company was made available for trading on Euronext Growth (Oslo) under the ticker AKH. On 21 May 2021, the Company transferred its listing from Euronext Growth (Oslo) to the Oslo Stock Exchange. The registered office is located at Oksenøyveien 8, Bærum, Norway.

Aker Horizons, previously named Aker Horizons AS and AH TI AS, was incorporated on 1 November 2020 and became the parent of the consolidated group through an internal reorganization in the Aker ASA group on 19 January 2021 (see Note Basis of preparation and Note 28 Other significant transactions for further information).

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.

The consolidated statements include all entities controlled by Aker Horizons ASA, see information on the Group's principal subsidiaries in Note 29 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 12 Investments in associates and joint ventures.

These consolidated financial statements were issued by the board and CEO of Aker Horizons on 21 March 2022, to be approved by the Annual General Meeting on 22 April 2022.

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.

First-time consolidated financial statements and statement of compliance

Aker Horizons' first-time 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 2021.

Special purpose carve-out combined financial statements were prepared for the Aker Horizons business in line with International Financial Reporting Standards as adopted by the European Union (IFRS) for the years ended 31 December 2020, 2019 and 2018.

The legal formation of the Aker Horizons ASA Group ("Aker Horizons Group" or the "Group") was completed on 19 January 2021. Until the formation of the Group, the accounting policies, principles of carve-out, combination and allocation as described in the carve-out combined financial statements were applied.

Upon the legal formation of the Aker Horizons Group, Aker Horizons ASA has controlled all net assets transferred within the meaning of IFRS 10, Consolidated Financial Statements. Therefore, first-time consolidated financial statements have been prepared in accordance with IFRS 1, First-Time Adoption of International Financial Reporting Standards, for the reporting period ended 31 December 2021. As consolidated financial statements previously were not prepared for the carved-out combined Aker Horizons business, no reconciliation for consolidated equity and for consolidated total comprehensive income is required pursuant to IFRS 1.

Aker Horizons ASA applied the predecessor accounting approach by using the carrying amounts recognized in the IFRS consolidated financial statements of Aker ASA. Legal transfers of the business activities from Aker ASA Group, first to Aker Horizons Holding AS in 2020 and thereafter together with the shares in REC Silicon ASA to Aker Horizons ASA on 19 January 2021, were presented as transactions under common control using the book value method. In addition, prior-periods comparative information has been

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presented as if the legal structure of Aker Horizons ASA, after taking into account the legal transfers of the business activities, had already existed in the past. Accordingly, disclosures in the carve-out combined financial statements published as part of the prospectus dated 19 May 2021 for listing of the shares of Aker Horizons ASA on Oslo Børs can be consulted for comparative information. The comparative information in these financial statements prior to the legal formation of the Aker Horizons group on 19 January 2021 is labelled as “consolidated” and derived from the carve-out combined financial statements up to and including 31 December 2020, and from Aker ASA’s internal consolidation system for the period 1 January to 19 January 2021.

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.

Background and formation for the carve-out combined and consolidated financial statements

Aker Horizons AS became the parent of the Aker Horizons Group in January 2021 through various internal transactions whereby Aker Capital AS, a subsidiary of Aker ASA, transferred all its shares in Aker Horizons Holding AS, and thereby Aker Carbon Capture AS (ACC) and Aker Offshore Wind AS (AOW) and REC Silicon ASA to Aker Horizons AS.

Prior to 31 July 2020, the activities of Aker Carbon Capture AS (ACC) and Aker Offshore Wind AS (AOW) were part of Aker Solutions Group, a subsidiary of Aker ASA Group. Subsequently, they were carved-out into the separate legal entities ACC and AOW and distributed as dividends in kind to the shareholders of Aker Solutions ASA. In 2020 these two separate entities were admitted to trading on Euronext Growth (Oslo) in connection with a private placement of new shares in each of the companies. The private placements were directed towards Aker Horizons Holding AS and new investors. The activities of ACC and AOW were not organized in separate legal entities in Aker Solutions Group before they were carved out.

Principles used in the consolidated financial statements relating to carve-out combined comparatives

The reorganization of ownership interests, assets and liabilities under common control is outside the scope of IFRS 3 Business Combinations. Since IFRS does not provide specific guidance, accounting policies have been established by the Group to account for such transactions at their historical carrying amounts recognized in Aker ASA Group, as if the re-organization occurred at the beginning of the earliest period presented.

The Aker Horizons Group consists of ownership interests, assets and liabilities that have historically been under common control of Aker ASA for all periods presented.

IFRS 10 requires the parent company, Aker Horizons ASA, to control its subsidiaries at the end of the reporting period in order to prepare consolidated financial statements.

IAS 28 requires that Aker Horizons ASA has significant influence or common control to use equity accounting of its investees. Aker Horizons ASA did not obtain such control, significant influence or common control until January 2021. Therefore, IFRS 10 and IAS 28 have not been applied for the carve-out combined comparative figures. The carve-out combined comparative figures have been prepared on a basis that combines the historical results and carrying amounts of assets and liabilities of the Aker Horizons' business as presented in Aker ASA's consolidated financial statements, using the same accounting policies and measurement principles as used by the Aker ASA Group. When preparing the carve-out combined comparative figures, carrying values at the highest level of common control have been applied, i.e at Aker ASA level.

Consequently, it is not meaningful to show share capital or an analysis of other reserves for the carved-out combined entity prior to the legal formation of the Aker Horizon Group.

For the carve-out combined comparative figures, non-controlling interests represent shares in ACC and AOW not owned by Aker ASA Group subsequent to the distribution of the shares in ACC and AOW as dividends to shareholders of Aker Solutions ASA and the private placement of shares in ACC and AOW in July 2020. No non-controlling interests have been presented for the periods before the private placement of shares in ACC and AOW in July 2020. Non-controlling interests include some shares that Aker Solutions ASA purchased in the private placement of shares in ACC and AOW, after the dividend distribution of shares. Aker Solutions ASA was no longer a subsidiary of the Aker ASA Group from December 2020, and these shares have not been transferred to Aker Horizons AS in 2021.

Earnings per share information for 2020 has been presented on a proforma basis.

Basis for allocation for the carve-out combined comparative figures

The carve-out combined comparative figures reflect assets, liabilities, revenue and expenses historically recognized within the Aker Horizons' businesses. Except for the investments in equity-accounted investees, all figures presented in the carve-out combined financial statements from the period up until the legal entities were established, are according to what has been recorded to the ACC and AOW profit centers in Aker Solutions ASA. One additional allocation has been made to cover various management and group functions, including HR, accounting, IT, treasury etc., as such costs are not reflected in the profit centers. These cost allocations have been calculated based on the salary of certain key management personnel employed in Aker Horizons AS as of the legal formation of the Group, and have been allocated to ACC and AOW based on their relative size within the combined Group, taking into account both revenue and full time employee equivalents (FTE) metrics. This is according to the allocation method applied in Aker Horizons Group after the Group was formally established, and it is aligned with the allocation principles applied in Aker ASA Group. These allocated costs are presented as part of Other operating expenses in the Income statement. Up until the legal entities were established, they had no own debt financing or cash positions, and consequently no interest expenses or income. All carve-out combined financing until the legal entities were established has been in form of equity contributions from parent.

However, the carve-out combined financial position, results of operations and cash flows of the Aker Horizons business may differ from those that would have been achieved had the Aker Horizons Group operated as an autonomous entity for all periods presented, as the Aker Horizons business may have had, for example, additional administrative expenses, including legal, accounting, treasury and regulatory compliance and other costs normally incurred by an autonomous entity. There may also be increased costs as a result of being a listed entity.

Income tax for the carve-out combined comparative figures have been based on the expected tax charges that would have been reported had Aker Horizons been an independent group. As no net taxable income has been reported in the carve-out combined comparative figures, no deferred tax assets have been recognized as uncertainty for future taxable income exists and consequently no income tax has been recognized for the comparative periods presented. This assumption is not necessarily representative of the tax charges that would have been reported had Aker Horizons been an independent group and may not be representative of the income tax charges that may arise in the future.

Changes to accounting policies and disclosures

The Group has carried forward the carrying values of assets and liabilities as reported by the Aker ASA Group and applied the same accounting policies. The accounting policies applied are the same for all periods presented, except for IFRS 10 and IAS 28 as explained above.

Aker Horizons ASA has presented condensed consolidated interim financial statements according to IAS 34 for the first half year 2021, not using carve-out combined comparative figures. Aker Horizons ASA has for its first time consolidated IFRS financial statements for the year 2021 elected to present carve-out combined comparative figures for 2020 and up to the legal establishment of the Group on 21 January 2021. The Company is of the opinion that the carve-out combined comparative figures provide the best comparable and useful information.

Revisions to standards and interpretations that did not come into force for the Group for the year that ended 31 December 2021 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 4 Revenue
- Note 8 Tax
- Note 10 Property, plant and equipment
- Note 11 Intangible assets and goodwill
- Note 12 Investments in associates and joint ventures
- Note 17 Assets held for sale
- Note 18 Share capital and capital reserves
- Note 19 Borrowings
- Note 20 Leasing
- Note 21 Provisions
- Note 27 Business combinations

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. Transactions between segments are conducted on market terms and conditions. Operational revenues and segment assets are based on the geographical location of companies.

Overview of reportable segments, and significant subsidiaries in Aker Horizons

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).

Aker Clean Hydrogen (ACH)
Aker Clean Hydrogen is dedicated to developing, building, owning and operating clean hydrogen production at industrial scale globally.

Aker Offshore Wind (AOW)
Aker Offshore Wind sources, develops and structures offshore wind power projects, primarily focusing on deepwater projects.

Mainstream Renewable Power (Mainstream)
Mainstream is a global renewable energy company that develops, builds and operates wind and solar power assets.

Rainpower
Rainpower offers proprietary technologies for integrated products and services to the hydropower industry worldwide.

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.

Other
"Other" consists of Aker Horizons' investments in SuperNode, REC Silicon and several initiatives in Narvik.

- SuperNode is a superconducting technology company that was acquired as part of the Mainstream transaction.
- REC Silicon is a producer of advanced silicon materials listed on the Oslo Stock Exchange.
- Aker Narvik represents several strategic initiatives in the Narvik region to establish green value chains for power-intensive industries in Northern Norway.

2021

Amounts in NOK million	Note	ACC	ACH	AOW	Mainstream [1,2]	Rainpower[2]	Aker Horizons and holdings	Total reportable segments	Other and eliminations [1]	Total
Income statement										
External segment revenue & other income		363	14	14	761	257	2	**1,411**	—	**1,411**
Inter-segment revenue		—	—	—	—	—	132	**132**	(132)	**—**
Total segment revenue	4	**363**	**14**	**14**	**761**	**257**	**133**	**1,543**	**(132)**	**1,411**
Operating profit (loss) before depreciation, amortization and impairment (EBITDA)		**(190)**	**(158)**	**(272)**	**(314)**	**(78)**	**(186)**	**(1,198)**	**(128)**	**(1,325)**
Depreciations and amortizations		(5)	(3)	(4)	(68)	(17)	—	**(97)**	(3)	**(100)**
Operating profit (loss) (EBIT)		**(195)**	**(160)**	**(276)**	**(382)**	**(94)**	**(186)**	**(1,295)**	**(131)**	**(1,425)**
Share of profit (loss) equity-accounted investees	12	—	(9)	(67)	(66)	—	—	**(142)**	(73)	**(215)**
Interest income		3	10	1	8	—	4	**26**	—	**26**
Interest expense		—	(1)	—	(93)	2	(379)	**(471)**	—	**(471)**
Other financial items		—	—	(3)	(118)	(9)	686	**556**	(863)	**(307)**
Profit (loss) before tax		**(192)**	**(160)**	**(344)**	**(651)**	**(102)**	**124**	**(1,325)**	**(1,068)**	**(2,393)**
Tax expense		—	—	—	(34)	(1)	—	**(36)**	—	**(36)**
Profit (loss) for the year to equity holders of the parent		**(192)**	**(160)**	**(344)**	**(685)**	**(103)**	**124**	**(1,360)**	**(1,068)**	**(2,428)**

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. See Note 27 Business combinations for more information.
2) Reflects income statement from date of acquisition, see Note 27 Business combinations.

2021 cont.

Amounts in NOK million	Note	ACC	ACH	AOW	Mainstream	Rainpower	Aker Horizons and holdings	Total reportable segments	Other and eliminations	Total
Assets and liabilities										
Non-current operating assets		33	7	9	19,548	261	18,597	**38,456**	(18,393)	**20,063**
Equity-accounted investments	12	—	80	307	496	—	1,577	**2,460**	(1,387)	**1,072**
Current operating assets		255	36	27	1,578	136	189	**2,221**	(186)	**2,035**
Cash and marketable securities	16	1,321	2,705	179	3,439	8	427	**8,079**	106	**8,185**
Assets held for sale	17	—	—	86	1,062	—	—	**1,148**	54	**1,202**
Segment assets		**1,610**	**2,828**	**608**	**26,122**	**405**	**20,791**	**52,364**	**(19,807)**	**32,557**
								—		
Borrowings	19	—	—	—	11,589	84	5,781	**17,455**	87	**17,542**
Non-current operating liabilities		9	4	7	1,866	69	—	**1,955**	16	**1,971**
Current operating liabilities		525	50	81	2,127	187	115	**3,085**	(26)	**3,059**
Segment liabilities		**534**	**54**	**88**	**15,582**	**340**	**5,896**	**22,494**	**78**	**22,572**
								—		
Equity		1,076	2,774	520	10,540	65	14,895	**29,870**	(19,885)	**9,985**
Non-controlling interest & hybrid capital		—	—	—	46	—	35	**81**	4,180	**4,261**
Total equity attributable to equity holders of the parent		**1,076**	**2,774**	**520**	**10,495**	**65**	**14,859**	**29,789**	**(24,064)**	**5,725**
								—		
Net current operating assets (liabilities)		(260)	(11)	(48)	(525)	(39)	74	**(808)**	(153)	**(961)**
Net cash (debt)		1,321	2,705	179	(8,150)	(76)	(5,354)	**(9,375)**	18	**(9,357)**
Aker Horizons ASA and holding companies key figures:										
Gross assets value (GAV)[1]		7,062	3,039	1,756	8,419	159	—	**20,435**	2,384	**22,819**

1) Listed companies at market value and other companies at book value.

2020

Amounts in NOK million	Note	ACC	AOW	Total reportable segments	Other holdings and eliminations	Total
Income statement						
External segment revenue		24	2	26	13	**39**
Inter-segment revenue		—	—	—	(12)	**(12)**
Total segment revenue	4	**24**	**2**	**26**	**1**	**27**
Operating profit (loss) before depreciation, amortization and impairment (EBITDA)		**(52)**	**(77)**	**(129)**	**(61)**	**(190)**
Depreciations and amortizations		(2)	(2)	(3)	(2)	**(5)**
Operating profit (loss) (EBIT)		**(54)**	**(79)**	**(132)**	**(63)**	**(195)**
Share of profit (loss) equity-accounted investees	12	—	(18)	(18)	(107)	**(125)**
Interest income		—	1	1	1	**2**
Interest expense		—	—	—	—	**—**
Other financial items		—	(5)	(5)	(3)	**(8)**
Profit (loss) before tax		**(54)**	**(101)**	**(154)**	**(172)**	**(326)**
Tax expense		—	—	—	—	**—**
Profit (loss) for the year to equity holders of the parent		**(54)**	**(101)**	**(154)**	**(172)**	**(326)**

2020 cont.

Amounts in NOK million	Note	ACC	AOW	Total reportable segments	Other holdings and eliminations	Total
Assets and liabilities						
Non-current operating assets		20	11	31	14	**45**
Equity-accounted investments	12	—	364	364	256	**620**
Current operating assets		7	35	42	—	**42**
Cash and marketable securities	17	458	474	932	11	**943**
Segment assets		**484**	**885**	**1,370**	**281**	**1,651**
						—
Borrowings	19				1,184	**1,184**
Non-current operating liabilities		12	11	23	11	**34**
Current operating liabilities		21	44	64	49	**113**
Segment liabilities		**33**	**55**	**87**	**1,244**	**1,331**
Equity		452	831	1,282	(962)	**320**
Non-controlling interest & hybrid capital		—	—	—	628	**628**
Total equity attributable to equity holders of the parent		**452**	**831**	**1,282**	**(1,590)**	**(308)**
Net current operating assets (liabilities)		(8)	(30)	(38)	(46)	**(84)**
Net cash (debt)		458	474	932	(1,173)	**(241)**
Aker Horizons ASA and holding companies key figures:						
Gross assets value (GAV)[1]		5,139	3,670	8,809	15	**8,824**

1) Listed companies at market value and other companies at book value.

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

	Revenue and other income		Non-current assets excluding deferred tax assets and financial instruments	
Amounts in NOK million	**2021**	**2020**	**2021**	**2020**
Norway	619	25	1,057	300
US	6	—	11	364
Korea	1	2	—	—
Ireland	5	—	1,400	—
Chile	563	—	17,848	—
South Africa	16	—	503	—
UK	2	—	1	—
China	5	—	—	—
Sweden	19	—	—	—
Vietnam	—	—	45	—
Other	2	—	1	—
Total	1,238	27	20,866	664

Major customers

The Group has a contract in place for carbon capture and storage services with one major customer. Total revenues from the customer were NOK 338 million in 2021 (2020: NOK 17 million).

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 will commence in 2022. Revenues from two of the customers exceeded 10 percent of the Group's revenue; NOK 270 million and NOK 200 million, respectively.

4 Revenue

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 and Rainpower 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 Offshore Wind and Aker Clean Hydrogen 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 transaction price. 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 estimates of 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	ACH	AOW	Rainpower	Mainstream	Other and eliminations	Total
2021							
Revenue recognized over time	363	14	14	237	588	2	1,218
Revenue recognized at point in time	—	—	—	20	—	—	20
Total	**363**	**14**	**14**	**257**	**588**	**2**	**1,238**
2020							
Revenue recognized over time	24	—	2	—	—	1	27
Total	**24**	**—**	**2**	**—**	**—**	**1**	**27**

Timing of revenue

The performance obligations in customer contracts vary from a few months to as long as five years. The order backlog as of 31 December 2021 was NOK 2.3 billion (NOK 1.7 billion in 2020), mainly consisting of orders in Aker Carbon Capture and Rainpower.

The order backlog in Aker Carbon Capture as of 31 December 2021 was NOK 1.9 billion, mainly consisting of the Brevik CCS EPC project. The revenue is expected to be recognized over the years 2022-2024.

The order backlog in Rainpower as of 31 December 2021 was NOK 361 million. Revenue is expected to be recognized over the years 2022-2024.

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.

Contract assets/liabilities increased by NOK 529 million due to the acquisition of subsidiaries. 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	2021	2020
Trade receivables	14	534	8
Customer contract assets	14	85	—
Customer contract liabilities	22	(405)	(1)

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	**2021**	**2020**
Salaries and wages, including holiday allowances		724	59
Share-based payments		5	—
Social security contribution		89	9
Pension cost		57	4
Other employee benefits		8	5
Subtotal		882	77
Of which capitalized		(49)	(11)
Total salaries, wages and social security costs		**833**	**66**

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 2021 totaled NOK 22 million. The estimated contribution expected to be paid in 2022 is NOK 25 million. The annual contributions expensed for Mainstream in 2021 totaled NOK 35 million.

Compensation plan

Employees in ACC, ACH and AOW 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 2021 amounts to NOK 8 million (2020: NOK 5 million).

6 Other operating expenses

Amounts in NOK million	Note	2021	2020
External services and hired-ins		508	135
External funding	11	(43)	(21)
IT and office supplies		69	11
Other operating expenses		151	8
Stamp duty	27	92	—
Total		**777**	**133**

Audit fees

The table below summarizes audit fees, as well as fees for audit-related services, tax services and other services incurred by the Group:

	Aker Horizons ASA		Subsidiaries		Total	
Amounts in NOK thousand	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Audit	1,840	—	7,921	867	9,761	867
Other assurance services	3,056	—	1,977	529	5,033	529
Tax services[1]	—	—	5,104	—	5,104	—
Other non-audit services[1]	—	—	3,856	398	3,856	398
Total	**4,896**	**—**	**18,858**	**1,794**	**23,754**	**1,794**

1) Tax services and Other non-audit services have been provided by KPMG to a portfolio company which is not the auditor of the Group.

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	2021	2020
Interest income on cash and cash equivalents and investments at amortized cost		26	2
Total financial income		**26**	**2**
Interest expense on financial liabilities measured at amortized cost		(471)	—
Net foreign exchange loss[1]		(247)	(4)
Foreign exchange loss from hedge instruments		(1)	(4)
Lease interest expense	20	(18)	—
Net other financial expenses		(41)	(1)
Total financial expenses		**(779)**	**(9)**
Net financial expenses		**(752)**	**(7)**

1) Foreign exchange loss is mainly related to the acquistion of 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	**2021**	**2020**
Current income tax	—	—
Origination and reversal of temporary differences	(36)	—
Income tax benefit (expense)	**(36)**	**—**

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	**2021**		**2020**	
Profit before tax	(2,393)		(326)	
Income tax benefit (expense) at Company's domestic tax rate	526	22.0%	72	22.0%
Effect of tax rates in foreign jurisdictions	(92)	(3.8)%	—	—%
Changes in tax rate	(15)	(0.6)%	—	—%
Tax effect of:				
Share of profit in equity-accounted investees	(47)	(2.0)%	(28)	(8.4)%
Non-deductible expenses	35	1.4%	(12)	(3.7)%
Tax-exempted income	14	0.6%	—	—%
Interest-deduction limitation	(65)	(2.7)%	(1)	(0.2)%
Tax effect on items booked in equity [1]	43	1.8%	—	—%
Tax losses for which no deferred income tax asset was recognized	(444)	(18.6)%	(39)	(12.0)%
Difference due to continuity method	16	0.6%	7	2.0%
Other	(5)	(0.2)%	1	0.3%
Income tax and effective tax rate	(36)	(1.5)%	—	—%

Change in Net Recognized Deferred Tax Assets and Liabilities

2020

Amounts in NOK million	Property, plant and equipment	Intangible assets	Projects under construction	Tax loss carry-forwards	Provisions	Other	Net	Deferred tax assets	Deferred tax liabilities
Balance as of 1 January 2020	—	—	—	—	—	—	—	—	—
Recognized in profit and loss	(1)	(6)	—	5	—	2	—	—	—
Balance as of 31 December 2020	**(1)**	**(6)**	**—**	**5**	**—**	**2**	**—**	**—**	**—**

2021

Amounts in NOK million	Property, plant and equipment	Intangible assets	Projects under construction	Tax loss carry-forwards	Provisions	Other	Net	Deferred tax assets	Deferred tax liabilities
Balance as of 1 January 2021	(1)	(6)	—	5	—	2	**—**	—	—
Acquisition of subsidiary	1	(1,102)	(21)	25	62	(46)	**(1,081)**	1	(1,082)
Recognized in profit and loss	1	(8)	4	13	(46)	1	**(34)**	—	(34)
Currency translation differences	—	4	—	—	—	—	**3**	—	3
Balance as of 31 December 2021	**2**	**(1,112)**	**(16)**	**43**	**16**	**(43)**	**(1,111)**	**1**	**(1,112)**

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As of 31 December 2021, certain Norwegian subsidiaries had an additional NOK 430 million (2020: NOK 492 million) in tax reducing temporary differences not reflected in the table above. The amount represents the difference between the book values in Aker Horizons consolidated accounts and tax values in statutory accounts on assets and liabilities included in spin-off of business from Aker Solutions in July 2020. These transactions were booked as a common control transaction in the Aker Horizons consolidated accounts whereby Aker Solutions' book values of acquired assets and liabilities were continued in the consolidated accounts.

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

As of 31 December 2021, the Group had NOK 6.5 billion in tax loss carry-forwards, of which NOK 6.3 billion were unrecognized. In addition, the Group had NOK 0.3 billion in other unrecognized deferred tax assets. See below for information of tax loss carry-forwards by jurisdictions and expiry dates.

Amounts in NOK million	**2021**	**2020**	
Norway	2,126	186	No expiry date
Chile	2,063	—	No expiry date
Ireland	1,126	—	No expiry date
Luxembourg	220	—	Expiring 2026 or after
South Africa	138	—	No expiry date
UK	242	—	No expiry date
US	178	3	Expiring 2026 or after
Other	377	—	
Total	6,470	189	

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.

Dilutive instruments as of 31 December 2021 include convertible bonds, see Note 19 Borrowings for more information.

Earning Per Share

	2021	**2020** [1]
Net income attributable to ordinary shares (NOK million)	(1,951)	(278)
Issued shares as of 1 January	3,000	—
Effect of shares issued in January	536,671,152	—
Effect of shares issued in February	10,297,847	—
Effect of shares issued in November	4,526,504	—
Weighted average number of shares outstanding for the purpose of basic earnings per share	551,498,503	551,498,503
Earnings per share for income attributable to the equity holders of the Company - basic (NOK)	**(3.54)**	**(0.50)**
EFFECT OF POTENTIAL DILUTIVE SHARES		
Effect of conversion of convertible bonds	31,749,510	—
Weighted average number of shares outstanding for the purpose of diluted earnings per share	583,248,013	551,498,503
Earnings per share for income attributable to the equity holders of the Company - diluted (NOK)	**(3.54)**	**(0.50)**

1) Proforma earnings per share

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. Assets under construction are expected to reach Commercial Operation Date in 2022 and 2023. There are security rights of the lenders over these assets, see note 19 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

Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately on a straight-line basis over the estimated useful life of the component. 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.

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.

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Reconciliation of carrying amounts

Amounts in NOK million	Note	Machinery and equipment	Land	Assets under development and construction	Generation assets	Total
Cost						
Balance as of 1 January 2020		—	—	—	—	—
Additions		3	—	—	—	3
Balance as of 31 December 2020		**3**	**—**	**—**	**—**	**3**
Acquisition of subsidiaries	27	115	142	8,030	—	8,288
Additions		16	—	3,574	—	3,590
Disposals		(10)	—	—	—	(10)
Reclassifications from assets under construction		—	—	(2,688)	2,688	—
Reclassification to Assets held for sale	17	—	—	(161)	—	(161)
Currency translation differences and other changes		1	—	716	(6)	712
Balance as of 31 December 2021		**127**	**142**	**9,472**	**2,682**	**12,422**
Accumulated depreciation and impairment losses						
Balance as of 31 December 2020		**—**	**—**	**—**	**—**	**—**
Acquisition of subsidiaries		(88)				(88)
Depreciations		(5)	—	—	(7)	(12)
Disposal		2	—	—	—	2
Currency translation differences and other changes		(1)	—	—	—	(1)
Balance as of 31 December 2021		**(92)**	**—**	**—**	**(7)**	**(99)**
Carrying amount 31 December 2020		3	—	—	—	3
Carrying amount 31 December 2021		34	142	9,472	2,675	12,324

During 2021 the Group capitalized borrowing costs amounting to NOK 302 million.

11 Intangible assets and goodwill

Intangible assets consist of goodwill and contractual assets acquired through business combinations in 2021 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. Additionally, the time and cost of development is assessed. 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 have been identified as the main intangible assets in the purchase price allocation analysis. They relate to portfolios of contracts necessary to operate the projects which have reached Financial Investment Decision (FID) in the Mainstream portfolio. These assets will be 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. 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.

Goodwill is allocated to cash generating units (CGUs) and is tested by determining the recoverable amount of the CGU, or group of CGUs, to which goodwill has been allocated. A CGU represents the lowest level of independent revenue generated by an asset, or a group of assets. This is usually the lowest level where a separate external market exists for the output from the CGU. When the recoverable amount of the CGU, or group of CGUs, is less than its carrying value, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

"Technical" goodwill as explained in Note 27 Business combinations is tested for impairment separately for each CGU which give rise to the goodwill. When performing the impairment test for this goodwill, deferred tax liabilities recognized in relation to the contractual assets 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.

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.

Judgment is also involved when determining the amortization period and when assessing impairment or reversal of impairment. Impairment indicators are assessed for individual development projects, other intangible assets and for cash generating units as a whole, including goodwill. Impairment testing is performed when impairment indicators have been identified. In addition, goodwill and capitalized development programs that have not been completed are subject to an annual impairment test. The 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.

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Reconciliation of carrying amounts

Amounts in NOK million	Note	Capitalized development	Contractual assets	Other intangible assets	Goodwill	Total
Cost						
Balance as of 1 January 2020		—	—	—	—	—
Additions		4	—	—	—	4
Balance as of 31 December 2020		4	—	—	—	4
Acquisition of subsidiaries	27	79	4,147	17	2,598	6,841
Additions in the period		13	—	—	—	13
Currency translation differences and other changes		—	(18)	—	(11)	(29)
Balance as of 31 December 2021		**97**	**4,129**	**16**	**2,587**	**6,830**
Accumulated amortization and impairment losses						
Balance as of 31 December 2020		—	—	—	—	—
Amortizations in the period		(7)	(54)	—	—	(61)
Balance as of 31 December 2021		**(7)**	**(54)**	**—**	**—**	**(61)**
Carrying amount 31 December 2020		4	—	—	—	4
Carrying amount 31 December 2021		90	4,076	16	2,587	6,769

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Research and development expenses

NOK 13 million relating to development activities was capitalized in 2021 (2020: NOK 4 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	**2021**	**2020**
Capitalized research and development costs	13	4
Expensed research and development costs	74	26
External funding of research and development costs	(25)	(21)

Goodwill

For the purposes of impairment testing, goodwill has been allocated to the following CGUs:

Amounts in NOK million	Note	**2021**
Mainstream		1,389
Condor (Mainstream)		419
Huemul (Mainstream)		413
Copihue (Mainstream)		250
Rainpower		114
Total	27	2,587

Goodwill totalling NOK 1 billion relates to the Andes Renovables platform in Chile (Condor, Huemul and Copihue portfolios). It results from the requirement in IFRS to recognize deferred tax for the difference between the assigned fair values and the related tax base ("technical goodwill").

Impairment

As all goodwill in Aker Horizons originates from business combinations taking place in 2021, an annual impairment test for goodwill has not been performed in 2021. For each significant business combination, a purchase price allocation has been performed, with support from external valuation experts. The Group has reviewed if indicators exist that the goodwill is impaired. No such indicators have been identified as of 31 December 2021.

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12 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.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

See Note 32 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.

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Equity-accounted investments

The tables below show JVs and associates recognized in the Group's consolidated financial statements, the carrying amount of the investments and the stand-alone financial information for material equity-accounted investments.

Amounts in NOK million		2021		2020	
	Office	**Ownership**	**Book value**	**Ownership**	**Book value**
REC Silicon ASA [1]	Bærum, Norway	24.7%	149	24,7%	256
MRP Africa Holdings Limited (Mainstream)	Dublin, Ireland	33.8%	496	33,8%	—
Korea Floating Wind Power Co., Ltd (AOW)	Ulsan, South-Korea	33.3%	15	30,6%	—
Principle Power Inc (AOW) [1]	California, US	47.1%	281	47,1%	364
Greenstat ASA (ACH)	Bergen, Norway	20.8%	79	—	—
Meråker Hydrogen AS (ACH)	Meråker, Norway	20.0%	1	—	—
Total associates			**1,021**		**620**
SuperNode Ltd (AH)	Dublin, Ireland	50.0%	41	—	—
Redwood Coast Offshore Wind LLC (AOW)	California, US	50.0%	11	50,0%	—
Total joint ventures			**51**		—
Total equity-accounted investees			**1,072**		**620**

1) Reflects current shareholding, including shares held for sale

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 2016, Mainstream and Mainstream Renewable Power Offshore Holdings Limited ("Mainstream Offshore"), signed contractual agreements with a number of investors, whereby the shareholders committed to invest USD 177.5 million in MRPAH with Mainstream Offshore committing USD 60 million and the investors USD 117.5 million. This funding is committed exclusively to fund the administration of MRPAH and its funding commitments to Lekela. As of 31 December 2021, the remaining funding commitment for Mainstream Offshore was USD 5.3 million.

Principle Power Inc (PPI)

Principle Power Inc (PPI) is a technology and services provider for the offshore deepwater wind energy market. Aker Offshore Wind increased its ownership in PPI from 18 percent to 47.1 percent in December 2020.

Shares held for sale

Following the declaration of an option by fellow shareholder EDP Renováveis. Aker Offshore Wind will sell a shareholding of 10.9 percent. The book value of these shares, NOK 86 million, is presented as assets held for sale in the balance sheet as of 31 December 2021, see Note 17 Assets held for sale. Recognition of the share of profit (loss) of this shareholding ceased when the option was declared.

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. Aker Offshore Wind owns 33.3 percent (increased from 30.6 percent in 2020) of KFWind and the remaining shareholding is held by Ocean Winds.

Aker Offshore Wind increased funding to KFWind during 2021, from NOK 26 million to NOK 28 million. Later in 2021, the outstanding receivables were settled and replaced by equity funding of NOK 34 million.

REC Silicon ASA (REC)

As of 31 December 2021, Aker Horizons held 24.7 percent of REC Silicon ASA. REC is a leading producer of advanced silicon materials, supplying high-purity polysilicon and silicon gases to the solar and electronics industries worldwide. On 19 January 2021, Aker Horizons acquired its 24.7 percent holding in REC from Aker Capital AS through the internal reorganization described in Note 28 Other significant transactions. REC is publicly listed on the Oslo Stock Exchange under the ticker "RECSI". The company had a market capitalization of NOK 6.7 billion as of 31 December 2021.

Shares held for sale

On 18 November 2021, Aker Horizons announced that it had entered into an agreement with the South Korea's Hanwha Solutions Corporation (Hanwha Solutions) to sell approximately 21.9 million shares in REC to Hanwha Solutions for NOK 20 per share. This shareholding has been reclassified as assets held for sale, ref Note 17 Assets held for sale. Recognition of the share of profit (loss) of this shareholding ceased when the agreement was signed in November.

Following the completion of the transaction in January 2022, and the simultaneous private placement, Aker Horizons and Hanwha Solutions will both hold approximately 16.67 percent of the shares in REC. Aker Horizons will still hold significant influence over the investment through its place on the board and the shareholder agreement with Hanwha Solutions and will continue to account for the investment as an associate.

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		REC Silicon ASA		MRPAH
Amounts in NOK million	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**
Revenue	97	84	—	—	1,238	1,148	—
Depreciations and amortizations	(8)	(8)	(13)	(5)	(246)	(589)	—
Interest income	—	1	—	—	1	3	35
Interest expense	(8)	(7)	(3)	(1)	(204)	(331)	(1)
Income tax expense	—	—	—	—	—	212	(9)
Net profit (loss)	(81)	(58)	(40)	(37)	(260)	(439)	(58)
Total comprehensive income (100%)	(81)	(58)	(40)	(37)	(222)	(448)	(55)
Group's share of total comprehensive income[1]	(33)	(13)	(23)	(4)	(66)	(107)	(20)
Current assets	155	213	16	31	1,566	1,776	707
Cash and cash equivalents	123	171	15	25	975	1,151	23
Non-current assets	173	163	26	25	1,035	1,137	—
Current liabilities	(37)	(26)	(15)	(99)	(384)	(509)	(19)
Current financial liabilities (excluding trade and other payables and provisions)	(2)	(2)	(10)	(91)	(100)	(254)	—
Non-current liabilities	(54)	(47)	(3)	(3)	(1,924)	(1,902)	—
Non-current financial liabilities (excluding trade and other payables and provisions)	(54)	(38)	(3)	—	(1,016)	(1,007)	—
Net assets (100%)	237	302	25	(45)	293	503	688
Share of net assets, net of NCI	86	142	8	(13)	49	124	232
Goodwill	195	222	7	2			
Premium to book value					100	132	271
Unrealized gain							(7)
Share of loss not recognized	—	—		11			
Carrying amount of the investment	281	364	15	—	149	256	496

1) Due to changes in the Group's ownership interest during the year, the Group's share of total comprehensive income may not equate to the Group's ownership interest multiplied by the equity-accounted investee's total comprehensive income.

The Group also has interests in a number of individually immaterial associates and joint ventures. Share of profit (loss) and total comprehensive income from these interests amounted to negative NOK 73 million in 2021, of which negative NOK 46 million related to Aela Energia, which has been reclassified to held for sale, see Note 17 Assets held for sale.

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13 Inventories

Inventories relate mainly 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.

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.

Amounts in NOK million	**2021**	**2020**
Work in progress	714	—
Finished goods	2	—
Total	**716**	**—**
Write-down in the period	(7)	—

14 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 receivables 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	**2021**	**2020**
Trade receivables		534	8
Provision for bad debt		—	—
Net trade receivables		534	8
Customer contract assets	3	85	—
Public duty and tax refund		492	3
Prepaid expenses		44	—
Other receivables		164	6
Trade and other receivables		**1,319**	**18**

Ageing trade receivables

Amounts in NOK million	**Gross trade receivables 2021**
Not past due	400
Past due 0-30 days	116
Past due 31-120 days	4
Past due 121-365 days	8
Past due more than one year	6
Total	534

As of 31 December 2021, 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.

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15 Marketable securities

Marketable securities include the Group's investment in money market funds. The underlying investments in the funds are all made in investment grade bonds. The majority of the investments relate to bonds issued by Norwegian financial institutions or municipalities. The investments are available for withdrawal at short notice, without penalties.

Accounting principles

Marketable securities are classified as a financial assets measured at amortized cost.

Amounts in NOK million	Note	**2021**	**2020**
Marketable securities		702	—
Total		702	—

16 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	**2021**	**2020**
Cash in cash pool[1]	427	—
Interest-bearing deposits	4,985	943
Cash and cash equivalents	**5,412**	**943**
Restricted cash	**2,071**	**—**
Total cash	**7,483**	**943**

1) NOK 16 million is restricted cash related to employee tax withholdings.

Restricted cash

As of 31 December 2021, NOK 2.1 billion of the Group's cash was restricted in respect of Mainstream. Of this amount around NOK 0.9 billion relates to cash backing of certain guarantees provided on behalf of Mainstream. Around NOK 1.2 billion relates to the portfolios, where cash disbursed under the project finance facilities is restricted for use within the specific portfolio.

17 Assets held for sale

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.

Assets held for sale

A total of NOK 1,202 million is classified as held for sale as of 31 December 2021, including NOK 1,041 million in shareholdings previously reported as equity-accounted investees and NOK 161 million previously reported in property, plant and equipment.

Shareholding in Aela Energía
Mainstream has a 40 percent shareholding in the joint venture structures; “Aquila Renewable Limited” and “Liguria 1 Limited”, which are collectively described as Aela Energía. The investment has been accounted for as an equity accounted investment up until 31 December 2021, at which point it was classified as held for sale at book value NOK 901 million. See Note 34 Subsequent events for more information about the transaction.

Shareholding in REC Silicon ASA (REC)
On 18 November 2021, Aker Horizons announced that it had entered into an agreement with the South Korea's Hanwha Solutions Corporation (Hanwha Solutions), whereby Hanwha Solutions will acquire 21.9 million shares in REC for NOK 20 per share from Aker Horizons. After the transaction is completed in January 2022, and the simultaneous private placement, Aker Horizons and Hanwha Solutions will both hold approximately 16.67 percent of the shares in REC. Completion of the transaction is subject to customary anti-trust filing in the US. As a result of the agreement with Hanwha Solutions, part of Aker Horizons shareholdings in REC at a book value NOK 54 million has been reclassified as assets held for sale. Recognition of the share of profit (loss) from this shareholding ceased when the agreement was entered into in November. See Note 34 Subsequent events for more information about the transaction.

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 2021. Recognition of the share of profit (loss) from this shareholding ceased when the option was declared.

18 Share capital and capital reserves

The Company holds no treasury shares. The share capital of Aker Horizons ASA is divided into 609,739,165 ordinary shares, with a nominal value of NOK 1. All issued shares are fully paid.

Issues of ordinary shares during the year	**2021**
Shares at the beginning of the period	3,000
Issue of ordinary shares 19 January	450,000,000
Issue of ordinary shares 31 January	118,893,516
Issue of ordinary shares 17 February	11,857,142
Issue of ordinary shares 4 November	28,985,507
Ordinary shares at the end of the period	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.

All shares were issued with a share premium (between NOK 21 and NOK 34) resulting in other paid-in capital of NOK 13.8 billion, net of transaction costs of NOK 169 million.

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.

Hybrid capital

In March 2021, as part of the recapitalization of Rainpower, Rainpower entered into a NOK 113 million subordinated perpetual equity linked loan agreement. The existing lenders agreed to ease Rainpower's existing debt obligations to improve the liquidity by amending and restating existing facilities agreements into a subordinated loan agreement, under which the lenders became holders of subordinated perpetual debt with no installments or scheduled maturity date.

As Rainpower has no contractual obligation to repay the loan, the hybrid loan is assessed to not meet the definition of a financial liability. The Hybrid loan has thus been classified as hybrid capital within equity. The fair value of the hybrid loan is estimated to NOK 16 million in the purchase price allocation, see Note 27 Business combinations for more information.

19 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

2021

Amounts in NOK million	Currency	Nominal currency value	Maturity	Carrying amount (NOK)
Revolving Credit Facility - Aker Horizons ASA	NOK	—	2024	(50)
Green bond - Aker Horizons ASA	NOK	2,500	2025	2,474
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				**5,781**
Facilities - Rainpower	NOK	84	2026	84
Project financing - Mainstream	USD	1,040	2038/2039	8,712
AMP loan - Mainstream	USD	301	2025	2,563
VAT loans - Mainstream	CLP	19,744	2023/2024	189
Other loans - Mainstream	EUR	13		125
Other loans	NOK	87		87
Total borrowings				**17,542**
Current borrowings				424
Non-current borrowings				17,118

2020

Amounts in NOK million	Currency	Nominal currency value	Maturity	Carrying amount (NOK)
Shareholder loan - Aker Horizons Holding AS	NOK	1,184	2021/2022	1,184
Total corporate borrowings				**1,184**
Current borrowings				184
Non-current borrowings				1,000

Revolving Credit Facility (RCF)

In April 2021, the Company signed a multi-currency revolving credit facility of EUR 400 million. In October, the RCF was upsized to EUR 500 million. The facility can be drawn for general corporate purposes of the Group, including for the purpose of funding CapEx, acquisitions 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 2021, the facility was undrawn.

Green bond

In February 2021, the Company signed an unsecured green bond issue in the amount of NOK 2,500 million, with a tenor of 4 years, a bullet amortization and 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 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 in Other 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 28 Other significant transactions and Note 32 Related party transactions for more information).

Senior secured facility agreement and overdraft facility - Rainpower

In March 2021, Rainpower entered into a NOK 53 million senior secured facilities agreement, which was fully drawn at 31 December 2021. The facility accrues an interest rate of NIBOR + 2.3 percent p.a. In addition, Rainpower has an overdraft facility of NOK 55 million, of which 30 million was drawn as of 31 December 2021. This facility accrues an interest rate of NIBOR + 2.9 percent p.a.

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 2021. This loan has provided construction funding to finance the majority of Mainstream's commitment in the Condor projects, and installments are payable quarterly. 54 percent of the loan accrues interest at 4.17 percent p.a. and the remainder at LIBOR + 2.35 percent p.a.

Huemul: In 2020, Mainstream entered into a project financing loan agreement for USD 542 million, of which USD 428 million was drawn down as of 31 December 2021. This loan is providing construction funding to finance the majority of Mainstream's commitment in the Huemul projects, and installments are payable quarterly. The loan accrues interest at LIBOR + 2.45 percent p.a.

Copihue: In 2021, Mainstream entered into a project financing loan agreement for USD 162 million, of which USD 64 million was drawn down at 31 December 2021. This loan will provide construction funding to finance the majority of Mainstream's commitment in the Copihue project, and installments are payable quarterly. The loan accrues interest at LIBOR + 2.25 percent p.a.

The construction financing loans referred to above have customary covenants that relate to the use of funds and 12-month historic and forecast 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.

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.

In September 2020, Mainstream entered into a mezzanine financing loan agreement (AMP loan with Australian Mutual Provident "AMP Capital") for USD 250 million, which was fully drawn down as of 31 December 2021. The loan will provide funding to finance a portion of Mainstream's commitments in the Condor and Huemul projects. In November 2020, the loan was increased by USD 36 million, also fully drawn down as of 31 December 2021, to provide funding to finance a portion of Mainstream's commitment in the Copihue project. The loans accrue interest at 8.25 percent p.a. in the construction phase and 7.5 percent p.a. during operations.

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 ten projects within the Andes Renovables platform, Mainstream has been in regular contact with their lenders and has received the lenders' support on all key aspects of the build to date. At 31 December 2021 all of the Andes Renovables loans were fully compliant with no defaults outstanding. Please refer to note 34 Subsequent events for information about certain technical defaults that occurred subsequent to year end as anticipated. Mainstream sees no risk of any change in the nature of the facilities, an active dialogue with the banks is ongoing relating to document waivers and approvals required to resolve the technical defaults which Mainstream expects to conclude by the end of March 2022.

Other loans - Mainstream

Other loans include a loan from a joint venture partner of EUR 10.9 million from 2014, which is repayable in 2022.

In November 2019, Mainstream Renewable Power entered into a Project Financing VAT loan agreement for USD 50 million, of which USD 23.4 million was drawn down as of 31 December 2021. This loan provides VAT funding to support Mainstream's commitment in the projects that form part of the Andes Renovables platform.

Reconciliation of movements of liabilities to cash flows arising from financing activities

2021

Amounts in NOK million	Balance as of 1 January 2021	Cash flows	Capitalized borrowing cost	Accrued interest	Acquisition of business	Reclassification	Other	Foreign exchange movements	Balance as of 31 December 2021
Revolving Credit Facility - Aker Horizons ASA	—	(66)	16	—	—	—	—	—	(50)
Green bond - Aker Horizons ASA	—	2,467	7	—	—	—	—	—	2,474
Convertible loan - Aker Horizons ASA	—	1,493	1	94	—	(348)	—	—	1,241
Shareholder loan - Aker Horizons ASA	1,184	(1)	2	128	—	—	803	—	2,116
Total corporate borrowings	**1,184**	**3,893**	**26**	**222**	**—**	**(348)**	**803**	**—**	**5,781**
Facilities - Rainpower	—	43	—	—	41	—	—	—	84
Loans and facilities - Mainstream	—	2,164	7	7	8,793	—	—	619	11,590
Other	—	—	—	—	87	—	—	—	87
Lease liabilities	41	(58)	—	18	591	—	75	1	668
Total liabilities arising from financing activities	**1,225**	**6,042**	**33**	**247**	**9,512**	**(348)**	**878**	**620**	**18,210**

2020

Amounts in NOK million	Balance as of 1 January 2020	Cash flows	Capitalized borrowing cost	Accrued interest	Acquisition of business	Reclassification	Other	Foreign exchange movements	Balance as of 31 December 2020
Shareholder loan - Aker Horizons Holding AS	—	184	—	—	—	—	1,000	—	1,184
Lease liabilities	—	(3)	—	1	—	—	43	—	41
Total liabilities arising from financing activities	**—**	**181**	**—**	**1**	**—**	**—**	**1,043**	**—**	**1,225**

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20 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.

The lease payments included in the measurement of the lease liability include fixed and variable payments, when the variable payment is dependent on an index or a rate. Variable lease payments not dependent on an index or a rate are recognized in the income statement in the period in which the event that triggers such variable payments occurs.

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. The cost of a right-of-use asset also includes an estimate of costs to be incurred by the Group in dismantling and removing the underlying leased asset, restoring the site on which it is located or restoring the underlying leased asset to the condition required by the terms and conditions of the lease. 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 leases. 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
Cost				
Balance as of 1 January 2020		—	—	—
Additions		43	—	43
Balance as of 31 December 2020		**43**	**—**	**43**
Acquisition of subsidiaries	27	571	3	574
Additions		87	—	87
Currency translation differences and other changes		29	—	29
Balance as of 31 December 2021		**730**	**3**	**733**
Accumulated depreciation and impairment losses				
Depreciations		(5)	—	(5)
Balance as of 31 December 2020		**(5)**	**—**	**(5)**
Depreciations		(27)	(1)	(28)
Balance as of 31 December 2021		**(32)**	**(1)**	**(33)**
Carrying amount 31 December 2020		38	—	38
Carrying amount 31 December 2021		698	2	700

The carrying amount of right-of-use assets increased with NOK 574 million in the period as a result of acquisitions of Mainstream (NOK 502 million) and Rainpower (NOK 72 million) in 2021 (see Note 27 Business combinations for more information). 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	**2021**	**2020**
Balance as of 1 January		41	—
Acquisition of subsidiaries	27	591	—
Additions and remeasurement		75	43
Interest expense	7	18	1
Lease payments		(58)	(3)
Currency translation differences and other changes		1	—
Balance as of 31 December		**668**	**41**
Current		63	12
Non-current		605	28

For maturity of undiscounted lease payments as of 31 December, see note 24 Financial risk and exposure.

21 Provisions

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.

Amounts in NOK million	**Asset retirement obligations**	**Other**	**Total**
Balance as of 1 January 2021	—	—	—
Acquisition of subsidiaries		199	199
Provisions made during the year	89	8	97
Provisions used during the year	—	(163)	(163)
Provisions reversed during the year	—	(1)	(1)
Currency translation differences	—	2	2
Balance as of 31 December 2021	**89**	**46**	**135**
Due within 12 months[1]	—	42	42
Due after twelve months	89	4	93
Total	89	46	135

1) Included in Trade and other payables, see Note 22.

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. In 2021, two provisions, totaling NOK 89 million, were recognized for projects that reached completion in Chile . See Note 10 Property, plant and equipment for accounting principles and related judgments used in estimating this obligation.

Other provisions

Other provisions include a provision related to power delivery commitments recognized as part of the Mainstream acquisition. In addition, other provisions include onerous contracts with expected losses upon completion as well as other liabilities with uncertain timing or amount.

22 Trade and other payables

Trade and other payables is to a large extent related construction activities in Chile, with high activity in the second half of 2021.

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	**2021**	**2020**
Trade payables		274	31
Accrued expenses & interests		2,008	52
Contract liabilities	4	405	1
Public duties and taxes		105	—
Other current liabilities		20	17
Deferred consideration[1]	27	142	—
Current provisions	21	42	—
Total trade and other payables		**2,996**	**101**

1) Deferred consideration relates to the purchase of Development and Technology JSC, see Note 27 Business combinations

23 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 2021 was NOK 5.4 billion. This was composed of an undrawn committed credit facility of EUR 500 million and cash and cash equivalents of NOK 427 million.

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 2021.

For covenant information on other borrowings in Aker Horizons, see note 19 Borrowings.

24 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.

Aker Horizons' major customers are highly rated companies, where the credit risk is considered to be limited. Risk related to lower rated companies is monitored closely. The maximum exposure to credit risk at the reporting date equals the book value of each category of financial assets. The Group does not does not secure credit by means of collateral.

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

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, 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 2021, 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**
Corporate loans	5,781	7,371	76	77	153	7,065	—
Mainstream loans	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 contractual cash flows for interest-bearing liabilities	**17,542**	**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
Total contractual cash flows for interest-bearing liabilities and derivatives	**18,362**	**23,756**	**588**	**530**	**1,340**	**11,808**	**9,490**
Trade and other payables	2,996	2,996	2,996				
Total liabilities	**21,358**	**26,752**	**3,584**				

As of 31 December 2021, the Group had cash and cash equivalents of NOK 7,483 million, of which NOK 2,071 million was restricted, see Note 16 Cash. In addition, the Group had short-term deposits of NOK 702 million, see Note 15 Marketable securities.

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.

As of 31 December 2021, portfolio companies with project financing have hedged 80-90 percent of the debt to fixed interest rate.

Effect of increase of 100 basis points in interest rates on profit (loss) before tax

Amounts in NOK million	**2021**	**2020**
Cash and cash equivalents	75	9
Marketable securities	7	—
Borrowings	(120)	(12)
Interest rate swaps	89	—

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.

Climate-related risk

Aker Horizons is exposed to climate-related risks mainly through its investments, rather than its own operations. Even though the overall climate-related risk for Aker Horizons is low, effective assessment and analysis of climate-related risks and opportunities is critical to understanding their potential impacts on asset valuations, revenue and investment needs, and hence the financial resilience of the Company. To successfully identify and manage climate-related risks and opportunities, Aker Horizons used the Task Force 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.

Full Aker Horizon's TCFD report can be found in the Appendix.

25 Financial instruments

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.

Fair value hierarchy

All assets and liabilities for which fair values are measured or disclosed in the financial statements are categorized within the fair value hierarchy, described below, based on the lowest level of input that is significant to the fair value measurement as a whole. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Fair value is based on price inputs other than quoted prices derived from observable market transactions in an active market for identical assets or liabilities. Level 2 includes currency or interest derivatives and interest bonds, typically when the Group uses forward prices on foreign exchange rates or interest rates as inputs to valuation models.

Level 3: Fair value is based on unobservable inputs, mainly based on internal assumptions used in the absence of quoted prices from an active market or other observable price inputs.

The Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period. For the purpose of fair value disclosures, the Group has determined asset and liability classes based on their nature, characteristics and associated risks, and the applicable level within the fair value hierarchy.

2021		Carrying amounts					Fair value			
Amounts in NOK million	Note	**Fair value hedging instruments**	**Fair value through P&L**	**Amortized cost**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative financial instruments	26	243	—		—	243		243		243
Marketable securities	15	—	—	702	—	702				—
Cash and cash equivalents, including restricted cash	16	—	—	7,483	—	7,483				—
Interest-bearing receivables	33	—	—	26	—	26				—
Trade and other receivables	14	—	—	1,190	—	1,190				—
Total financial assets		243	—	9,401	—	9,644	—	243	—	243
Derivative financial instruments	26	153	—	—	—	153		153		153
Deferred and contingent settlement obligations	22	—	142	—	—	142			142	142
Borrowings	19	—	—	—	17,542	17,542		18,334		18,334
Trade and other payables	22	—	—	—	399	399				—
Total financial liabilities		153	142	—	17,941	18,236	—	18,487	142	18,629

2020		Carrying amounts					Fair value			
Amounts in NOK million	Note	**Fair value hedging instruments**	**Fair value through P&L**	**Amortized cost**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents, including restricted cash	16	—	—	943	—	943				—
Interest-bearing receivables	33	—	—	25	—	25				—
Trade and other receivables	14	—	—	17	—	17				—
Total financial assets		—	—	985	—	985	—	—	—	—
Borrowings	19	—	—	—	1,184	1,184		1,184		1,184
Trade and other payables	22	—	—	—	48	48				—
Total financial liabilities		—	—	—	1,232	1,232	—	1,184	—	1,184

Reconciliation of level 3 financial assets and financial liabilities

Amounts in NOK millions	Note	**Liabilities**
Balance as of 1 January 2021		—
Additions		308
Net gain (loss) in the income statement		(166)
Balance as of 31 December 2021	22	**142**

Measurement of fair value at Level 3

Contingent considerations

These liabilities relate to contingent considerations and obligations from business acquisitions. Final amounts to be paid depend on future milestones in the acquired companies.

The recognized amounts are determined on the basis of recent forecasts and strategy figures for these entities, thus the final realized values are sensitive to the above inputs as driven by market conditions.

The credit exposure on the Level 3 asset is limited to the amount recognized and the credit risk is not considered to be significant due to the nature of the arrangement.

26 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. As of 31 December 2021, portfolio companies with project financing have hedged 80-90 percent of the debt to fixed interest rate.

Further information regarding risk management policies in the Group is available in Note 24 Financial risk and exposure.

Accounting principle

Cash flow hedges of interest rates

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 2021.

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
Assets							
Cash flow hedges - interest swaps	243	243	(2)	(4)	16	64	169
Total	243	243	(2)	(4)	16	64	169
Liabilities							
Cash flow hedges - interest swaps	153	153	49	21	21	38	24
Total	153	153	49	21	21	38	24

27 Business combinations

Business combinations are transactions where the Group obtains control of a business, either through an acquisition or merger. During 2021, Aker Horizons has entered into several agreements to acquire companies. Transactions where the acquired company constitutes a business, rather than an acquisition of assets, are described in this note. For acquisitions defined as the purchase of assets, information is given in the relevant note and in Note 28 Other significant transactions.

Accounting Principles

Business combinations are accounted for using the acquisition method as of the acquisition date, which is the date when control is transferred to the Group. The consideration transferred in the acquisition is measured at fair value, as are the identifiable net assets acquired.

If the consideration transferred exceeds the fair value of the acquired net assets qualifying for recognition under IFRS, goodwill arises. Goodwill is allocated to the cash-generating units (CGUs) or groups of CGUs that are expected to benefit from synergy effects of the acquisition.

In some business combinations, goodwill will arise due to the requirement to recognize deferred tax on the difference between the assigned fair values and the related tax base ("technical goodwill").

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs, other than those associated with the issue of debt or equity securities incurred in connection with a business combination are expensed as incurred. Any contingent and deferred consideration payable is measured at fair value on the acquisition date.

Mainstream Renewable Power Ltd (Mainstream)

On 11 May 2021, Aker Horizons acquired 75 percent of the shares and voting rights in in Mainstream. Mainstream is a leading independent renewable energy player with a global footprint, an extensive project pipeline and a proven track record across renewable power technologies and geographies. The most developed projects are currently in Chile and in different African countries. The company is positioned for growth in a global market that requires accelerated development of renewable energy sources. By the acquisition of Mainstream, Aker Horizons wants to facilitate this high growth and develop Mainstream into a Renewable Energy Major.

For the period between the date of acquisition and 31 December 2021, Mainstream contributed NOK 589 million to Aker Horizons' revenues and negative NOK 786 million to net loss. If this business combination had taken place at the beginning of 2021, the Group's revenues would have been increased by NOK 201 million to NOK 1,439 million and net loss for the Group would have been increased by NOK 683 million to negative NOK 3.1 billion. The net loss prior to the acquisition includes one-off transaction costs of approximately NOK 400 million relating to the acquisition by Aker Horizons.

Consideration transferred

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 does not form part of the consideration transferred.

The following table summarizes the acquisition date fair value of each major class of consideration transferred.

Amounts in NOK million	
Total consideration	6,541
Contingent consideration	125
Consideration in cash	6,416
Cash acquired	1,659
Net cash outflow	4,757

Contingent consideration

In addition to the consideration payable on closing, the share purchase agreement contains a contingent consideration payable to selling shareholders based on Mainstream being awarded MWs in certain auctions. The earn-out payment is calculated on the basis of MWs awarded as an amount per MW and capped at EUR 100 million. If successful, Aker Horizons would pay according to its ownership percentage, currently at 75 percent. The contingent consideration payable by Aker Horizons was valued at EUR 12 million at the time of the acquisition.

The deferred consideration was derecognized as of 31 December 2021 as a result of Mainstream being unsuccessful in the auctions referred to in the agreement. The amount is reflected in Other income.

Acquisition-related costs

Transaction costs incurred by Aker Horizons related to the Mainstream acquisition of NOK 205 million have been recognized as operating expenses, of which NOK 92 million is stamp-duty.

Identifiable assets acquired and liabilities assumed

Amounts in NOK million	Note	
Intangible assets	11	4,147
Property, plant and equipment	10	8,053
Right-of-use asset	20	502
Equity-accounted investees	12	1,361
Other non-current assets		218
Trade and other receivables		1,358
Restricted cash		1,935
Cash and cash equivalents		1,659
Deferred tax	8	(1,028)
Borrowings	19	(8,793)
Other non-current liabilities		(530)
Trade and other payables		(2,200)
Net identifiable assets (100%)		6,682

A significant part of identified assets and liabilities relates to the Andes Renovables platform in Chile, which consists of three project portfolios (Condor, Huemul and Copihue) which all had reached Financial Investment Decision (FID) at the transaction date. These three portfolios were the most advanced within Mainstream's consolidated portfolio of projects. Due to their late development stage, each of the three portfolios have been identified as standalone cash-generating units (CGUs).

Mainstream also had a number of other development projects in early stage with uncertainty regarding both project delivery and future profitability. Such projects are not assumed to qualify for asset recognition under IFRS.

Measurement of fair value

Given the recency of the construction of the power producing plants in Chile, the carrying amount of property, plant and equipment is assumed a fair approximation of fair values.

Contractual assets have been 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. Other assets identified are shareholdings in two joint ventures, in Chile and Africa respectively, that own or are constructing power producing assets.

The valuation technique used for measuring the fair value of material assets acquired is the income approach, which focuses on the income-producing capabilities of the identified assets. The underlying premise of this approach is that the value of an asset can be measured by the present worth of the net economic benefit (cash receipts less cash outlays) to be received over the life of the asset.

The trade receivables comprise gross contractual amounts due of NOK 471 million, of which nil was expected to be uncollectible at the date of acquisition.

Fair value is measured on a provisional basis. The figures will be revised if new information is obtained within one year of the date of acquisition concerning facts and circumstances, or additional provisions, that existed on the date of acquisition.

Goodwill

Goodwill arising from the acquisition has been recognized as follows:

Amounts in NOK million	Note	
Consideration transferred		6,541
Non-controlling interest (NCI) [1,2]		2,580
Fair value of identified assets (100%)		(6,682)
Goodwill (100%)	11	2,439
Of which "technical" goodwill related to Andes Renovables platform		1,087
Of which other goodwill		1,352

1) NCI is included based on their proportionate interest in the recognized amounts of the assets and liabilities of Mainstream, including goodwill
2) The fair value of NCI for Mainstream is determined as 25 percent of the fair value of Mainstream plus 25 percent of the fair value of the capital increase made by Aker Horizons as part of the transaction

Goodwill amounting to NOK 1.4 billion resulting from the acquisitions is mainly attributable to Mainstream's development pipeline combined with its global organization. There is also an expectation that Mainstream will have synergies, collaboration and development projects with several other companies in the Aker Horizons portfolio.

Remaining goodwill, NOK 1.1 billion, relates to the Andes Renovables platform in Chile and results from the requirement in IFRS to recognize deferred tax for the difference between the assigned fair value and the related tax base ("technical goodwill").

None of the goodwill recognized is expected to be deductible for tax purposes.

Rainpower Holding AS (Rainpower)

Rainpower was acquired 26 March 2021. Rainpower offers proprietary technologies for integrated products and services to the hydropower industry worldwide.

A consideration of NOK 8.5 million was paid for the common shares and voting rights. In addition, the transaction entailed a recapitalization in which Aker Horizons injected NOK 100 million in Rainpower in exchange for preference shares. Furthermore, existing debt in Rainpower was refinanced and replaced with a subordinated perpetual equity-linked loan agreement, assessed as hybrid capital with a fair value NOK 16 million, see Note 19 Borrowings for more information.

Rainpower contributed NOK 257 million to Aker Horizons' revenues and negative NOK 103 million to net loss. If this business combination had taken place at the beginning of the year, the Group's revenues would have been NOK 1,326 million and net loss for the Group would have been negative NOK 2,411 million.

Transaction costs of NOK 9 million related to the Rainpower acquisition have been recognized as operating expenses.

Identifiable assets acquired and liabilities assumed

Amounts in NOK million	Note	
Intangible assets	11	81
Property, plant and equipment	10	5
Right-of-use asset	20	72
Non-current assets		2
Trade and other receivables		171
Cash and cash equivalents		105
Deferred tax	8	(12)
Borrowings	19	(41)
Other non-current liabilities		(62)
Trade and other payables		(311)
Net identifiable assets (100%)		10

Measurement of fair values

Customer relationships have been identified as the main intangible assets assumed in the business combination. They are valued using a multi-period excess earnings method. In addition, technology has been identified using a relief from royalty method and a cost based method.

Fair value is measured on a provisional basis. The figures will be revised if new information is obtained within one year of the date of acquisition concerning facts and circumstances, or additional provisions, that existed on the date of acquisition.

Goodwill arising from the acquisition has been recognized as follows:

Amounts in NOK million	Note	
Consideration transferred[1]		108
Non-controlling interest (NCI)[2]		16
Fair value of identified assets		(10)
Goodwill	11	114

1) Including NOK 100 million paid for preference shares

2) Hybrid capital

The goodwill resulting from the acquisitions is mainly attributable to expected synergies and value of the assembled workforce.

Development and Technology JSC (D&T)

On 23 July 2021, Mainstream acquired 80 percent of the shares and voting rights in D&T, which is a joint stock company incorporated pursuant to Vietnam law and established on 25 August 2019. 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 contains a contingent consideration payable to selling shareholders based on D&T being awarded MWs in upcoming auctions. The earn-out payment is calculated on the basis of MWs awarded as an amount per MW and capped at USD 23 million. Estimated earn-out liability is USD 16.8 million.

Identifiable assets acquired and liabilities assumed

Amounts in NOK million	Note	
Inventories		229
Deferred tax assets	8	(46)
Net identifiable assets (100%)		183

Goodwill

Goodwill arising from the acquisition has been recognized as follows:

Amounts in NOK million	Note	
Consideration transferred		183
Non-controlling interest (NCI)[1]		45
Fair value of identified assets		(183)
Goodwill	11	45

1) NCI is included based on their proportionate interest in the recognized amounts of the assets and liabilities of D&T, including goodwill.

28 Other significant transactions

Aker Horizons ASA became the parent of the Aker Horizons Group in January 2021 through various internal transactions whereby Aker Capital AS, a subsidiary of Aker ASA, transferred all its shares in Aker Horizons Holding AS, and thereby Aker Carbon Capture AS (ACC) and Aker Offshore Wind AS (AOW) and REC Silicon ASA (REC), to Aker Horizons AS. The reorganization of ownership interests, assets and liabilities under common control is outside the scope of IFRS 3 Business Combinations.

Aker Carbon Capture, Aker Offshore Wind and REC Silicon

On 19 January 2021, in connection with, and as a result of an internal reorganization, Aker Capital AS transferred at fair value its 100 percent shareholding in Aker Horizons Holding AS, as well as its 24.7 percent shareholding in REC Silicon ASA, to the Company. The transfer was structured partly as a contribution-in-kind and party as a seller's credit of NOK 803 million. Aker Horizons Holding AS's main assets at the time of the reorganization were a 51 percent shareholding in Aker Carbon Capture ASA and Aker Offshore Wind AS. Aker Horizons Holding AS also had a shareholder loan from Aker Capital AS of NOK 1,197 million at the time of the transaction.

The transaction is recognized as a common control transaction out of the scope of IFRS 3 Business Combinations, as Aker Capital AS was the sole shareholder of the Company at the time of the transaction, and book values of assets and liabilities are continued in the consolidated accounts of Aker Horizons. The difference between fair value of the transactions and net assets transferred has been recognized as a continuity difference against equity. As all three companies are included in the carve-out combined accounts for Aker Horizons, the continuity difference is reflected in historical periods, with the exception of NOK 803 million reported as a continuity difference in 2021. This is because it relates to the seller's credit that was established under the internal reorganization in January 2021.

To replace the seller’s credit of NOK 803 million and the loan agreement of NOK 1,197 million, the Company entered into an unsecured shareholder loan agreement with Aker Capital AS (described further in Note 32 Related party transactions).

Aker Clean Hydrogen

Aker Clean Hydrogen, incorporated in February 2021 was established as a pure play industrial clean hydrogen developer and operator with the purpose of accelerating global decarbonization. Aker Clean Hydrogen shares became available for trading on Euronext Growth in March 2021 and new equity was raised through a private placement with net proceeds of NOK 2,935 million. Refer to Note 30 Non-controlling interests for more information.

Aker Narvik

In November 2021, Aker Horizons, through its subsidiary Aker Narvik AS, entered into agreements to acquire 100 percent of the shares in the two companies North Circulare AS and Framneslia Eiendom AS and 75 percent of the shares in Narvik Batteri AS. The acquisitions were all part of a series of initiatives in the Narvik region. The vision is for Aker Horizons and its portfolio companies to make major regional investments that will enable them to develop entire value chains holistically, utilizing their capabilities across industries such as hydrogen and renewable energy, with possibilities to enter new segments.

Through these transactions Aker Horizons has acquired land and land options for an agreed cash consideration of NOK 290 million, of which NOK 145 million has been paid as of 31 December 2021. The transactions does not meet the criteria to be defined as a business combination. Please refer to Note 10 Property, plant and equipment and Note 11 Intangible assets and goodwill for more information on assets acquired.

29 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.

During 2021, Aker Horizons reduced ownership in Aker Carbon Capture from 51.0 percent to 42.3 percent. After careful consideration, based on both its absolute and relative ownership interests, Aker Horizons has concluded that control still exists. Other factors indicating that Aker Horizons has control include Aker Horizons' representation on the board of directors and the fact that Aker Carbon Capture itself considers Aker Horizons as an active owner. Based on the overall assessment, the conclusion is that Aker Horizons has control over Aker Carbon Capture also after the reduction in ownership to 42.3 percent.

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.

MENU

Company	City/Country	Ownership 2021	2020
Principal subsidiaries Aker Carbon Capture			
Aker Carbon Capture ASA	Bærum, Norway	42%	51%
Aker Carbon Capture Norway AS	Bærum, Norway	42%	51%
Principal subsidiaries Aker Offshore Wind			
Aker Offshore Wind AS	Bærum, Norway	51%	51%
Aker Offshore Wind Operating Company AS	Bærum, Norway	51%	51%
Principal subsidiaries Aker Clean Hydrogen			
Aker Clean Hydrogen AS	Bærum, Norway	77%	—
Aker Clean Hydrogen Operating Company AS	Bærum, Norway	77%	100%
Principal subsidiaries Rainpower[1]			
Rainpower Holding AS	Lillestrøm, Norway	100%	—
Rainpower Kristinehamn AB	Kristinehamn, Sweden	100%	—
Principal subsidiaries Mainstream[3]			
Aker Mainstream Renewables AS	Bærum, Norway	75%	100%
Mainstream Renewable Power Ltd	Dublin, Ireland	75%	—
International Mainstream Renewable Power Limited	Dublin, Ireland	75%	—
Mainstream Renewable Power Group Finance Limited	Dublin, Ireland	75%	—
Mainstream Renewable Power (Offshore) Holdings Limited	Dublin, Ireland	75%	—
Mainstream Renewable Power Mezzanine Finance DAC	Dublin, Ireland	75%	—
Mainstream Renewable Power Trade Finance DAC	Dublin, Ireland	75%	—
UK Mainstream Renewable Power Limited	London, UK	75%	—
Luxembourg Mainstream Renewable Power S.à r.l	Luxembourg	75%	—
Luxembourg Mainstream Chile Holdings S. à .r.l	Luxembourg	75%	—
Horizont II Renewable GmbH	Berlin, Germany	75%	—
Mainstream Renewable Power Inc	Delawere, USA	75%	—

Company	City/Country	Ownership 2021	2020
Andes Mainstream SpA	Santiago, Chile	75%	—
Huemul Energia SpA	Santiago, Chile	75%	—
Condor Energia SpA	Santiago, Chile	75%	—
South Africa Mainstream Renewable Power Developments (Pty) Limited	Cape Town, South Africa	75%	—
Mainstream Renewable Power Philippines Holdings B.V	Amsterdam, The Netherlands	75%	—
Denef Investments S.L.U	Madrid, Spain	75%	—
Mainstream Renewable Power Vietnam LLC	Hanoi City, Vietnam	75%	—
Mainstream Renewable Power Asia Holdings Pte	Singapore	75%	—
Development and Technology JSC	Hanoi City, Vietnam	60%	—
Principal other holdings			
Aker Narvik AS[4]	Bærum, Norway	100%	100%
North Circulare AS	Narvik, Norway	100%	—
Framneslia Eiendom AS	Narvik, Norway	100%	—
Narvik Batteri AS	Narvik, Norway	75%	—
Aker Horizons Holding AS[6]	Bærum, Norway	99.8%	100%

1) Also included in Combined Carve-Out Financial Statements, see Note 2 Basis of preparation
2) Dormant entity in Combined Carve-out Financial Statements. Renamed from AH TO AS
3) Acquired in 2021, see Note 27 Business combinations for more information
4) Changed name from AH EN AS
5) Changed name from Aker Horizons AS

30 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		Aker Offshore Wind		Aker Clean Hydrogen	Aker Mainstream Renewables [1]
Amounts in NOK million	**2021**	**2020**	**2021**	**2020**	**2021**	**2021**
NCI Percentage	57,7%	49,0%	49,0%	49,0%	22,8%	25,0%
Income statement						
Revenue an other income	363	24	14	2	14	761
Profit	(192)	(54)	(344)	(100)	(160)	(685)
OCI	—	—	35	—	—	134
Total comprehensive income	(192)	(54)	(309)	(100)	(160)	(551)
Profit allocated to NCI	(100)	(19)	(169)	(30)	(36)	(171)
OCI allocated to NCI	—	—	17	—	—	33
Balance sheet						
Non-current assets	33	20	292	376	87	20,044
Current assets	1,577	465	316	510	2,741	6,079
Non-current liabilities	(9)	(12)	(7)	(11)	(4)	(13,087)
Current liabilities	(525)	(21)	(81)	(44)	(50)	(2,495)
Net assets	1,076	452	520	831	2,774	10,540
Net assets attributable to NCI	621	221	255	407	632	2,673
Cash flow						
Cash flows from operating activities	57	(45)	(261)	(37)	(138)	(892)
Cash flows from investment activities	(13)	(6)	(29)	(288)	(791)	(10,333)
Cash flows from financing activities	820	508	(6)	799	2,932	12,655
Net increase (decrease) in cash and cash equivalents	864	457	(296)	474	2,003	1,430

1) Reflects income statement after acquisition of the company, see note 27 Business combinations.

Transactions with non-controlling interests

Aker Clean Hydrogen

In March 2021, the Group participated in a private placement in the subsidiary Aker Clean Hydrogen. The net proceeds from the private placement amounted to NOK 2,935 million, of which the Group contributed NOK 500 million. The private placement reduced the Group's ownership from 100 to 77.2 percent. A gain of NOK 1,767 million was recognized in parent equity related to the transaction.

Aker Carbon Capture

In August 2021, the Group participated in a private placement in Aker Carbon Capture ASA, contributing NOK 200 million of a total of 840 million. The private placement reduced the Group's ownership from 51 percent to 49.3 percent. A gain of NOK 196 million was recognized in parent equity related to the transaction.

In October 2021, Aker Horizons divested a total of 42,016,807 shares in Aker Carbon Capture for a total cash consideration of NOK 1 billion. After the sale, Aker Horizons holds a stake of 42.3 percent in Aker Carbon Capture. The sale resulted in an increase of NCI of NOK 79 million.

31 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:

EUR 196.5 million letter of credit and bonding facility

The Trade Finance Facility ("TFF") is a non-cash Senior Facility Agreement that is used to provide Bond Instruments (i.e. Letters of Credit and Performance Bonds) to support Mainstream construction equity commitments for projects during construction. The TFF lenders are five banks, and the bond instruments issued from the TFF are fronted by Swiss Re as Issuing Institution. 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.

Guarantee obligations in Chile:

- Land Ministry Bonds to the total value of EUR 12.3 million, guaranteeing the performance of land agreements for the ten Chilean projects in the Andes Renovables platform.
- Grid Agreement Bond for Alena Chilean project to the total value of EUR 2.4 million.
- Bid bonds and performance bonds for seven Chilean projects to the total value of EUR 32.8 million.
- Other performance guarantees, all issued in the normal course of business for a total of EUR 1.1 million.

Capital commitments in Chile:

- Condor: Turbine supply agreements, balance of plant agreements, transformer and grid connection agreements are in place to the value of EUR 46 million.
- Huemul; Turbine supply agreements, balance of plant agreements, transformer and grid connection agreements are in place to the value of EUR 250 million.
- Copihue: Turbine supply agreements, balance of plant agreements, transformer and grid connection agreements are in place to the value of EUR 135 million.

Aker Carbon Capture

Aker Carbon Capture ASA has entered into a parent company guarantee related to project performance on behalf of group companies. In addition, Aker Carbon Capture Norway AS has entered into a NOK 750 million Advance Payment Guarantee facility. According to the advanced payment facility, ACC has an obligation to ensure that it has total cash and cash equivalents at least equal to 25 percent of any outstanding guarantees under the guarantee facility, and, in any event, not less than NOK 100 million.

Financial support

Aker Horizons Holding AS has issued financial support letters to the subsidiaries Aker Offshore Wind AS and Rainpower Holding AS for the purpose of enabling the companies to maintain sufficient equity and liquidity in relation to the companies' operations. The support is limited to twelve months from approval of their 2021 annual reports and amounts are limited to the respective companies' budgets, with an additional buffer. The support will be provided on arm's lengths principles.

32 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 29 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

Remunerations and transactions with directors and executive officers are summarized in Note 33 Management remuneration.

Summary of transactions and balances with significant related parties

Amounts in NOK million	Note	Aker entities	Related parties to Aker	Associates	Joint ventures
Income statement					
Revenues		—	4	5	22
Operating expenses		(40)	(302)	—	(1)
Interest income		—	—	—	—
Interest expense		(126)	—	—	—
Balance sheet					
Trade and other receivables		3	3	4	158
Borrowings	19	(2,116)	—	—	—
Lease liabilities	20	(54)	—	—	—
Trade and other payables		(27)	(6)	—	—

Related party transactions with Aker entities

Aker Capital AS

As part of the internal reorganization, as described in Note 28 Other significant transactions, the Company obtained 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 2021 was NOK 2,116 million, including accrued interest costs and net of transaction costs.

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 our highly ambitious agenda to use data and software to drive competitive advantage in our portfolio companies. The agreements cover financial and human capital investments in Products, Services and R&D, with the intent of developing software and associated processes to enable radical new ways of working along the entire green value chain.

Related parties to Aker

Aker Solutions

- Global Frame Agreement: On 31 July 2020, three Global Frame Agreements with Aker Solutions were entered into by ACC and AOW for (i) provision of fabrication services; (ii) provision of technical services, including engineering services; and (iii) for personnel hire. The purpose of these agreements is to ensure access to capabilities and manpower while maintaining needed flexibility in the cost base following the spin-off from Aker Solutions. All agreements have a five-year term with an option to renew for 3 + 3 years. The contract for provision of technical services includes an exclusivity provision.
- Brevik CCS Project: On 22 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. Aker Solutions expects around 100 employees will be involved in delivering these services.
- Office Lease Agreement: The Group has entered into a lease agreement with Aker Solutions AS for office premises at Fornebu, Bærum. The contract term is two years starting 17 August 2020, with an option to extend for one additional year.
- Floating technology: Aker Offshore Wind entered into a Technology Transfer Agreement with Aker Solutions in 2021 for the transfer of the 'Q Float' design and related intellectual property rights. As consideration, Aker Solutions shall be compensated through the award of future EPC/EP/EPma contracts, awarded directly or indirectly by Aker Offshore Wind projects in the period until 2035. Fair value of the remaining cash consideration to be paid in 2035 is estimated to be nil and represents a contingent liability which is not recognized in the financial statements.
- Establishment of Aker Clean Hydrogen: In connection with the establishment of Aker Clean Hydrogen, the parties entered into an agreement whereby Aker Solutions was compensated for its efforts related to the establishment of the company as well as providing access to governing documents and transferring knowledge related to certain projects owned by Aker Clean Hydrogen.

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. The two companies collaborate on concepts for efficient development of large offshore wind parks to enable effective off-take to oil and gas producing assets on the Norwegian continental shelf. Aker Offshore Wind will take a role in the development and operation of the wind parks. Aker BP will contribute industry and technology competence and be a potential customer of electricity from offshore wind power facilities, along with other operators.

Associates and joint ventures

The Group provides services on demand to the following associates and joint ventures:

- Renewable Power Africa Holdings Ltd (Mainstream)
- Korea Floating Wind Power Co., Ltd., Redwood Coast Offshore Wind LLC, Freja Offshore AB (Freja) (AOW)

Further, Aker Offshore Wind has provided shareholder loans to the associate Korea Floating Wind Power Co., Ltd. The receivables were interest-bearing with interest rate 3.5 percent p.a. and all balances were repaid as of 31 December 2021.

Mainstream has outstanding receivables from associates and joint ventures totaling NOK 133 million, which are all interest-free and unsecured.

33 Management remuneration

Board of Directors

The Board of Directors was constituted on 21 April 2021 in connection with Aker Horizons' conversion to a public limited company and transfer of listing from Euronext Growth (Oslo) to Oslo Stock Exchange. However, Auke Lont was constituted as a director with effect from 1 August 2021. The fees in the table below represent expenses in the income statement based on expected fees to directors who have served on the Board of Aker Horizons ASA in 2021, to be approved by the Annual General Meeting to be held in April 2022.

No agreements exist which entitle the directors to any extraordinary compensation, except for a consultancy agreement with Auke Lont. Unless explicitly stated below, members of the Board of Directors did not receive any other fees than those listed in the table.

The Board held six meetings in 2021. In addition, certain matters were dealt with by way of the circulation of documents.

No directors have direct ownership interests in Aker Horizons ASA as of 31 December 2021, unless stated explicitly in the table.

Amounts in NOK thousand		Period	Audit Committee fees	Board fees
Øyvind Eriksen[1, 3]	Chairperson	May-Dec	—	400
Kjell Inge Røkke[1,4]	Director	May-Dec	—	207
Lone Fønss Schrøder	Director	May-Dec	120	207
Lise Kingo	Director	May-Dec	69	207
Auke Lont[2]	Director	Aug-Dec	—	129
Total			189	1,150

1) The fees allocated to Øyvind Eriksen and Kjell Inge Røkke will, as per Aker policies, be paid to their respective employer companies
2) Auke Lont also received NOK 1.2 million in 2021 under the consultancy agreement
3) Owns 285,714 shares in Aker Horizons ASA through Erøy AS
4) Kjell Inge Røkke's minor son, Normann Eidsvig Røkke, owns 2,500 shares

Audit Committee

Aker Horizons has an Audit Committee comprising two of the directors, which held four meetings in 2021. As of 31 December 2021, 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. Each member of the nomination committee receive an annual compensation of NOK 40,000.

Remuneration of CEO and senior executives

At year-end 2021, Aker Horizons' executive team consisted of CEO Kristian Røkke and CFO Nanna Tollefsen. The Company has prepared guidelines for the remuneration of the CEO and senior company executives, which will be presented to the Company's Annual General Meeting on 22 April 2022. The guidelines are available under "Annual General Meeting" on the Company's website.

Kristian Røkke's appointment as CEO can be terminated by either party at three months' notice. If his contract is terminated by the Company, he is entitled to six months' severance pay. The remuneration plan for Kristian Røkke includes a fixed salary, standard employee pension and insurance coverage and a variable salary element which is based on the achievement of Company specific objects as well as individual performance objectives. The variable payment is earned over a period of one year and the maximum achievable payment is 67 percent of annual base salary. As of 31 December 2021, Kristian Røkke owns no shares in Aker Horizons ASA, but owns shares in Aker Horizons Holding AS, see below under incentive program.

CFO Nanna Tollefsen's appointment can be terminated by either party at three months' notice. The remuneration plan for Nanna Tollefsen includes a fixed salary, standard employee pension and insurance coverage and a variable salary element which is based on the achievement of Company specific objects, as well as individual performance objectives. The variable payment is earned over a period of one year and the maximum achievable payment is 100 percent of annual base salary. As of 31 December 2021, Nanna Tollefsen owns no shares in Aker Horizons ASA, but owns shares in Aker Horizons Holding AS, see below under Incentive program.

Incentive program

In connection with Aker Horizons' admission to trading on Euronext Growth (Oslo), the Company implemented an incentive program for senior executives, which was carried out in conjunction with the private placement. Mr. Røkke and Mrs. Tollefsen subscribed for shares in the Company's wholly owned subsidiary, Aker Horizons Holding AS, which may be exchanged into 952,380 and 190,476 shares respectively in Aker Horizons after expiry of a three year lock-up period, or sold to the Company for the corresponding cash value. The Company may also require such shares in Aker Horizons Holding to be swapped for shares in the Company after four years. The price of shares subscribed in Aker Horizons Holding AS pursuant to the incentive program corresponded to NOK 35 per share (the offer price in the private placement) less a 25 percent discount due to lock-up restrictions, and partly funded through a loan arrangement offered as a part of the incentive program.

Total consideration for the shares in Aker Horizons Holding AS paid by Kristian Røkke under the incentive program was NOK 25 million, of which NOK 15 million was funded by loan. In addition, Kristian Røkke received a variable payment linked to the incentive program of NOK 14.9 million which was used to pay for remaining shares in Aker Horizons Holding AS. Additional NOK 2 million was funded by Kristian Røkke directly.

Total consideration for the shares in Aker Horizons Holding AS paid by Nanna Tollefsen under the incentive program was NOK 5 million, of which NOK 3 million was funded by loan. Additional NOK 2 million was funded by Nanna Tollefsen directly.

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. As of 31 December 2021, the loan balance is NOK 15.2 million for Kristian Røkke and NOK 3.0 million for Nanna Tollefsen.

The figures in the table for the remuneration paid to executive management represent what has been expensed in the year.

Amounts in NOK thousand		Salary	Variable pay[2]	Other benefits	Total taxable remuneration	Pension benefit earned
2021						
Kristian Røkke	CEO	5,559	18,711	49	24,319	182
Nanna Tollefsen	CFO[1]	1,426	1,682	24	3,132	126
Ola Beinnes Fosse	CFO[1]	683	1,866	9	2,558	68
Total		7,669	22,259	81	30,009	376
2020 [3]						
Kristian Røkke	CEO	1,133	—	4	1,137	59
Ola Beinnes Fosse	CFO	667	—	4	671	59
Total		1,800	—	8	1,808	118

1) Ola Beinnes Fosse held the position as CFO from 1 January 2021 until 30 April 2021. Nanna Tollefsen has held the position from 1 May 2021.
2) Variable pay of NOK 14.9 million to Kristian Røkke was used to acquire shares in Aker Horizons Holding AS as part of the incentive program that was carried out in conjunction with the private placement described in this note.
3) Comparative figures for 2020 reflect the period from September to December.

Senior executives receive no remuneration for directorships or membership of nomination committees of other Aker companies. In 2021, Aker Horizons Holding AS invoiced a total of NOK 1.5 million in respect of Kristian Røkke's directorships of other Aker companies. The CEO and other senior executives receive no other remuneration than described above.

Refer to further description about management compensation in the Management Remuneration Report available at www.akerhorizons.com.

34 Subsequent events

REC Silicon (REC)

On 19 January 2022, Aker Horizons completed the sale of approximately 21.9 million shares in REC to Hanwha Solutions for NOK 20 per share. The shareholding was presented as held for sale in the balance sheet as of 31 December 2021, see Note 17 Assets held for sale.

In addition, Hanwha Solutions acquired approximately 48.2 million new shares in REC Silicon through a private placement, providing approximately NOK 964 million in proceeds to REC. Following the transaction, Hanwha Solutions and Aker Horizons both own approximately 16.67 percent in REC. The transaction brings together two of the leading producers in different parts of the solar PV value chain and strengthens REC's financial position.

Aela Energía

On 2 February 2022, Mainstream announced the sale of its shareholding in Aela Energía. Aela Energía was established in 2013 as part of a joint venture between Actis (60 percent) and Mainstream (40 percent). The planned exit reflects the successful culmination of Actis and Mainstream's strategy for Aela. The divestment will generate net proceeds after tax to Mainstream of approximately USD 114 million. The shareholding was presented as held for sale in the balance sheet as of 31 December 2021, see Note 17 Assets held for sale.

Project financing - Mainstream

Subsequent to the year end and as anticipated, certain technical events of default in the Condor portfolio have occurred relating to minor operational matters in the loan facilities customary for project finance facilities of this nature. The technical default arises from conditions relating to the Completion or Commercial Operations Date "COD" of the Condor portfolio. All four projects have now achieved COD and are operating fully with requirements relating to certain administrative documents specified under the loan documents expected to be satisfied shortly. Mainstream sees no risk of any change in the nature of the facilities, an active dialogue with the banks is ongoing relating to document waivers and approvals required to resolve the technical defaults which Mainstream expects to conclude by the end of March 2022. Any event of default occurring on the Condor, Huemul or Copihue facility causes a technical cross default on the Trade Finance Facility, AMP mezzanine facility and by extension, a fully cash backed letter of credit service provided by DNB to Mainstream. The cross default on the facilities is automatically resolved once the Condor portfolio is out of technical default. See more information about these facilities in Note 31 Capital commitments, guarantees and contingencies.

Aker Horizons ASA Parent Company Accounts

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Income statement
Statement for the year ended 31 December

Amounts in NOK million	Note	**2021**	**1 Nov - 31 Dec 2020**
Salary and other personnel costs		(2)	—
Other operating expenses	4	(30)	—
Operating profit (loss)		**(32)**	**—**
Financial income		415	—
Financial expenses		(406)	—
Foreign exchange gain (loss)		(154)	—
Net financial items	5	**(145)**	**—**
Profit (loss) before tax		**(177)**	**—**
Tax benefit (expense)	6	—	—
Net profit (loss) for the period		**(177)**	**—**
			—
Net profit (loss) for the period distributed as follows:			—
Retained earnings		(177)	—
Net profit (loss) for the period		**(177)**	**—**

Balance sheet

Statement for the year ended 31 December

Amounts in NOK million	Note	2021	2020
Assets			
Non-current assets			
Investments in subsidiaries	7	20,118	—
Interest-bearing receivables	11	26	—
Total non-current assets		**20,144**	**—**
Current assets			
Receivables on group companies	8, 11	441	—
Trade and other receivables		2	—
Cash and cash equivalents	8	422	—
Total current assets		**865**	**—**
Total assets		**21,010**	**—**

Amounts in NOK million	Note	2021	2020
Equity and liabilities			
Equity			
Share capital		610	—
Other paid-in capital		13,755	—
Other equity and retained earnings		170	—
Total equity	3	**14,535**	**—**
Non-current liabilities			
Non current borrowings	9	5,781	—
Total non-current liabilities		**5,781**	**—**
Current liabilities			
Current borrowings from group companies	8	656	—
Derivative financial instruments		2	—
Trade and other payables		36	—
Total current liabilities		**694**	**—**
Total equity and liabilities		**21,010**	**—**

Fornebu, 21 March 2022
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	2021	1 Nov - 31 Dec 2020
Profit (loss) before tax		(177)	—
Adjustment for:			
Income from investment in subsidiaries		(408)	—
Accrued interest and foreign exchange		521	—
Changes in net current operating assets		5	—
Interest received		3	—
Interest paid		(109)	—
Cash flow from operating activities		**(165)**	**—**
Payments related to interest-bearing receivables on group companies		(100)	—
Investment in subsidiaries		(9,093)	—
Proceeds from sale of shares		17	—
Cash flow from investing activities		**(9,176)**	**—**
Proceeds from borrowings		4,560	—
Repayment of borrowings		(560)	—
Transaction costs, new borrowings		(115)	—
Change in overdraft cash pool		192	—
Share issue		5,573	—
Transaction costs, share issue		(159)	—
Cash flow from financing activities		**9,491**	**—**
Net cash flow in the period		150	—
Effect of exchange rate changes on cash and cash deposits		(150)	—
Cash and cash equivalent at the beginning of the period		—	—
Cash and cash equivalent at the end of the period		**—**	**—**

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.

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 borrowings and 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 Shareholders' equity

Accounting principles

Repurchase of share capital is recognized at cost as a reduction in equity and is classified as treasury shares. No gain or loss is recognized in the income statement on the purchase or sale of the Company's own shares.

Amounts in NOK million	Share capital	Other paid-in capital	Other equity	Retained equity	Total equity
Equity as of 1 January 2021	—	—	—	—	—
Share issue	610	13,924	—	—	14,534
Transaction costs, share issue	—	(169)	—	—	(169)
Convertible bond	—	—	348	—	348
Profit (loss) for the period	—	—	—	(177)	(177)
Equity as of 31 December 2021	**610**	**13,755**	**348**	**(177)**	**14,535**

The share capital of Aker Horizons ASA is divided into 609,736,165 shares with a nominal value of NOK 1. All issued shares are fully paid. The shares can be freely traded. For more information about share capital, see Note 18 Share capital and capital reserves in the consolidated financial statement of Aker Horizons. Note 12 Shareholders provides an overview of the Company's largest shareholders.

4 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 1.5 million has been allocated to payable fees to the Board of Directors for 2021. More information about remuneration to and shareholding of CEO, CFO and Board of Directors are described in Note 33 Management remuneration in the consolidated financial statements of Aker Horizons.

Other operating expenses relates mainly to costs related to listing and audit fees. See Note 6 Other operating expenses in the consolidated financial statements for information about fees to auditors.

5 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	Note	**2021**	**1 Nov - 31 Dec 2020**
Income expense, external		3	—
Interest income from group companies		3	—
Income from subsidiaries		400	—
Gain on sale of shares		8	—
Other financial income		1	—
Financial income		415	—
Interest expense to related parties		(124)	—
Interest expense, external		(254)	—
Other financial expenses		(28)	—
Financial expenses		(406)	—
Foreign exchange gain (loss)		(154)	—
Total		(145)	—

6 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	**2021**	**1 Nov - 31 Dec 2020**
Profit (loss) before tax	(177)	—
Adjustments:		
Group contribution without tax effect	(400)	—
Interest-deduction limitation	297	—
Interest on equity component of convertible loan	77	—
Permanent differences[1]	(159)	—
Taxable income (loss)	(363)	—

1) Permanent differences consist of transaction costs related to equity issues.

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.

7 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	696	696,374,784	99,8%	20,118
Total					**20,118**

Aker Horizons Holding AS financial information (unaudited)

Amounts in NOK million	
Profit (loss) for the year 2021	3,702
Equity as of 31 December 2021	17,349

8 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 422 million as of 31 December 2021.

Amounts in NOK million	2021
Group companies borrowing in the cash pool system	(41)
Group companies deposits in the cash pool system	656
Aker Horizons ASA's net borrowings in the cash pool system	(192)
Cash in cash pool system	**422**

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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 (NOK)
Revolving Credit Facility		NOK	—	2024	(50)
Green bond		NOK	2,500	2025	2,474
Convertible loan		NOK	1,500	2026	1,241
Shareholder loan	11	NOK	2,000	2026	2,116
Total borrowings					**5,781**

Revolving Credit Facility (RCF)

In April 2021, the Company signed a multi-currency revolving credit facility for EUR 400 million. In October, the RCF was upsized to EUR 500 million. The facility 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 2021, 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 28 Other significant transactions and Note 32 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
Revolving Credit Facility	(50)	184	25	26	51	82
Green bond	2,474	2,871	51	52	102	2,666
Convertible loan	1,241	1,614	—	—	—	1,614
Shareholder loan	2,116	2,702	—	—	—	2,702
Total	**5,781**	**7,371**	**76**	**77**	**153**	**7,065**

10 Financial risk management and financial instruments

Foreign exchange

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 2021.

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 2021 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.

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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. All transactions with related parties to Aker Horizons ASA have been based on arm's length terms.

See Note 32 Related party transactions in the consolidated financial statements for description of relationship to other companies in the Aker group.

Transactions with related parties

Board of Directors and executive management

Remuneration to CEO and Board of Directors is described in Note 33 Management remuneration to the consolidated financial statements of Aker Horizons Group.

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 2021 is NOK 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 Horizons Holding AS, Aker Clean Hydrogen Operating Company AS and AH ÅTTE AS during 2021, which all were settled before 31 December 2021. Interest income of NOK 3 million on these receivables has been recognized in the period.

As of 31 December 2021, the Company has a receivable on Aker Horizons Holding AS related to group contribution without tax effect, amounting to NOK 400 million.

See Note 8 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 32 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.

Company	Nominee	Number of shares held	Ownership
Aker Capital AS		464,285,714	76.15%
The Bank of New York Mellon	Nominee	23,671,125	3.88%
State Street Bank and Trust Company	Nominee	13,611,576	2.23%
Folketrygdfondet		13,194,647	2.16%

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 2021. 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 2020 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 2021.
- 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, 21 March 2022
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

KPMG

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Independent Auditor's Report

To the General Meeting of Aker Horizons ASA

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 2021, 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 2021, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows 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 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, 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 laws and regulations 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 2 years from the election by the general meeting of the shareholders on 22 December 2020 for the accounting year 2020.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG

Mainstream Renewable Power acquisition

Refer to the sections 'Key developments in 2021' and 'Business operations' in the Board of Directors' report and financial statement Note 27 Business combinations.

The key audit matter

On 11 May 2021 the Company completed the acquisition of 75% of the shares of Mainstream Renewable Power Limited in a business combination.

The purchase price allocation and the determination of fair values adopted required a number of estimates and judgments to be applied, including amongst others:

- cash consideration paid and provision for contingent consideration;
- identification and valuation of wind and solar project assets, including amongst others forecasting power supply & demand and the resulting revenues along with operating and capital expenditures;
- valuation of interests in joint arrangements holding wind and solar project assets;
- useful lives of wind and solar projects;
- discount rates to be applied, including country specific risk factors; and
- allocation of goodwill balances to cash generating units.

In addition, the calculation of fair values requires financial modelling of the cash flows relating to each asset or liability, which can be complex and may require additional assumptions to be made.

As such, the purchase price allocation requires significant attention during the audit and is subject to a high degree of auditor judgement.

How the matter was addressed in our audit

We read the transaction agreements to gain an understanding of the key terms and conditions and assessed the appropriateness of management's analysis of the relevant accounting considerations.

We traced cash payments to bank statements and assessed the estimate of contingent consideration payable.

We obtained the purchase price allocation report issued by the external valuation expert engaged by management to assist with the identification and valuation of identifiable assets and liabilities.

We assessed the competence, capabilities and objectivity of management's external valuation expert.

We assessed the reasonableness of management's identification and valuation of assets and liabilities, including assessment of the underlying cashflows with reference to contracts, third party reports on power supply & demand and operating costs and actual historical operating results as applicable. We also assessed management's identification of cash generating units and the associated goodwill allocations.

We also evaluated the fair values of the Aela Energia investment with reference to the subsequent divestment as disclosed in Note 34 Subsequent events.

We involved KPMG valuation specialists to evaluate the valuation principles and methodologies applied, recalculate the discounted cashflow models, develop an independent expectation of discount rates to be applied and assess country risk factors applied.

We also evaluated the adequacy of the business combination related disclosures in Note 27 of the financial statements.

KPMG

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 accompanying information otherwise appears 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 legal 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 and using 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.

KPMG

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 or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves 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.

KPMG

Report on Other Legal and Regulatory Requirements

Report on compliance with Regulation on European Single Electronic Format (ESEF)

Opinion

We have performed an assurance engagement to obtain reasonable assurance that the financial statements with file name ah-2021-12-31-en have been prepared in accordance with Section 5-5 of the Norwegian Securities Trading Act (Verdipapirhandelloven) and the accompanying Regulation on European Single Electronic Format (ESEF).

In our opinion, the financial statements have been prepared, in all material respects, in accordance with the requirements of ESEF.

Management's Responsibilities

Management is responsible for preparing, tagging and publishing the financial statements in the single electronic reporting format required in ESEF. This responsibility comprises an adequate process and the internal control procedures which management determines is necessary for the preparation, tagging and publication of the financial statements.

Auditor's Responsibilities

Our responsibility is to express an opinion on whether the financial statements have been prepared in accordance with ESEF. 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". The standard requires us to plan and perform procedures to obtain reasonable assurance that the financial statements have been prepared in accordance with the European Single Electronic Format.

As part of our work, we performed procedures to obtain an understanding of the company's processes for preparing its financial statements in the European Single Electronic Format. We evaluated the completeness and accuracy of the iXBRL tagging and assessed management's use of judgement. Our work comprised reconciliation of the financial statements tagged under the European Single Electronic Format with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 21 March 2022
KPMG AS

Vegard Tangerud
State Authorised Public Accountant

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Independent Auditor's Assurance Report to Aker Horizons ASA

We have been engaged by the management of Aker Horizons ASA ('Aker Horizons') to provide limited assurance in respect of the carbon emission data in the Annual and Sustainability Report of Aker Horizons.

Our limited assurance engagement covers the carbon emissions data for the year ended 31 December 2021 as described in table on page 168:

- Scope 1 and 2;
- Scope 3 1-14

As stated in table on page 168, the scope excludes Scope 3 for category 15 (investments).

Our conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the limited assurance procedures performed and the evidence obtained, as described below, nothing has come to our attention, to indicate that the carbon emission data of 2021 on page 168 in the Annual and Sustainability Report 2021 is not presented, in all material respects, in accordance with the criteria as defined by the GRI Standard 305: Emission.

Management of Aker Horizons' responsibility

The management of Aker Horizons is responsible for the preparation and presentation of the carbon emission data for 2021 in accordance with the criteria as defined by the following GRI Standards; Disclosure 305-1, Disclosure 305-2 and Disclosure 305-3, as described in page 2 and 185 of the Annual and Sustainability Report 2021. It is important to view the information on the carbon emission data for 2021 in the context of these criteria.

These responsibilities include establishing such internal controls as management determines are necessary to enable the preparation of the information on the carbon emission data for 2021 that are free from material misstatement, whether due to fraud or error.

KPMG

Our Responsibility

Our responsibility is to perform a limited assurance engagement on Aker Horizons' preparation and presentation of the carbon emission data for 2021, and to express a conclusion based on the work performed.

We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE 3410): "Assurance Engagements on Greenhouse Gas Statements ", issued by the International Auditing and Assurance Standards Board.

ISAE 3410 requires that we plan and perform the engagement to obtain limited assurance about whether the information of the carbon emission data for 2021 is free from material misstatement.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the Company as required by laws and regulations 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. A limited assurance engagement in accordance with ISAE 3410 involves assessing the risks of material misstatement, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances of the engagement.

Limited Assurance of the carbon emissions data for 2021

The procedures selected depend on our understanding of the carbon emission data for 2021 and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. Our procedures for limited assurance on the carbon emission data for 2021 included, amongst others:

- Interviews with relevant staff at corporate level responsible for providing the information, carrying out internal control procedures and consolidating the carbon emission data for 2021;
- Reviewing relevant internal documentation, on a limited test basis, in order to determine the reliability of the carbon emission data for 2021;
- Reconciliation of relevant data input to the carbon emission data for 2021 against financial information and other documentation obtained during the audit of the 2021 financial statements.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Oslo, 21 March 2022
KPMG AS

Vegard Tangerud
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 comparabilities 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	**2021**	**2020**
Trade and other receivables	1,319	18
Inventories	716	—
Trade and other payables	(2,996)	(101)
Net current operating assets (NCOA)	**(961)**	**(84)**

Net debt

Amounts in NOK million	**2,021**	**2,020**
Non-current borrowings	17,118	1,000
Current borrowings	424	184
Gross debt	17,542	1,184
Marketable securities	702	
Restricted cash	2,071	—
Cash and cash equivalents	5,412	(943)
Total cash and marketable securities	8,185	(943)
Net debt	**9,357**	**241**

Corporate Governance Report

Effective corporate governance provides the foundation for responsible business conduct and value creation, which in turn is important goals for Aker Horizons. It is a prerequisite for a planet-positive investment company to succeed. Corporate governance is therefore a key concern for Aker Horizons' Board of Directors and employees, as well as in the exercise of ownership in Aker Horizons' underlying companies. As a newly established company and owner of several newly established companies, a major focus for the Board and management of Aker Horizons, during its first full year of operation, has been to establish effective governance.

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 promotes 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 2021. 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 system 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 sustainability policy has been established. In the annual report, Aker Horizons describes how sustainability is integrated into Aker Horizons' investment process and ownership practices. Further, the annual 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 9,985 million in book equity as of 31 December 2021, corresponding to an equity ratio of 30.7 percent. The parent company's book equity amounted to NOK 14,535 million, corresponding to an equity ratio of 69 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 the ambitious targets for contributing to global decarbonization and build scale at the operational level, Aker Horizons will, 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 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

The company 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 32 to the 2021 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. 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.

MENU

Through the general meeting, shareholders exercise the highest authority in the Company. The Annual General Meeting for 2022 will take place on 22 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 board members. The Nomination Committee focuses on composing a Board of Directors that works optimally as a team, and on ensuring that board members' experience and qualifications complement each other, that required and important areas of competence are covered by 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, 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 comprise 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 former a 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 Svein Oskar Stoknes: svein.stoknes@akerasa.com.

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 2021 annual 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 transactions. Guidelines have also been drawn up to ensure that Board members and senior employees report to the Board if they directly or indirectly have significant interest in agreements entered into by Aker Horizons or companies in which Aker Horizons has significant ownership interests. Aker has an Audit Committee. The Committee's mandate regulates areas of responsibilities, tasks, relations with the external auditor and reporting to the Board of Directors. The composition of the Committee is presented in the 2021 annual report. The Board has considered whether Aker Horizons should have a compensation committee, but has concluded that it is currently not necessary.

10. Risk management and internal control

Governing principles

The Board of Directors, supported by the Audit Committee, ensures that Aker Horizons has procedures and systems for good corporate governance, effective internal control and risk management appropriate to the extent and nature of the Company's activities.

The Board establishes the overall principles for governance and control in Aker Horizons ASA through the approval 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 and sustainability. 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 and guidelines. This is done through the group-wide implementation of a risk-based compliance program. Aker Horizons ASA's 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 censurable conditions, 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 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 risk reporting to the Board, the Audit Committee reviews the reported main risks and relevant risk mitigating measures.

Aker Horizons' process for enterprise risk management is based on the assessment and monitoring of major financial, strategic and market, legal and compliance, project and operational, and climate-related risk factors. These include group level risks as well risks related to the portfolio companies' operations. Mitigating actions are identified for key risks and their implementation is ensured 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 its regular dialogue with the portfolio companies' managements and participation on their boards. Aker Horizons expects to formalize, adopt and implement a risk management procedure during the course of 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 in financial reporting (ICFR) that is under implementation in all major companies in the Group. The procedure requires annual risk assessment, mapping/implementation of key controls, and processes for monitoring that key controls are performed as intended. The 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 operating subsidiary. The main purpose of these meetings it to ensure the quality of the financial reporting. The clearing meetings focus on significant valuation items, off-balance sheet items, related transactions, new or modified accounting principles, internal control in financial reporting, and special topics in the annual report. External auditors are present at the meetings.

The Audit Committee prepares a preliminary review of the quarterly and annual financial statements, focusing on items involving valuation items and the application of new accounting principles, as well as any material related-party transactions.

In the process of preparing Aker Horizons' annual sustainability reporting, meetings are held with portfolio holdings. The main purpose these meetings is to ensure the quality of the sustainability reporting. The Audit Committee also prepares a preliminary review of the annual sustainability reporting.

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 2021 can be found in Note 33 to the 2021 consolidated financial statements.

12. Remuneration of executive management

The Board will adopt separate guidelines on the remuneration of executive management in accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act. These guidelines will be presented for approval to shareholders at the first annual general meeting of Aker Horizons on 22 April 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 key executives in accordance with board guidelines. Aker Horizons has no stock option programs. The remuneration for executive management includes a fixed annual salary, standard employee pension and insurance schemes and a variable pay element. 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 2021 can be found in a separate report prepared in accordance with section 6-16b of the Norwegian Public Limited Liability Companies Act and in Note 33 to the consolidated financial statements. 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 for 2022 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 76.15 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 2021, 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 a quarterly overview of services rendered by the auditor to the Company. The Audit Committee also approves the fees paid to the auditor for material additional services. The remuneration paid to the auditor in 2021 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 established a Sustainability Policy, approved by the Board of Directors, which includes its commitments to equality, inclusion and diversity. Further, Aker Horizons aims to have gender balance at all levels and bodies in the organization. In addition, Aker Horizons focuses on diversity with respect to age, competence, and background throughout the organization. Aker Horizons also has an ambition to include people with disabilities in its organization.
The Company has developed guidelines for equality, inclusion and diversity with respect to the composition of the Board, executive and control bodies, committees and the wider organization. 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. In 2021, the focus for Aker Horizons has been to build the organization, recruit a significant number of new employees and establish relevant governing documents, policies and guidelines. Equality, diversity and inclusion has been top of mind also in this process. The current status of equality, diversity and inclusion is described throughout this report, including in the Board of Directors Report, the Respect for People and the Prosperity for All sections. The diversity status of each Platform portfolio company is reported in its specific company one-pager.

MENU

Transparent Reporting

Frameworks

Transparency, for Aker Horizons, is a foundation for building trust with its stakeholders. Therefore, in the process of creating this report, Aker Horizons has adopted well-established international reporting frameworks and complied with relevant laws and regulations.

Aker Horizons' first 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 from 1 January 2021 to 31 December 2021. The report was published on the 22 of March 2022. For any questions or queries related to this report, please contact Christian Yggeseth (christian.yggeseth@akerhorizons.com) or Jeanett Bergan (jeanett.bergan@akerhorizons.com).

The ESG part of the report has been prepared with reference to the new Global Reporting Initiative (GRI) Standard from 2021. The list of the material topics for 2021 has been revised and extended. A detailed list of material topics can be found in the appendix.

Additionally, disclosures contained within the report are aligned with the World Economic Forum's (WEF) Stakeholder Capitalism Metrics, the Sustainable Development Goals (SDGs) and the Sustainability Accounting Standards Board (SASB).

WEF's metrics are built on the SDGs and serve in this report as an overarching framework. GRI and SASB standards provide the base for a different approach to materiality and a way to reach all relevant stakeholders. Therefore, applying all those standards as complementary offers the most comprehensive and holistic overview of Aker Horizons' ESG practices.

Additionally, as a reflection of Aker Horizons' climate-related risk and opportunities management, the Company reports according to the Task Force on Climate-Related Financial Disclosures (TCFD) framework. A complete climate-related assessment can be found in the appendix to the report.

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 2021 and Norwegian disclosure requirements pursuant to the Norwegian Accounting Act as of 31 December 2021.

The EU Sustainable Finance package of regulations is relevant for Aker Horizons. The EU Taxonomy Regulation, defining what can be classified as a green economic activity, is a regulation and framework very relevant for Aker Horizons business activities. While it is not in force in Norway, Aker Horizons is using the framework and discloses its share of Turnover, Operation Expenditures and Capital Expenditures in relation to the taxonomy requirements. Further details on the approach are disclosed in the section Taxonomy Status and the section Sustainability Accounting Principles and Methodology.

The Sustainable Finance Disclosure Regulation and its Principal Adverse Impact Indicators are not applicable to Aker Horizons. Nevertheless, Aker Horizons chooses to report on these indicators, as a matter of good practice, as they are relevant to many of Aker Horizons' shareholders.

Report boundaries

The report covers Aker Horizons and companies in the Platform portfolio, as well as its Sunrise portfolio companies.

Throughout the report, when using “Aker Horizons” or “the Company” this refers to the Company's legal name, Aker Horizons ASA. Where the report refers to the “Platform portfolio” or “Platform companies”, this includes Aker Offshore Wind, Aker Carbon Capture, Aker Clean Hydrogen and Mainstream Renewable Power (Mainstream Renewable Power or Mainstream). Where the report refers to the “Sunrise portfolio”, this includes Rainpower, REC Silicon, Supernode and Aker Narvik. Where the report refers to “all portfolio companies” or “Aker Horizons' full portfolio”, this refers to both the Platform and Sunrise portfolios combined. References to the “Group” or “Group companies” means Aker Horizons ASA and its consolidated subsidiaries. The use of Mainstream Renewable Power or Mainstream in this report means Mainstream Renewable Power Limited and/or its subsidiaries (as applicable). Please note that during this first round of data collection, there were different scopes for data collection for sustainability topics on Aker Horizons' Platform and Sunrise portfolios. Where this applies, the relevant terminology specifies the scope of the data referenced.

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 portfolios.

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 (GHG) emissions. Aker Horizons' carbon footprint reporting on direct and indirect GHG emissions is done according to the three scopes of the GHG Protocol corporate standard. By using acknowledged emission factors, consumption data is recalculated into CO_2 emissions. According to the GHG Protocol, Scope 2 standard, emissions for electricity are calculated using both location-based and market-based emission factors.

Note: This section describes the approach for determining Aker Horizons' own GHG emissions. Presented emissions of portfolio companies have been received directly from portfolio companies and followed up through direct dialogue.

Scope 1: Aker Horizons has no direct emission sources for Scope 1.

Scope 2: For Scope 2, Aker Horizons is reporting electricity, district heating and cooling. Guarantees of origin were purchased for all electricity which is reflected in the Scope 2 market-based emissions.

Scope 3: 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:

- Scope 3 category 5 (waste) - the average-data method was used
- Scope 3 category 6 (business travel, flights) - the distance-based method was used
- Scope 3 category 7 (employee commuting) - the average-data method was used
- Scope 3 for category 15 (investments) - was calculated using the equity approach and investment specific method but including all 3 scopes of its portfolio companies to the extent this information was available. Aker Horizons is encouraging its portfolio companies to have Scope 1 and Scope 2 emissions as low as possible, and to work towards reducing emissions in the whole value chain. For this reason, Scope 3 was included in the calculations. The calculations for category 15 were done with location-based electricity values emission factors.

Emission factors

An emission factor is a coefficient which allows to convert activity data into GHG emissions. Below is a summary of the emission factors used to calculate Aker Horizons' own GHG emissions.

SCOPE 1

Reporting	Emission factor	Unit	Source

SCOPE 2

Reporting	Emission factor	Unit	Source
Electricity Market based	402	g CO2 per kWh	AIB
Electricity Location based	8	g CO2 per kWh	AIB
District heating	4,27	g CO2 per kWh	Oslofjord Varme
District cooling	3,04	g CO2 per kWh	Oslofjord Varme

SCOPE 3

Reporting	Emission factor	Unit	Source
Air travel emissions[1]	-	tCO2	Amex
Waste	21,294	kg CO2 per ton	DEFRA
Employee commuting	64	g CO2 per pkm	SSB

GWP = 1
GHG emissions recalculated to CO2 emissions with GWP value 1 in a 100 year perspective.

1) Utilized travel agency's own estimate of air travel CO_2 emissions

Independent auditor's assurance of GHG emission data

KPMG AS has been engaged by the management of Aker Horizons to provide limited assurance in respect of the carbon emission data in the Annual and Sustainability Report of Aker Horizons. Included in the scope is the following; GHG emissions Scope 1, GHG emissions Scope 2 and partial assurance of GHG emissions Scope 3.

The table summarizes the emissions data and highlights the scope for the limited assurance.

Type	Data	Unit	tCO2	In scope for limited assurance
SCOPE 1				
Type				
LNG				Yes
LPG				Yes
Natural Gas				Yes
Propane				Yes
Burning oil				Yes
Diesel				Yes
Petrol				Yes
Marine gas oil				Yes
Marine fuel oil				Yes
Scope 1 total			0	Yes
SCOPE 2				
Electricity (Norway)	143404.51	kWh	1.15	Yes
District heating (location / country)	121786.45	kWh	0.52	Yes
District cooling (location / country)	59585.28	kWh	0.18	Yes
kWh with Guarantees of origin or REC	143404.51	kWh	0	Yes
Scope 2 total (Location based)			1.85	
Scope 2 total (Market based)			0.70	
SCOPE 3				
1: Purchased goods and services				Yes
2: Capital goods				Yes
3: Fuel and energy				Yes
4: Upstream transportation and distribution				Yes
5: Waste	4412.5	kg	0.09	Yes
6: Business travel				Yes
- Flights	95701	Flight km	23.37	Yes
- Car allowance		Km		Yes
7: Employee commuting	69104	Km	4.42	Yes
8: Upstream leased assets				Yes
9: Downstream transportation and distribution				Yes
10: Processing of sold products				Yes
11: Use of sold products				Yes
12: End-of-life treatment of sold products				Yes
13: Downstream leased assets				Yes
14: Franchises				Yes
15: Investments				No
Scope 3 total			27.89	

Aker Horizons' Strategic Targets

Strategic targets are what Aker Horizons describes as its environmental contribution through the expansion of planet-positive activities. Through measurement and reporting on the footprint of activities (such as Scope 1, 2 and 3), Aker Horizons ensures transparency also with respect to the negative impact of its planet-positive activities. However, within these established reporting frameworks, the largely positive contribution of expanding activities, such as generating renewable energy and and capturing carbon, is lost. The Company therefore places additional emphasis on targets and progress relating to these areas. Aker Horizons' 2025 ambitions include:

- + 100 bn NOK in green investments
- + 10 GW in renewable power capacity
- - 25Mt CO_2 p.a. emissions reduction

These targets consider projects in both operation and 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 target encompasses total capital investments originated by Aker Horizons and Platform companies, before sell-downs. For other projects, Aker Horizons' or Platform companies' pro rata share of the projects is applied.

Renewable power capacity

This target encompasses total capacity of projects originated by Aker Horizons and Platform companies, before sell-downs. For other projects, Aker Horizons' or Platform companies' pro rata share of the projects is applied. Further, the target covers the design capacity for both projects in operation and in construction (as described above).

Emissions reduction

The 25 Mt CO_2 target 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 targets include Aker Horizons' projects in operation and those in construction (as defined in Aker Horizons' accounting policy) – taking into account an expected/estimated/observed capacity factor. This target encompasses total emissions reduction of projects originated by Aker Horizons and Platform companies, before sell-downs. For other projects, Aker Horizons' or Platform 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 and may be updated in the future.

When it comes to renewable projects, the approach involves calculating the marginal emissions difference between the power produced and the local grid average, taking into account all lifecycle emissions. Assessing avoided emissions also involves taking into account what was actually, or can actually be expected to be, produced, based on an expected/estimated/observed capacity factor. Since information about sources and inclusions of lifecycle emissions for grid average factors are not always easy to find, 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 life-time. If no own LCA calculation is available, portfolio companies are encouraged to refer to available studies and specify the source.

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 KPIs for the reporting period 2021. The KPIs have been calculated according to Annex 1 of the Article 8 Delegated Act, and include Aker Horizons' consolidated share of turnover, CapEx and OpEx in relation to total turnover, CapEx and OpEx, as presented in the consolidated financial statements. 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. The 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 the total capitalized costs related to taxonomy-eligible assets during the year. Taxonomy-eligible assets means that the assets are associated with an activity that are covered by the taxonomy in the delegated acts (see “eligibility” below).

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:

- Substantial contribution criteria: the economic activity contributes substantially to one or more of the environmental objectives
- Do no significant harm criteria: it does not significantly harm any of the environmental objectives
- Minimum safeguards criteria: it is carried out in compliance with the minimum safeguards
- It complies with technical screening criteria in the delegated acts supplementing the Taxonomy Regulation (i.e. Climate Delegated Act as of now).

Aker Horizons and its portfolio companies have begun assessing activities on the basis of the current draft of the Taxonomy Regulation. Normally, the taxonomy assessment would involve three mutually exclusive classifications of activities: Not eligible, Aligned and Not aligned (where Aligned and Not Aligned are sub-sets of the Eligible category). Aker Horizons has chosen to report on the proportion of activities that are taxonomy aligned, and also the share of the KPIs that are defined as “expected aligned”. This is because many activities are deemed likely to be aligned on the basis of an assessment of Substantial Contribution, and through operational measures (including but not limited to grievance mechanisms, training and due diligence processes). This is described more in detail in the section Respect for People. However, full documentation efforts have not yet been undertaken for all the technical screening criteria.

The Climate Delegated Act will enter into force in 2022, with expected further guidance from the European Commission. Aker Horizons will continue to be part of industry best practice and will update its approach as it evolves. Provided that Aker Horizons' current taxonomy alignment interpretation and approach align with such guidance and emerging best practice, Aker Horizons considers that all its "expected aligned" activities to be reported as taxonomy-aligned once the necessary documentation efforts have been undertaken.

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 definitions provided for this exercise, was drawn from the Final Report on draft Regulatory Technical Standards[1] issued on 2 February 2021. Further clarification on calculation methods may lead to amendments to the approach described below going forward.

All investment values are as of 31 December 2021. The exchange rate used between NOK and EUR for investment value is as of 31 December 2021. 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, the Platform portfolio and the Sunrise portfolio as defined earlier in this section.

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).

Data has not been received from all investee companies for all indicators - this may be because it is not available, not collected in the right format, or investee companies' reporting cycles do not yet correspond to that of Aker Horizons. As the first round of reporting, Therefore, Aker Horizons chooses to transparently disclose the portfolio data coverage for each indicator. Although the portfolio data coverage share (0-100 percent) is presented only for the full portfolio, the figures presented for the Platform and Sunrise portfolios have also been adjusted according to the relevant coverage for each of the portfolios individually.

Below, details on how each individual indicator were calculated is provided.

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:

$$\sum_{n}^{i}\left(\frac{\textit{current value of investment}_i}{\textit{investee company's enterprise value}_i} \times \textit{investee company's Scope}(x)\ \textit{GHG emissions}_i\right)$$

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:

$$\frac{\sum_{n}^{i}\left(\frac{\textit{current value of investment}_i}{\textit{investee company's enterprise value}_i} \times \textit{investee company's Scope 1,2 and 3 GHG emissions}_i\right)}{\textit{current value of all investments (€M)}}$$

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 their revenue in EUR million weighted by the share of the individual investment in the total portfolio. This was done in accordance with the following formula:

$$\sum_{n}^{i}\left(\frac{\textit{current value of investment}_i}{\textit{current value of all investments (€M)}} \times \frac{\textit{investee company's Scope 1,2 and 3 GHG emissions}_i}{\textit{investee company's €M revenue}_i}\right)$$

Indicator 4: Exposure to companies active in the fossil fuel sector

Here, investee companies have been classified according to whether they are 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.

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 is weighted by each investee company's' share in the total portfolio.

The draft Regulatory Technical Standards do not provide a clear calculation method for this indicator, but a alternative approach would be to collect data on GWh for each non-renewable consumption and production, and calculate a figure weighed by the

1) Final Report on draft Regulatory Technical Standards with regard to the content, methodologies and presentation of disclosures pursuant to Article 2a(3), Article 4(6) and (7), Article 8(3), Article 9(5), Article 10(2) and Article 11(4) of Regulation (EU) 2019/2088

amount of GWh and consolidated across production and consumption for the full portfolio. Further clarification 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 of 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 by sector has been made. Then, an intensity measure per company was calculated as energy consumption divided by EUR million 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 EUR million invested, expressed as a weighted average. Here, an intensity measure per company was calculated as emissions to water divided by EUR million 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 EUR million invested, expressed as a weighted average. Here, an intensity measure per company was calculated as tonnes of hazardous waste divided by EUR million 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 of investee companies. The ratio is based on average salary in the organization regardless of employment level, including the CEO. 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 Aker Horizons and the Platform 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 for the attractiveness of the workplace. Sustainability governance is important to ensure accountability, integration across business 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 subsequent reporting on gender balance. Publicly listed companies in Norway must also ensure gender representation at 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 in the Public Limited Liability Companies Act.

External commitments and the Sustainable Development Goals

Signing up to external commitments sends a strong signal of commitment. The Sustainable Development Goals (SDGs) are the world's shared goals for a sustainable future. Aker Horizons has identified eight priority SDGs on which Aker Horizons' investment thesis is based on and 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 themes, 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.

Board of Directors

Effective boards include diversity of thinking, which can be generated by diversity in gender, background, education, experience and expertise, and the inclusion of independent directors. Boards should demonstrate appropriate ESG capability. A corporate sustainability policy should be approved by the company's 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

Independence

- Meet relevant independence recommendations[1]
- Some board independence
- Independence requirements are not applicable

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 targets on material areas, a strategy to to reach targets and transparent reporting on corporate progress towards targets.

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 targets
- One strategy in place to reach targets
- Strategy in progress

Reporting

- Reporting on three or more material issues
- Reporting on one material issue
- Reporting in progress

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 supplier declaration 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
- Supplier declaration in place
- Supplier declaration in progress

1) The Norwegian Code of Practice for Corporate Governance recommends that the majority of shareholder-elected directors are independent of executive personnel, two are independent of major shareholders.

Appendix

Full ESG Performance Metrics

Planet	Unit	Aker Horizons	Aker Carbon Capture	Aker Clean Hydrogen	Aker Offshore Wind	Mainstream Renewable Power
PORTFOLIO COMMITMENT						
Climate emissions: Net zero commitment (or more ambitious)	Y/N	Y	Y	Y	Y	Y
Has a formal initiative to front a Net Zero Commitment on climate been joined? (E.g. the Race to Zero)	Y/N	Y	Y[1]	Y	N	Y
Concrete, quantified, time-bound targets for GHG emissions reductions	Y/N	Y	Y	N[2]	Y	N
Approved Science-Based Targets in place	Y/N	N	N	N[3]	N	N
Biodiversity and deforestation: Net zero commitment	Y/N	Y	N	N	Y	N
Has a formal initiative to front a Net Zero Commitment on biodiversity been joined?	Y/N	Y	N	N	N	N
Zero waste: Zero waste commitment	Y/N	Y	Y	N	Y	N
Has a formal initiative to front a Net Zero Commitment on waste been joined?	Y/N	N	N	N	N	N
Freshwater: Net zero commitment	Y/N	Y	N	N	N	N
Has a formal initiative to front a Net Zero Commitment on water been joined?	Y/N	N	N	N	N	N
GREENHOUSE GAS EMISSIONS[4]						
Scope 1 emissions	Tonnes CO2e	0	0	0	0	300.5
Scope 2 emissions - location-based	Tonnes CO2e	1.85	3.2	0.9	14.7	2479.25
Scope 2 emissions - market-based	Tonnes CO2e	0.7	2.2	28.35	0	
Scope 3 emissions - location-based (if the distinction is relevant)	Tonnes CO2e	53754.46	81.1	6.4	32.9	974.91
Scope 3 emissions - market-based (if the distinction is relevant)	Tonnes CO2e	NA	34.9	6.4		
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.		0	N/A		N.A./In progress
BIODIVERSITY						
Land occupation from own and portfolio companies operations (hectares)	Hectares	0.1425	0	0.08	24000	
Number of operational sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA)	# sites	0	0	0	0	N.A./In progress
Area (in hectares) of operational sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA)	Hectares	0	0	0	0	N.A./In progress
Share of operations/sites in biodiversity sensitive areas covered by effective measures	%	0	0	0	0	N.A./In progress
Share of sites/operations that affect threatened species (IUCN Red List)	%	0	0	0	0	N.A./In progress

1) Committed to SBTi
2) Will be set in 2022.
3) Will committ to Science-Based targets in 2022.
4) For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases, etc.), report in metric tonnes of carbon dioxide equivalent (tonnes CO2e) and in accordance with the GHG Protocol

Conservation/reforestation efforts - value	Value (unit defined below)		0	0	NA	N.A./In progress
Denominator of biodiversity offsets value (land area concerned, protection/restoration, duration of protection, other properties of area)	N.A.		0	0	NA	N.A./In progress
WATER						
Sites/operations located in areas of high or extremely high baseline water stress (according to WRI Aqueduct water risk atlas tool)	Y/N		0	0	NA	N.A./In progress
Report for operations where material, mega litres of water withdrawn	Mega litres	0.84	1.34	0.39	0.66	50.66
Report for operations where material, percentage of water withdrawn in regions with high or extremely high baseline water stress	% high water stress	0	0	0	0	In progress[1]
POLLUTION						
Emissions to water	Tonnes	0	0	0	0	0
WASTE						
Hazardous waste generated	Tonnes	0.012	0.002	0.006	0.0121	46.032
Total waste - tonnes	Tonnes	4.413	7.1	2.0055	4.29	5875.946
Non-recycled waste - tonnes	Tonnes	2.01	3.2	0.936	1.96	825.71
Non-recycled waste - proportion of all waste generated	%	46	46	46	46	14
CLIMATE RISK						
Has a TCFD-assessment been undertaken and disclosed?	Y/N	Y	Y	Y	Y	Y

1) This information has been collected for all individual sites, but not yet consolidated to a single figure. For individual sites that withdraw water from water-stressed basins, the average proportion of water withdrawn from water-stressed basins was 40%.

People	Unit	Aker Horizons	Aker Carbon Capture	Aker Clean Hydrogen	Aker Offshore Wind	Mainstream Renewable Power
DIVERSITY/EMPLOYEES						
Number of employees by employment type - permanent employees (current year)[1]	# persons	40	71	38	81	430
Number of employees by employment type - temporary employees	# persons	0	5	0	0	N.A./In progress
Number of employees by employment type - part-time employees	# persons	2[2]	1	1[3]	2[4]	N.A./In progress
Number of employees by employment type - involuntary part-time employees	# persons	0	0	0	N/A	N.A./In progress
Number of male employees	# persons	25	47	27	62	261
Number of female employees	# persons	17	24	12	21	169
Percentage of employees under 30 years old	%	2	12	3	8	16.05
Percentage of employees 30-50 years old	%	67	54	72	73	77
Percentage of employees over 50 years old	%	31	34	26	18	10.93
Percentage of women in management	%	50	38	17	30	31
Percentage of men in management	%	50	62	83	70	69
Number of different nationalities amongst employees	# nationalities	7	12	17	16	34
Pay equality women to men (average salary in the organization regardless of employment level)	Ratio	0.592	0.94	0.909	0.855	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	4.3	3.6	2.7	3.9	8.5
Average hours of training per person that the organization's employees have undertaken during the reporting period - total[5]	Hours	17.5	48	20	29.7	38
Average hours of training per person that the organization's employees have undertaken during the reporting period - men	Hours	17.5	48	20	16.9	N.A./In progress
Average hours of training per person that the organization's employees have undertaken during the reporting period - women	Hours	17.5	48	20	42.5	N.A./In progress
Average training and development expenditure per full time employee [6]	Currency (define next cell)[7]	2917	8000	3056	4947	
Employee participation in employment satisfaction survey (% of total)	%	N/A	80	N/A	N/A	95
Employee satisfaction level (%) (based on survey)	%	N/A	44	N/A	N/A	82

1) Employees seconded across Aker Horizons' portfolio companies are counted where work is performed
2) Includes employees seconded part-time across Aker Horizons' portfolio companies. 2 of these employees work full-time when adding up their part time secondments across the portfolio.
3) Includes employees seconded part-time across Aker Horizons' portfolio companies. 1 of these employees work full-time when adding up their part time secondments across the portfolio.
4) Includes employees seconded part-time across Aker Horizons' portfolio companies. 2 of these employees work full-time when adding up their part time secondments across the portfolio
5) For Aker Horizons, Aker Carbon Capture, Aker Clean Hydrogen: Estimate based on offered training
6) For Aker Horizons, Aker Carbon Capture, Aker Clean Hydrogen, Aker Offshore Wind: Estimate based on NOK 1,000 hourly rate per employee x estimated hours of training
7) NOK for Aker Horizons, Aker Carbon Capture, Aker Clean Hydrogen, Aker Offshore Wind. EUR for Mainstream Renewable Power

HEALTH AND SAFETY						
The number of fatalities as a result of work-related injury among employees - number	# fatalities	0	0	0	0	0
The number of fatalities as a result of work-related injury among contractors, service providers and suppliers - number	# fatalities	0	0	0	0	0
The number of lost time injuries (LTI) among employees	# injuries	0	0	0	0	0
The number of lost time injuries (LTI) among contractors, service providers and suppliers	# injuries	0	0	0	0	15
The number of recordable work-related injuries (TRI) among employees	# injuries	0	0	0	0	0
The number of recordable work-related injuries (TRI) among contractors, service providers and suppliers	# injuries	0	0	0		66
Sickness absence (%)	%	0.6	0.35	0.86	1.23	N.A./In progress
HUMAN RIGHTS						
Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	# violations	0	0	0	0	0
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	N	N	Y
Total percentage of employees who have received training on the organization's human rights policies and procedures	%	86[1]	100[2]	66[3]	72[4]	60

1) Sustainability onboarding incl. walk-through of the sustainability policy and commitments. Dedicated human rights training on the agenda for 2022.
2) Code of conduct training for 100% of employees. Dedicated human rights training on the agenda for 2022
3) Only business in Norway as of 2021.
4) Code of Conduct training covered human rights components.

MENU

Prosperity	Unit	Aker Horizons	Aker Carbon Capture	Aker Clean Hydrogen	Aker Offshore Wind	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	Currency (define next cell)[1]	48.1	92.1	43.0	90.5	54.8
Direct economic value generated and distributed (EVGandD) – on an accrual basis, covering the basic components for the organization's global operations - Community investment	Currency (define next cell)[1]	0.0	0.0	0.0	0.0	3.5[2]
Total costs related to research and development	Currency (define next cell)[1]		81.8	20.1	23.0	N.A./In progress
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	Currency (define next cell)[1]	75.0	128.4	-17.6	3.4	3.9
JOB CREATION						
Total number of new employee hires during the reporting period	# employees	33	52	39	66	167
Total rate of new employee hires during the reporting period (new hires/total employees excl. new hires)	Ratio	3.67	2.17	N.A.[3]	3.88	0.6
Total number of new employee hires during the reporting period - male	# employees	18	34	26	46	93
Total number of new employee hires during the reporting period - female	# employees	15	18	13	20	74
Total number of new employee hires during the reporting period - age under 30	# employees	1	8	1	6	46
Total number of new employee hires during the reporting period - age 30-50	# employees	22	30	28	48	117
Total number of new employee hires during the reporting period - age over 50	# employees	10	14	10	12	4
Total number of employee turnover during the reporting period	# employees	4	3	0	4	62
Total number of new employee hires during the reporting period - male	# employees	2	3	0	2	40
Total number of employee turnover during the reporting period - female	# employees	2	0	0	2	22
Total number of employee turnover during the reporting period - age under 30	# employees	0	0	0	1	5
Total number of employee turnover during the reporting period - age 30-50	# employees	1	0	0	0	45
Total number of employee turnover during the reporting period - age over 50	# employees	3	3	0	3	12

1) NOK million for Aker Horizons, Aker Carbon Capture, Aker Clean Hydrogen, Aker Offshore Wind. EUR million for Mainstream Renewable Power
2) Mainstream administered 239 community initiatives during 2021 across South Africa, Chile, Vietnam and the Philippines resulting in a total investment of EUR3.5 million in its local communities and positively impacting around 395,000 people. These figures include five wind assets in South Africa owned by its joint venture company Lekela Power where Mainstream has a % ownership and through O&M contracts, administers ED/SED initiatives.
3) Starting point of zero

Governance	Unit	Aker Horizons	Aker Carbon Capture	Aker Clean Hydrogen	Aker Offshore Wind	Mainstream Renewable Power
CORRUPTION						
Total percentage of employees who have received training on the organization's anti-corruption policies and procedures (if relevant, broken down by region)	%	86	100		72	60[1]
Total percentage of business partners who have received training on the organization's anti-corruption policies and procedures (if relevant, broken down by region)	%	0	0	0		N.A./In progress
ETHICAL CONDUCT AND INTEGRITY						
% of staff completing ethics and integrity training (including permanent staff and hired-ins in exposed positions)	%	86	100	66	72	60[69]
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	0	0
BOARD COMPOSITION						
Total amount of board members	# board members	5	7	4	4	5
Female (or other gender minority) board members - number	# female directors	2	3	0	1	1
Female (or other gender minority) board members - percent	%	40	43	0	25	20
Board members with ESG competence - number	# directors with ESG competence	2	3	1	2	5
Board members with ESG competence - percent	%	40	43	25	50	100
Board members with executive positions in the company - number	# directors with exec. Positions	0	0	0	0	3
Board members with executive positions in the company - percent	%	0	0	0	0	60
Independent board members - number	# independent directors	2	2	0	1	0
Independent board members - percent	%	40	29	0	25	0
Average tenure on the Board of Directors	Years	1	2	1	1	0.5
Stakeholder board members - percent	%	40		N/A	50	100
Employee board members - percent	%	0	0	0	0	0
Board members aged under 30 - percent	%	0	0	0	0	0
Board members aged 30-50 - percent	%	0	29	50	50	20
Board members aged over 50 - percent	%	100	71	50	50	80
BOARD MEETINGS						
Number of board meetings held	# meetings	6	7	7	14	3
Directors average meeting attendance (%)	%	90	96		75	90

1) Mainstream's Code of Conduct is the overarching document addressing ethics and integrity.

GRI Content Index

STATEMENT OF USE	Aker Horizons ASA has reported the information cited in this GRI content index for the period of 1 January 2021 to 31 December 2021 with reference to the GRI Standards.
GRI 1: FOUNDATION	GRI1: Foundation 2021

DISCLOSURE	LOCATION	PAGE
GRI 2: GENERAL DISCLOSURES 2021		
2-1 Organizational details	Aker Horizons in brief Introduction – Board of Director's Report General information – Notes Headquarters: Oksenøyveien 8, NO-1366 Lysaker, Norway	3 16 80
2-2 Entities included in the organization's sustainability reporting	Our Portfolio Companies – Aker Horizons in brief Business operations – Board of Director's Report Aker Horizons and the Portfolio's Sustainability Summary Report Boundaries – Transparent Reporting	7-12 17-20 64-69 166
2-3 Reporting period, frequency and contact point	Frameworks – Transparent Reporting	166
2-5 External assurance	Auditor's report	152-158
2-6 Activities, value chain and other business relationships	Our Portfolio Companies – Aker Horizons in brief Business operations – Board of Directors' Report	7-12 17-20
2-7 Employees	People – Board of Directors' Report Full ESG Performance Metrics – Appendix	23-24 178, 180
2-8 Workers who are not employees	People – Board of Directors' Report Full ESG Performance Metrics – Appendix	23 178
2-9 Governance structure and composition	Management model, corporate governance, control, and compliance – Board of Directors' Report Board of Directors Quality of governing body – Good Governance Aker Horizons and the Portfolio's Sustainability Summary Principal Adverse Impact Indicators – Aker Horizons' and the Portfolio's Sustainability Summary Nomination Committee – Corporate Governance Board of Directors – composition and independence – Corporate Governance Full ESG Performance Metrics – Appendix	22-23 27 59 64-69 71 162 162 181
2-10 Nomination and selection of the highest governance body	Nomination committee – Corporate Governance Report Meeting chair, voting, etc. – Corporate Governance Report	162 162
2-11 Chair of the highest governance body	Management model, corporate governance, control and compliance – Board of Directors' Report Board of Directors Meeting chair, voting, etc. – Corporate Governance Report	22 27 162
2-12 Role of the highest governance body in overseeing the management of impacts	Management model, corporate governance, control, and compliance – Board of Director's Report Board of Directors' activities – Board of Directors' Report Quality of governing body – Good Governance Aker Horizons and the Portfolio's Sustainability Summary The work of the Board of Directors – Corporate Governance Report Risk management and internal control – Corporate Governance Report	22-23 23 59 64-69 163 163-164

2-13 Delegation of responsibility for managing impacts	Quality of governing body – Good Governance The work of the Board of Directors – Corporate Governance Report Risk management and internal control – Corporate Governance Report	59 163 163-164
2-14 Role of the highest governance body in sustainability reporting	Quality of governing body – Good Governance Aker Horizons – Aker Horizons and the Portfolio's Sustainability Summary Risk management and internal control– Corporate Governance Report Full TCFD Assessment	59 64-69 163-164 190-193
2-15 Conflicts of interest	Conflict of interest – Good Governance	61
2-16 Communication of critical concerns	Business ethics and integrity – Good governance	61
2-17 Collective knowledge of the highest governance body	Board of Directors Aker Horizons and the Portfolio's Sustainability Summary Platform Portfolio Sustainability Implementation Summary Full ESG Performance Metrics – Appendix	27 64-69 70 181
2-18 Evaluation of the performance of the highest governance body	Board of Directors' activities – Board of Directors' Report	23
2-19 Remuneration policies	Board Remuneration – Corporate Governance Report Remuneration of executive management – Corporate Governance Report Note 33 - Management remuneration – Aker Horizons Financials	164 164 137-138
2-20 Process to determine remuneration	Board Remuneration – Corporate Governance Report Remuneration of executive management – Corporate Governance Report Note 33 - Management remuneration – Aker Horizons Financials	164 164 137-138
2-22 Statement on sustainable development strategy	Board of Directors' Report	15-26
2-23 Policy commitments	Aker Horizons in Brief Aker Horizons' Sustainability Policy, Targets and Strategy – Sustainability at the Heart of Planet-Positive Investments Human and labor rights – Respect for People Diversity, equality and inclusion – Respect for People Good Governance Full ESG Performance Metrics – Appendix	3 29 49 51 58-63 179
2-24 Embedding policy commitments	Aker Horizons' Strategy for Achieving Sustainability Impact Aker Horizons' Portfolio SDG Impact Ambitions Good Governance Aker Horizons and the Portfolio's Sustainability Summary Platform Portfolio Sustainability Implementation Summary Principal Adverse Impact Indicators – Aker Horizons' and the Portfolio's Sustainability Summary Full ESG Performance Metrics – Appendix	30 34 58-63 64-69 70 71 179,181
2-25 Processes to remediate negative impacts	Responsible supply chain management – Good Governance Business ethics and integrity – Good Governance	60 61
2-26 Mechanisms for seeking advice and raising concerns	Responsible supply chain management – Good Governance Business ethics and integrity – Good Governance People – Board of Directors' Report	60 61 23-24
2-27 Compliance with laws and regulations	Full ESG Performance Metrics – Appendix	181
2-28 Membership associations	External commitments – Sustainability at the Heart of Planet-Positive Investments Human and labor rights – Respect for People Aker Horizons and the Portfolio's Sustainability Summary Full ESG Performance Metrics – Appendix	35 49-50 64-69 176

2-29 Approach to stakeholder engagement	Materiality Assessment and Stakeholder Engagement – Sustainability at the Heart of Planet-Positive Investments	36
2-30 Collective bargaining agreements	Human and labor rights – Respect for People	49-50
GRI 3: MATERIAL TOPIC 2021		
3-1 Process to determine material topics	Materiality Assessment and Stakeholder Engagement – Sustainability at the Heart of Planet-Positive Investments Materiality Assessment – Appendix	36 188
3-2 List of material topics	Aker Horizons' Material Topics – Sustainability at the Heart of Planet-Positive Investments Materiality Assessment – Appendix	36 188-189
3-3 Management of material topics	Sustainability at the Heart of Planet-Positive Investments	28-63
GRI 201: ECONOMIC PERFORMANCE 2016		
3-3 Management of material topics	Financial performance – Board of Directors' Report	21-22
201-1 Direct economic value generated and distributed	Financials and Notes – Financials and Notes Income Statement – Financials and Notes 3 Operating segments – Financials and Notes 4 Revenue – Financials and Notes 5 Employee benefits – Financials and Notes 6 Other operating expenses – Financials and Notes 8 Tax – Financials and Notes Full ESG Performance Metrics – Appendix	73-74 74 84-89 90-91 92 93 94-96 180
201-2 Financial implications and other risks and opportunities due to climate change	Climate related Risk – Sustainability Progress Report Full TCFD Report – Appendix	43 190-194
201-3 Defined benefit plan obligations and other retirement plans	Employee benefits – Financials and Notes	92
GRI 203: INDIRECT ECONOMIC IMPACTS 2016		
3-3 Management of material topics	Prosperity for All – Sustainability Progress Report	54-57
203-2 Significant indirect economic impacts	Prosperity for All – Sustainability Progress Report	54-57
GRI 205: ANTI-CORRUPTION 2016		
3-3 Management of material topics	Business Ethics and Integrity – Good Governance Legal Compliance – Good Governance Aker Horizons' Sustainability Policy, Targets and Strategy – Sustainability at the Heart of Planet-Positive Investments	61 63 29
205-2 Communication and training about anti-corruption policies and procedures	Business Ethics and Integrity – Good Governance Legal Compliance – Good Governance Risk management and internal control under – Corporate Governance Report Full ESG Performance Metrics – Appendix	61 63 163 181
205-3 Confirmed incidents of corruption and actions taken	Full ESG Performance Metrics – Appendix	181
GRI 207: TAX 2019		
3-3 Management of material topics	Responsible tax practice – Prosperity for All Tax governance – Good Governance Risk and Opportunity Oversight under Good Governance	59 62 62
207-1 Approach to tax	Tax governance – Good Governance Risk and Opportunity Oversight – Good Governance	62 62
207-2 Tax governance, control, and risk management	Tax governance – Good Governance Risk and Opportunity Oversight – Good Governance	62 62

GRI 302: ENERGY 2016		
3-3 Management of material topics	Climate Change – Sustainability Progress Report	41-42
302-1 Energy consumption within the organization	Climate Change – Sustainability Progress Report	41-42
302-3 Energy intensity	Principal Adverse Impact Indicators – Aker Horizons' and the Portfolio's Sustainability Summary SFDR Principal Adverse Impact Indicators – Transparent reporting	71 171
GRI 303: WATER AND EFFLUENTS 2018		
3-3 Management of material topics	Fresh water availability – Planet-Positive Impact Full ESG Performance Metrics – Appendix	46 177
303-1 Interactions with water as a shared resource	Fresh water availability – Planet-Positive Impact	46
303-3 Water withdrawal	Fresh water availability – Sustainability Progress Report Full ESG Performance Metrics – Appendix	46 177
GRI 304: BIODIVERSITY 2016		
3-3 Management of material topics	Biodiversity and nature loss – Sustainability Progress Report	45
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Principal Adverse Impact Indicators – Aker Horizons' and the Portfolio's Sustainability Summary SFDR Principal Adverse Impact Indicators – Transparent reporting Full ESG Performance Metrics – Appendix	71 171 176
304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity and nature loss – Sustainability Progress Report Full ESG Performance Metrics – Appendix	45 176-177
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Full ESG Performance Metrics – Appendix	176
GRI 305: EMISSIONS 2016		
3-3 Management of material topics	Aker Horizons in Brief Climate Change – Sustainability Progress Report	3-12 41-44
305-1 Direct (Scope 1) GHG emissions	Climate Change – Sustainability Progress Report Principal Adverse Impact Indicators – Aker Horizons' and the Portfolio's Sustainability Summary Greenhouse Gas Emissions calculations – Transparent reporting Full ESG Performance Metrics – Appendix	41-42 71 167-168 176
305-2 Energy indirect (Scope 2) GHG emissions	Climate Change – Sustainability Progress Report Principal Adverse Impact Indicators – Aker Horizons' and the Portfolio's Sustainability Summary Greenhouse Gas Emissions calculations – Transparent Reporting Full ESG Performance Metrics – Appendix	41-42 71 167-168 176
305-3 Other indirect (Scope 3) GHG emissions	Climate Change – Sustainability Progress Report Principal Adverse Impact Indicators – Aker Horizons' and the Portfolio's Sustainability Summary Greenhouse Gas Emissions calculations – Transparent Reporting Full ESG Performance Metrics – Appendix	41-42 71 167-168 176
305-4 GHG emissions intensity	Principal Adverse Impact Indicators – Aker Horizons' and the Portfolio's Sustainability Summary SFDR Principal Adverse Impact Indicators – Transparent reporting	71 171

GRI 306: WASTE 2020		
3-3 Management of material topics	Circularity and waste – Planet-Positive Impact Full ESG Performance Metrics – Appendix	47 177
306-1 Waste generation and significant waste-related impacts	Circularity and waste – Planet-Positive Impact	47
306-2 Management of significant waste-related impacts	Circularity and waste – Planet-Positive Impact	47
306-3 Waste generated	Circularity and waste – Planet-Positive Impact Principal Adverse Impact Indicators – Aker Horizons' and the Portfolio's Sustainability Summary SFDR Principal Adverse Impact Indicators – Transparent reporting	47 71 172
306-4 Waste diverted from disposal	Circularity and waste – Planet-Positive Impact	47
306-5 Waste directed to disposal	Full ESG Performance Metrics – Appendix	177
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016		
3-3 Management of material topics	Responsible supply chain management – Good Governance Aker Horizons and the Portfolio's Sustainability Summary Health, Safety, Security and Environment – Board of Directors' Report	60 64-69 24
308-1 New suppliers that were screened using environmental criteria	Responsible supply chain management – Good Governance Aker Horizons and the Portfolio's Sustainability Summary Platform Portfolio Sustainability Implementation Summary	60 64-69 70
GRI 401: EMPLOYMENT 2016		
3-3 Management of material topics	People – Board of Directors' Report The Aker Group's Model of Cooperation – Good Governance	23 59
401-1 New employee hires and employee turnover	People – Board of Directors' Report Full ESG Performance Metrics – Appendix	23 180
401-3 Parental leave	Health and wellbeing – Respect for People	51
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018		
3-3 Management of material topics	Health, Safety, Security and Environment – Board of Directors' Report Management systems – Good Governance	24 62
403-2 Hazard identification, risk assessment, and incident investigation	Health, Safety, Security and Environment – Board of Directors' Report Management systems – Good Governance	24 62
403-4 Worker participation, consultation, and communication on occupational health and safety	Health, Safety, Security and Environment – Board of Directors' Report Human and labor rights – Respect for People The Aker group's model of cooperation – Good Governance	24 49 59-60
403-6 Promotion of worker health	Health, Safety, Security and Environment – Board of Directors' Report Health and wellbeing – Respect for People	24 51
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health, Safety, Security and Environment – Board of Directors Report Management systems – Good Governance	24 62
403-9 Work-related injuries	Health, Safety, Security and Environment – Board of Directors Report Full ESG Performance Metrics – Appendix	24 179

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GRI 404: TRAINING AND EDUCATION 2016		
3-3 Management of material topics	Skills for the future – Respect for People Employment and wealth creation – Prosperity for All	52 55
404-1 Average hours of training per year per employee	Aker Horizons and the Portfolio's Sustainability Summary Full ESG Performance Metrics – Appendix	64-69 178
404-2 Programs for upgrading employee skills and transition assistance programs	Skills for the future – Sustainability Progress Report Building Synergies for Maximizing Impact – Good Governance	52-53 63
404-3 Percentage of employees receiving regular performance and career development reviews	Skills for the future – Sustainability Progress Report	52
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016		
3-3 Management of material topics	Diversity, equality and inclusion – Respect for People Equality, diversity and inclusion – Corporate Governance Report	51 165
405-1 Diversity of governance bodies and employees	Diversity, equality and inclusion – Respect for People Aker Horizons and the Portfolio's Sustainability Summary Platform Portfolio Sustainability Implementation Summary Full ESG Performance Metrics – Appendix	51 64-69 70 179, 181
405-2 Ratio of basic salary and remuneration of women to men	Aker Horizons and the Portfolio's Sustainability Summary Principal Adverse Impact Indicators – Aker Horizons' and the Portfolio's Sustainability Summary SFDR Principal Adverse Impact Indicators – Transparent reporting Full ESG Performance Metrics – Appendix	64-69 71 172 178
GRI 408: CHILD LABOR 2016		
3-3 Management of material topics	Human and labor rights – Respect for People	49
408-1 Operations and suppliers at significant risk for incidents of child labor	Human and labor rights – Respect for People	49
GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016		
3-3 Management of material topics	Human and labor rights – Respect for People Local communities – Respect for People	49 50
411-1 Incidents of violations involving rights of indigenous peoples	Human and labor rights – Respect for People	50
GRI 413: LOCAL COMMUNITIES 2016		
3-3 Management of material topics	Local communities – Respect for people Fresh water availability – Planet-Positive Impact Investing in innovation – Prosperity for All	50 46 55
413-1 Operations with local community engagement, impact assessments, and development programs	Local communities – Respect for people Investing in innovation – Prosperity for All	50 55
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016		
3-3 Management of material topics	Health, Safety, Security and Environment – Board of Directors' Report Responsible supply chain management – Good Governance Human and labor rights – Respect for People	24 60 49
414-1 New suppliers that were screened using social criteria	Aker Horizons and the Portfolio's Sustainability Summary Full ESG Performance Metrics – Appendix	64-69 179

Materiality Assessment

An independent materiality assessment was undertaken in 2020 to identify Aker Horizons' actual and potential impacts across the ESG spectrum and determine and prioritize material topics that are most relevant to its stakeholders and its business operations. The materiality assessment process was conducted through interviews with 15 key stakeholders. In 2021, the list of material topics was adjusted and expanded on the basis of the continuous and ongoing dialogue with various stakeholders, and an internal assessment of the significance of key impacts for each topic. The following material topics were mapped against GRI Standard 2021, the current version of the EU taxonomy, the governance reporting requirements of the Accounting Act, and Sustainability Accounting Standards Board (SASB) to ensure the best practice of transparent disclosures for its stakeholders.

The following topics have been determined to be material for Aker Horizons' 2021 annual report and reflect areas where the Company currently has or can potentially have the greatest impacts across the ESG spectrum.

AKER HORIZONS' MATERIAL TOPICS

GOVERNANCE	
Business ethics	Ethics and integrity policy, transparency and good communication on clear vision, core values and principles guiding company's conduct
Good corporate governance	Best practices in external disclosures and communication about company's governance
Anti-corruption	Programs in place (risk assessment, trainings, monitoring)
Legal Compliance	Legal compliance policy in place, processes and controls to monitor, whistleblowing system in place
Tax transparency	Best practices of transparent external communication and reporting
ESG Board oversight & risk management	Board ESG competence, defined KPIs and risk monitoring, training
Executive compensation and remuneration	ESG-linked executive remuneration
Active ownership: promoting sustainability in portfolio companies	Exercising ownership power, setting expectations and ESG-aligned targets, monitoring portfolio companies
Risk management	Best practices in regular risk and opportunity assessment
Transparent disclosures	External transparency, clear and regular reporting system, using established reporting standards and frameworks
Integration of ESG issues in investment decision processes	ESG due diligence
Supply chain management	Setting expectations and compliance controls across portfolio companies
PLANET	
GHG emissions	Monitoring and reducing GHG emissions, targets setting (incl. portfolio companies), transparent reporting (scope 1,2,3)
Biodiversity	Clear policy, expectation for portfolio companies and portfolio targets
Waste management and circular economy	Waste management and circularity policy, strategy and targets in place; expectations, monitoring and actively promoting waste reducing and circular economy across portfolio; program setting, cooperation on R&D project in circularity, looking for new investment opportunities in circular economy
Water scarcity	Clear policy, expectations from portfolio companies and portfolio targets
Investments in cleantech and sustainable solutions	Long-term investment strategy
Environmental commitments	Raising ESG issues through commitments to standards and frameworks

PEOPLE	
Diversity, equality & inclusion	Promoting diversity, equal opportunities and inclusion; appropriate policies and procedures in place
Human rights	Best practices in compliance; respecting basic human rights & freedoms; policy and expectations from portfolio companies
Indigenous rights	Best practices in compliance; respecting Indigenous rights; policy and expectations from portfolio companies
Health & safety	Appropriate policies, procedures and reporting in place, expectations from portfolio companies
Local communities	Appropriate policies, procedures and reporting in place; expectations from portfolio companies
Talent attraction & retention	Planning for people development, career path, training
Employee well-being	Promotion of good work-life balance and facilitating social, psychological and physical health
PROSPERITY	
Employment and wealth generation	Monitoring growth in employment due to the job creation
Technology innovation	Investment in better innovation, financing and encouraging R&D projects and initiatives, strategy for expansion
Contribution to local communities	Expectations from portfolio companies; ensuring positive impact on local communities (e.g., Job creation, wealth generation, boosting local and national economies), development programs
Green economic activity	EU Taxonomy-aligned activities across the portfolio

Full 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 Board reviews risks regularly, including 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. On the path to realizing company's planet-positive ambitions, the Board of Directors has specifically requested a Task Force for Climate related Financial Disclosures (TCFD) review to establish a better overview of the climate-related risk assessment for Aker Horizons and its portfolio companies. The recommendations lay ground for a deepened understanding of climate-related financial risks, and will guide the company strategy to build resilience around climate-related risks. Beyond designated risk reviews, the Board inherently addresses climate-related risks and opportunities when evaluating potential new investments for the Company's portfolio and consider 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 (see Disclosure 6). 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 integrated part of this policy. Finally, the Board is involved in establishing management incentive schemes. In pursuit of its green ambitions, Aker Horizons is aiming to link management performance assessment and performance-related executive remuneration to climate-related targets. The board will annually review 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 ordinary annual general meeting in 2022. In accordance with future reporting on the EU Taxonomy, the Board is going to track the Green Asset Ratio of Aker Horizons' investments and explore other quantifiable metrics that enable tracking climate-related financial risk over time. 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 ensures quarterly enterprise risk assessment 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. The Sustainability Director is also responsible for supporting portfolio companies in their pursuit toward realizing 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 an 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. For this reason, Aker Horizons is currently working on developing a balanced approach to adopting more formal and consistent assessments without jeopardizing agility and flexibility in processes. Further, Aker Horizons has in 2021 been a driving force in the establishment of the Aker ESG Forum, where members of management across the entire Aker group have participated in joint discussions over sustainability topics, including climate-related risks and opportunities. The Climate Risk Week, further described under Disclosure 6, was specifically aimed at the CFO forum and ESG forum of the broader Aker group of companies. As described under Disclosure 1, Aker Horizons' ambitions for 2022 involve linking management performance assessment and performance-related executive remuneration to climate- and sustainability-related targets.

STRATEGY		
3	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Overall, the climate-related financial risk for Aker Horizons is considered to be low. There is growing market demand in all climate-related policy scenarios and there are no potentially stranded assets. However, physical climate risks exist for Aker Horizons' investments and are considered significant for some assets of the portfolio companies. Further, identifying and realizing emerging commercial opportunities in a landscape of complex (and fast-evolving) climate regulations and green finance, requires careful attention and due diligence. Below, a more detailed account of risks and opportunities is detailed. <u>Physical</u> Physical risks, both acute and chronic, related to both extreme weather events as well as rising of sea level, are relatively low for Aker Horizons directly but exist for several of the portfolio companies and are significant for selected assets. The main risks are associated disruption in production, logistics, stranded assets and consequently increased operational costs. 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 compared to competitors. However, activities on mitigating and adapting to risks may be done through community involvement, awareness creation and local projects targeting physical climate risk mitigation (for instance planting of mangrove forest to mitigate flooding, etc.). <u>Regulatory</u> From a regulatory perspective, there are several risks. Firstly, unpredictable climate-related regulations and implementation of policy instruments may cause delays for portfolio companies in projects and an uneven playing field. During an introductory phase, many projects will be fully dependent on some form of government support – 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 becoming commercially viable. A risk in this regard is if governments act in a manner that is too slow or too unpredictable, constituting an obstacle for scaling up of solutions. This may happen for many reasons, but one example is the risk that the current political climate in the EU may eventually lead to a halt in carbon pricing through the EU ETS, and consequently also of projects that rely on a high and increasing price of CO2. Secondly, market design risks exist, especially for the power markets transitioning to an intermittent, renewables-dominated system. Revenue streams are getting more complex, with both regulated and merchant elements that are all subject to future power market reforms. A final potential risk is that the increased regulatory pressure on emissions reduction through carbon pricing may lead to an increased cost of raw materials, in particular steel and natural gas – however, given the nature of Aker Horizons' investments, this is first and foremost an opportunity. From an opportunity perspective, it is expected that substantial developments will take place in climate-related regulations that will increase demand for low carbon products and services offered by Aker Horizons and its portfolio. <u>Market</u> The cost of capital and access to capital in the public markets are volatile and sometimes challenging. There is however continued access to large amounts of low cost capital in the private part of the capital markets. The nature of the renewables sector – capital intense infrastructure, competitive markets and limited short-term revenue streams – adds to the urgency of attracting long-sighted finance. Cost and access to capital is seen as a major risk to delivering profitable growth, and several companies report increasing competition for green finance. Further, the IPO space for green companies getting crowded which may impact future access to capital. 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 customer's behavior must also change, but their ability to shift to new technologies (i.e., hydrogen, ammonia, carbon capture) is still to be proven. On the opportunity side, there is significant demand for renewable energy and carbon solutions across multiple industries. Further, in terms of green finance, there is strong interest in companies with proven track record and credible growth trajectories. <u>Technology</u> From a technology perspective, the first-mover challenge involves risks of write-offs or stranded assets. Relatedly, there is a risk of under- or over-investing due to immature technologies and rapid tech development. In terms of opportunities, there can be expected to be increased demand for the technologies Aker Horizons is invested in if the companies succeed in investing in and scaling attractive technologies and solutions compared to peers. <u>Reputation</u> Finally, from a reputational perspective there is a risk of being identified with (or not distinguished from) the (oil and gas) operations of the wider Aker Group. Further, 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 involvement of local communities in the locations of renewables projects represents an opportunity to identify potential areas of conflict early, reduce adverse impacts, and thus also reduce reputation risk. Taking steps towards building a reputation as a responsible investor/developer also from a climate risk perspective, represents a significant opportunity for Aker Horizons and the portfolio companies.

MENU

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 planet-positive impact through investments in renewable energy and cleantech solutions. Aker Horizons is committed to green investments that can contribute to accelerating global decarbonization and meeting the goals of the Paris Agreement, or contribute to reaching additional environmental objectives described in the Company's sustainability policy (such as safeguarding biodiversity and transitioning to a circular economy). Aker Horizons has developed measures to support portfolio companies in their own processes for strategy development, risk management, 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) for making strategic decisions and in financial planning.
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' investment thesis and strategy involve investing in companies that contribute to solving the climate crisis by providing the solutions needed in a 1.5°C scenario – In other words, the commercial opportunities created by climate action. By default, this strategy involves a high degree of resilience to regulatory, market and reputation risk. At the same time, the Company is aware that identifying and realizing those commercial opportunities, in a complex landscape of political regulations, requires careful due diligence. To further develop its capabilities and systematic climate risk analysis Aker Horizons will consider stress-testing its investment and portfolio against different climate-related scenarios to assess the potential implications of different plausible future states under conditions of uncertainty. As an active owner, Aker Horizons also encourages its portfolio companies to use scenario analysis when assessing climate-related ramification based on specific trends and conditions. Further, to support its portfolio companies, Aker Horizons is considering developing a system to systematically track critical climate-related risks, especially with regards to developments in policy instruments and carbon pricing (see also Disclosures 4 and 6).

RISK MANAGEMENT		
6	Describe the organization's processes for identifying and assessing climate-related risks.	Climate-related risks are in Aker Horizons relevant to assess at three levels. Firstly, for Aker Horizons itself, including physical assets and operations. Further, climate risk assessment must be incorporated into the identification of new investment opportunities – at both a broader industry level and at the enterprise level. Finally, Aker Horizons needs to understand the enterprise risk picture of the portfolio companies, including climate risk. As a young company, there is still room for further improvement in approaching each of these three levels of risk assessment, and efforts are made to do so. A particular focus has been on setting up a structured format to collect risk data from portfolio companies and supporting them in identifying and assessing their own risks. To this end, Aker Horizons has developed a template for identifying and assessing enterprise risk, including climate risk. All portfolio companies report quarterly to Aker Horizons and risks are raised at the Board level if considered among the top ten (see Disclosure 1). Further, Aker Horizons has implemented efforts to support structured tracking of regulatory regimes in various markets, and in the "Hour of insights" weekly meetings, emerging topics relevant to Aker Horizons companies are presented to ensure a common understanding of trends and opportunities. A set of "Economic assumptions" that are to be used across its companies have also been developed to support a unified and well-founded approach to a complex landscape. Aker Horizons has also invested in different cross-portfolio climate risk training initiatives. This includes the "Climate Risk Week", organized as an effort to strengthen the abilities to both understand and perform climate risk analysis. The week was held in November as a joint initiative of Aker Horizons and Aker ASA, where recognized experts were invited in to present to the broader Aker and Aker Horizons system on climate topics, stimulating internal discussion, and impacting the thinking that goes into the companies' knowledge and awareness of climate risk. Finally, Aker Horizons has incorporated a section on physical climate risk evaluation in the early-stage investment evaluation template, aiming to flag potential issues well in time before an M&A due diligence is initiated. It is high on the agenda to incorporate climate risk assessments in the investment and M&A processes in an even more structured and uniform manner going forward (as also mentioned in Disclosure 2). For Aker Horizons, it is a priority to continue to support the portfolio companies' capacity to make informed assessments of climate-related risks, given the level of complexity in the risk picture and the fact that many are young companies. The aim is for this to be done through a combination of direct support initiatives and indirect capacity building, as a continuation of efforts hitherto.
7	Describe the organization's processes for managing climate-related risks.	The quarterly risk review described in Disclosure 6 involves reviewing: Changes in identified risks New risks Mitigating actions Thus, the Enterprise Risk Management system accounts for evaluating strategies to mitigate risk at the management and Board level, including climate-risks should they be considered critical enough to be included in the short-list. Climate risks were among risks recently highlighted to the Board as being among the top 10. Specifically, the highlighted risks related to competition in the market for green investments, dependency on regulation (government funding), and ESG performance and reporting. Mitigating actions are currently being implemented. In addition to Aker Horizons' procedures for risk management, the portfolio companies have individual processes for managing climate related risks. Similar to the relevant levels of assessing climate-related risks described in Disclosure 6, the same three levels will apply to processes for managing climate-related risks: Through Aker Horizons' own processes, through investment strategy and procedures, and through the exercise of active ownership. In the near-to-medium term, the key focus will be on the latter, including supporting the portfolio companies both in building robust risk management systems and in quality-assuring actionable information on existing and potential risk levels of operations.
8	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	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.	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 GHG emissions reduction targets set. To monitor and track portfolio progress, Aker Horizons is working on developing consistent GHG emission reporting across the portfolio. Currently, the Company is in the process of designing GHG reporting templates and structures in collaboration with portfolio companies that will ensure consistent GHG emission reporting according to the GHG protocol for Scope 1 and 2 and provides guidance on minimum expectations for Scope 3 reporting. Additionally, Aker Horizons supports the assessment of activities against the EU Taxonomy regulation across its portfolio and is going to 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 against the EU Taxonomy can be found in the section "Taxonomy Status" of this report. Finally, Aker Horizons monitors and tracks relevant market metrics that influences the Company's business, such as carbon prices in the EU.
10	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Report on Scope 1, 2 and relevant Scope 3 emissions according to the GHG protocol. Aker Horizons' 2021 GHG emissions were: Scope 1: 0 tonnes CO2e Scope 2: 1.85 tonnes CO2e (location-based) Scope 2: 0.7 tonnes CO2e (market-based) Scope 3: 53754.46 tonnes CO2e For further details on Aker Horizons' climate impact, see the section Planet-Positive Impact in the Sustainability Progress Report. 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 submitted ambitious targets to achieve by 2025 in contributing to scaling climate solutions: 100 billion NOK in green investment 25 million tonnes of CO_2e p.a. emissions reduction (contractually secured) 10 GW in renewable power capacity (contractually secured) Aker Horizons is a signatory of the Net Zero Asset Managers Initiative since 2021, and has through this commitment joined the Race to Zero. Targets are under development and will be submitted for the next round of approval. Aker Horizons has since the beginning of 2022 been committed to the Science Based Targets Initiative (SBTi) after a process during 2021 to assess the steps involved. As a next step, the Company will submit targets for approval, and will encourage its portfolio companies to set a robust emissions reduction target, at the pace and scale required by climate science, and have them validated by the SBTi. Aker Horizons has set footprint targets across Scope 1, 2 and 3 in order to contribute to scaling solutions for sustainable development while keeping own operations within a Net Zero pathway. Aker Horizons is for 2022 prioritizing setting formal targets and joining initiatives for own footprint, as well as portfolio engagement and commitments, across climate, biodiversity, circularity and water in addition to many other relevant sustainability topics across the pillars of Planet, People, Prosperity and Governance. For further details on Aker Horizons' ambitions for sustainability targets and strategy, see the section Sustainability at the Heart of Planet-Positive Investments.

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