

AKER HORIZONS



Half-Year Report 2023



About Aker Horizons

Aker Horizons develops green energy and green industry to accelerate the transition to Net Zero. The company is active in renewable energy, carbon capture and hydrogen and develops industrial-scale decarbonization projects. As part of the Aker group, Aker Horizons applies industrial, technological and capital markets expertise with a planet-positive purpose to drive decarbonization globally. Aker Horizons is listed on the Oslo Stock Exchange and headquartered in Fornebu, Norway. Across its portfolio, the company employs approximately 1,100 people in 18 countries on five continents.

H1 2023 key events

- **Mainstream Renewable Power (“Mainstream”) and Actis completed the sale of Lekela Power platform to Infinity Power, generating net proceeds to Mainstream of approximately USD 90 million**
- **Aker Horizons signed a letter of intent (LOI) with the German gas group VNG to supply green ammonia from Narvik, Northern Norway**
- **Aker Carbon Capture was awarded a large-scale carbon capture project by Ørsted to deliver five Just Catch units and equipment for over EUR 200 million.**
- **Aker Horizons was awarded up to NOK 135 million in financing from Innovation Norway for the Rjukan green hydrogen project**
- **Industrial progress was made across the portfolio, including Mainstream reaching 1.1 GW solar and wind operational in Chile and growing global project pipeline through additions in South Africa and Australia**
- **Mainstream faced challenging market conditions in the Chilean power sector**
- **Aker Horizons’ Net Asset Value (NAV) stood at NOK 11.1 billion as per 30 June 2023. Mainstream as reported in the NAV reflects Aker Horizons’ book value of the investment in the company. An impairment to Aker Horizons’ book value of NOK 2.3 billion was recognized in the second quarter, triggered by an ongoing restructuring in Chile. The Company maintained a solid balance sheet with NOK 9.4 billion in available liquidity in Aker Horizons parent and holding companies**
- **Positive policy and regulatory developments in support of industries leading the transition to a low-carbon economy, including European Green Deal Industrial Plan launched by the European Union (EU)**

In March 2023, Mainstream and Actis announced the completion of the sale of 100 percent of the Lekela platform to Infinity Power, a joint venture between Egypt's Infinity and U.A.E.'s Masdar. Lekela is the African continent's largest pure-play renewable energy independent power producer, with over 1 GW of fully operational wind assets. The transaction generated net proceeds to Mainstream of approximately USD 90 million.



In May 2023, Aker Horizons signed an LOI with VNG to supply green ammonia from Narvik. VNG intends to procure up to 200,000 tonnes of green ammonia per year from Aker Horizons' large-scale green industrial hub under development in Narvik from 2028. The green ammonia will be shipped from Narvik to terminals in Germany, where VNG will distribute it further as ammonia or hydrogen to its customers who will use it to decarbonize their operations. The LOI with VNG is one of several signed with major European energy, industrial and chemical companies. In total, Aker Horizons has signed offtake LOIs for more than three times the planned production volume at Narvik.



In May 2023, Aker Carbon Capture was awarded a large-scale carbon capture project by Ørsted, a global leader in renewable energy, for its Ørsted Kalundborg Hub in Denmark. As the carbon capture provider, Aker Carbon Capture will deliver five Just Catch units, additional equipment such as liquefaction systems, and temporary CO₂ storage and on-/offloading facilities with an expected total contract value exceeding EUR 200 million. The carbon capture facilities will be delivered to Ørsted's wood chip-fired Asnæs Power Station and the straw-fired Avedøre Power Station, and combined will have an installed design capture capacity of 500,000 tonnes CO₂ per year. Microsoft will purchase several million tonnes of high-quality, durable carbon removal over more than 10 years from the capture and storage of biogenic carbon from Ørsted's project. This represents one of the world's largest carbon removal offtake agreements by volume to date.

In June 2023, Aker Horizons Asset Development was awarded up to NOK 85 million in grants and up to NOK 50 million in green growth loan to the green hydrogen production facility at Rjukan, in Eastern Norway, subject to certain terms and conditions. Innovation Norway is the Norwegian Government's key instrument for supporting innovation and development of Norwegian enterprises and industry.

Mainstream, like other energy producers, continued to be impacted by challenging market conditions in the Chilean power sector during the first half of 2023. The company is working actively to mitigate the issues being faced. Specifically, Mainstream, in conjunction with other renewable energy companies and industry associations, is engaging the government and regulators to obtain reforms. This mitigation strategy is progressing. Mainstream also appointed a financial advisor and is in constructive dialogue with its lenders on the restructuring of the Andes Renovables portfolio ("Andes") in Chile.

Continued progress was made across Aker Horizons' portfolio in the first half of 2023, with Mainstream reaching 1.1 GW solar and wind in operation in Chile and growing the company's global project pipeline to 20.8 GW through additions in South Africa and Australia, compared to 16.9 GW in the first half of 2022. Aker Carbon Capture made solid advancements on its Brevik CCS project in Norway and the Twence CCU project in the Netherlands. Aker Horizons Asset Development continued to mature its projects, making significant commercial advancements on its projects in Narvik and Rjukan.

Aker Horizons' Net Asset Value (NAV) stood at NOK 11.1 billion as per 30 June 2023. Mainstream as reported in the NAV reflects Aker Horizons' book value of the investment in the company. An impairment to Aker Horizons' book value of NOK 2.3 billion was recognized in the second quarter, triggered by an ongoing restructuring in Chile. Aker Horizons closed the period with a cash position of NOK 3.6 billion and an undrawn credit facility of EUR 500 million, giving the company available liquidity of NOK 9.4 billion.



The first half of 2023 was marked by continued positive regulatory developments in favor of green energy and green industry. The EU announced incentives to accelerate the deployment of hydrogen, CCS and offshore wind, including plans for a European Hydrogen Bank to speed up green hydrogen production in Europe, with the aim of bridging the cost gap between renewable hydrogen and fossil fuels. The European Commission's proposed Net Zero Industry Act sets ambitious goals for CCS and simplified regulatory procedures to accelerate the industry's development. The EU's target of an annual injection capacity of at least 50 million tonnes of CO₂ by 2030 will provide solid support for CO₂ capture in Europe.

Sustainability

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



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

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

Key sustainability highlights for the first half of 2023:

- **Progress made across Aker Horizons' portfolio, with Mainstream reaching 1.1 GW solar and wind operational in Chile and Aker Carbon Capture making solid advancements on its Brevik CCS project in Norway and the Twence CCU project in the Netherlands, and ordering key equipment for the Ørsted CCS project.**
- **Aker Horizons published its Annual and Sustainability Report for 2022, with an ambitious and comprehensive scope for the sustainability reporting by building on the ambitious threshold set in 2021 and evolving further to ensure readiness for future requirements. The report can be accessed on [Aker Horizons' website](#).**
- **Aker Horizons published its first Transparency Act Report. This report details how Aker Horizons identifies and assesses actual and potential adverse impacts on human rights and decent working conditions, and provides information on the results of Aker Horizons' human rights due diligence. The report can be accessed on [Aker Horizons' website](#).**
- **Aker Horizons published its updated Green Financing Report. The report can be accessed on [Aker Horizons' website](#).**
- **Employees of Aker Horizons and the portfolio were provided with training to carry out human rights audits of own operations and business partners.**
- **Significant progress was made in addressing data privacy compliance in the operations, including conducting risk assessments relating to data transfers, and implementing new data privacy procedures along with a governance structure for data privacy management.**
- **Aker Horizons marked Pride month as part of its Diversity and Inclusion program in closer collaboration with the broader Aker group.**
- **Steps were initiated to ensure deeper integration of sustainability across operations and assets, for further implementation during the remainder of 2023.**

Portfolio



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. The company has successfully delivered 6.5 GW of wind and solar generation assets to financial close-ready and has a net global development pipeline of 20.8 GW, with 1.4 GW in operation and under construction at the end of the first half of 2023.

Onshore wind and solar

Mainstream is one of Chile's largest renewable energy companies and is currently developing multi-gigawatt renewable energy platforms in the region, including the Andes hybrid wind and solar portfolio. In early 2023, the company reached a milestone 1.1 GW of wind and solar assets delivering power to the Chilean grid, with two projects still under construction in the Andes portfolio.

Challenging market conditions have impacted companies in Chile's power sector since 2022, including Mainstream. The Chilean power system is under severe stress due to lack of flexibility of the transmission system and the structure of the Chilean power market. Mainstream's diversified portfolio, with both wind and solar power production in the north and south of the country, is designed to mitigate system risk. However, this has not been sufficient to prevent the negative impact on Mainstream, as Chile's grid capacity limitations have led to increased system costs and pricing volatility. The company is actively pursuing mitigation by addressing market inefficiencies with the regulator and the Government through industry associations in Chile.

In June 2023, Copihue Energía, which is part of Mainstream's Andes portfolio, agreed with Chile's National Electric Coordinator on the temporary withdrawal from its participation in the short-term power market due to the delay in the construction of the 148.5 MW Caman Wind Farm caused by a range of external factors beyond its control. The temporary withdrawal started on 1 June 2023 and facilitates a reduction in the Company's exposure to the spot market until it reaches commercial operation.

In the first half of 2023, Mainstream experienced certain events of default under the financing facilities related to the Andes portfolio. The company has appointed a financial advisor and is in active dialogue with lenders on the long-term capital structure for the Andes portfolio.



Mainstream delivered on its strategic plan to divest part of its African portfolio. The company entered an agreement to exit Lekela Power, Africa's largest independent pure-play renewable energy producer, to Infinity Group in 2022. The transaction closed in March 2023 and generated proceeds to Mainstream of approximately USD 90 million, equating to an enterprise value of approximately USD 1.5 billion, making it Africa's largest renewable energy transaction.

In South Africa, Mainstream signed its first corporate PPA in the market with an industrial offtaker for a project with a capacity of approximately 100 MW in April 2023. Mainstream sees significant opportunities for growth in

the corporate PPA sector in South Africa and is in dialogue with a number of offtakers.

Offshore Wind

At the end of March 2023, the Norwegian government officially opened the application window for the country's first offshore wind auction. Mainstream is working with its consortium partners, Statkraft and bp, to submit the prequalification application for acreage in the fixed bottom Sørlige Nordsjø II project, in the North Sea. At the beginning of July 2023, the submission date was postponed from 4 August to 1 September 2023. Qualified bidders will participate in a Contracts for Difference ("CfD") auction, which is expected to take place later in 2023. For Utsira Nord, which is a floating offshore wind area, Mainstream is working with partners Ocean Winds and Statkraft to submit an application by 1 September 2023.

In Sweden, Mainstream progressed further two of the four offshore wind projects with its partner Hexicon in the 50-50 Freja Offshore joint venture ("JV"). In the first half of 2023, the JV submitted a permit application for the Mareld floating wind farm located on the west coast of Sweden, with a capacity of up to 2.5 GW, and the Cirrus offshore wind farm in the southern Baltic Sea, which will have a capacity of up to 2 GW once fully developed.

In Australia, Mainstream, together with its consortium partners Reventus Power, AGL and DIRECT Infrastructure submitted a feasibility license application for a 2.5 GW offshore wind development off the coast of Victoria in May 2023.



Aker Carbon Capture

Aker Carbon Capture is a pure-play carbon capture company with solutions, services and technologies serving a range of industries, 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 CO₂ emissions.

Aker Carbon Capture made significant progress on its projects in the first half of 2023. At Brevik in Norway, where the Company is delivering the first carbon capture plant at a cement facility in the world, installation accelerated throughout the period, with all Waste Heat Recovery Units and Direct Contact Cooler internals installed. The capture plant is planned to be delivered in 2024, with a capture capacity of 400,000 tonnes of CO₂ per year.

At Twence's waste-to-energy plant in Hengelo, the Netherlands, where Aker Carbon Capture is building a Just Catch modular carbon capture plant, key equipment was delivered in the first half of 2023 and all three columns and Just Catch containers were installed. The plant will reduce CO₂ emissions associated with the generation of energy from the incineration of non-recyclable waste. The captured CO₂ will be used in the horticultural sector to accelerate commercial plant growth. The Just Catch standardized plant will be delivered later in 2023, ready to capture 100,000 tonnes of CO₂ per year.

Aker Carbon Capture continued to accelerate its activity in the first half of 2023. In May 2023, the Company was awarded a large-scale carbon capture project by Ørsted, a global leader in renewable energy, for its Ørsted Kalundborg Hub in Denmark. As the carbon capture provider, Aker Carbon Capture will deliver five Just Catch units, additional equipment such as liquefaction systems, and temporary CO₂ storage and on/off-loading facilities, with an expected total contract value of over EUR 200 million. The carbon capture facilities will be delivered to Ørsted's wood chip-fired Asnæs Power Station and the

straw-fired Avedøre Power Station and combined will have a design capture capacity of 500,000 tonnes CO₂ per year. Microsoft will purchase 2.7 million tonnes of high-quality, durable carbon removal credit over more than 10 years from the project, in one of the world's largest carbon removal offtake agreements by volume to date.

In the UK, the Government selected bp's Net Zero Teesside Power and Viridor's Runcorn CCS projects as successful bidders in the Track 1 CCUS Cluster Sequencing Process. The projects are now proceeding to final negotiations for governmental support. Aker Carbon Capture has delivered a FEED (Front End Engineering and Design) and a pre-FEED for the two projects respectively. The carbon capture facility at Net Zero Teesside Power will have the capacity to capture about 2 million tonnes CO₂ per annum. This would be the world's first commercial scale gas-fired power station with carbon capture and marks an important step forward for large-scale CCS. Viridor's facility will be one of the first large-scale carbon capture projects at an energy-from-waste facility in the world. The pre-FEED work explores the installation of a carbon capture plant in the HyNet cluster, that would capture around 1 million tonnes CO₂ per year. Aker Carbon Capture also delivered a FEED for SSE Thermal's Keadby 3 power station, the carbon capture design capacity of which is around 2 million tonnes CO₂ per year. This project is awaiting a potential expansion of the UK's Track 1 cluster process.

Aker Carbon Capture aims to take a leading position in the global CCUS industry, and has launched a long-term goal of '10 by 25', which states that the company will have secured firm contracts for carbon capture plants for a total of 10 million tonnes per year by the end of 2025.



Aker Horizons Asset Development

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

In the first half of 2023, Aker Horizons Asset Development ("AAD") benefited from positive commercial and regulatory developments. AAD's projects are progressing well, with a primary focus on the green hydrogen project in Rjukan, Eastern Norway, and the green ammonia project in Narvik, Northern Norway.

The Rjukan project is an important frontrunner in AAD's portfolio, serving as a blueprint for the business unit's larger projects. The facility will utilize existing infrastructure and industrial land, enabling early start-up due to available power at the site, with planned commercial operation date in 2025. The project will produce approximately 9 tonnes per day of green hydrogen from 20 MW electrolyser capacity. In May 2023, the project was awarded up to NOK 85 million in grants and up to NOK 50 million in green loan from Innovation Norway, the Norwegian Government's key instrument for supporting innovation and development of Norwegian enterprises and industry. Aker Horizons plans to make a final investment decision (FID) for Rjukan by the end of 2023. From Rjukan, Aker Horizons will deliver hydrogen to industry, shipping and mobility offtakers in Eastern Norway. The company recently completed a pre-FEED for civil works and the permitting process for the project is underway. Partnership discussions on the project are progressing well and Aker Horizons has secured letters of intent for a substantial amount of the offtake for Rjukan.

In Narvik, AAD plans to develop a large-scale green ammonia facility with an installed electrolyser capacity of up to 600 MW. The facility will be one of the first large-scale green ammonia production facilities in Europe, with an estimated production of 1,000-1,500 tonnes per day. The hydrogen and ammonia plant will be located in Skoglund close to Narvik, with access to substantial grid capacity in Kvandal, just 1 km away. The produced ammonia will be transported by a tunneled pipeline down to a storage and export facility by the sea. Civil and electrical works on the site are well underway. In May 2023, AAD signed a LOI with the German gas group VNG to supply up to 200,000 tonnes of green ammonia per year from Narvik from 2028. The ammonia will be shipped to terminals in Germany, where VNG will distribute it to its customers as ammonia or hydrogen. The offtake backlog for the Narvik green ammonia plant stood at approximately three times the planned production volume by the end of the first half of 2023, showcasing continued strong demand for green ammonia in Europe. Also in the second quarter of 2023, AAD signed a joint development agreement with a large European industrial partner for the Narvik green ammonia project, demonstrating the attractiveness of the project and adding further competence to mature the project to FID. Aker Horizons plans to reach a FID for Narvik in 2025.

AAD continued to mature the rest of its project portfolio in the period, including the large-scale blue hydrogen project in Aukra, the large-scale blue hydrogen project in the Netherlands and the large-scale green hydrogen project in Tunisia.

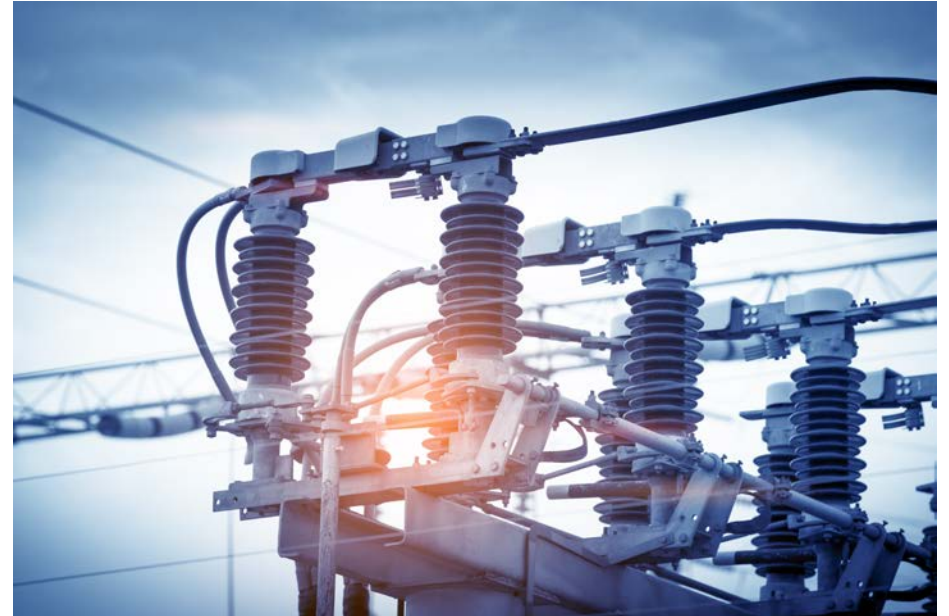




SuperNode

SuperNode is a global technology company that designs superconducting systems to integrate renewable energy and connect mature markets. Superconducting technology requires less materials, is more efficient and environmentally friendly, and is lower in cost than any other viable alternative.

During the first half of 2023, SuperNode continued its development and TRL4 qualification of innovative superconducting transmission technology. SuperNode has also forged significant partnerships with industry partners including CERN, the European Laboratory for Particle Physics, and a Belgian Government-funded Superconducting Cable Consortium.





Subsequent events, risks and outlook

The Aker Horizons Share

The company's share price fell in the first half of 2023 from NOK 13.7 to NOK 6.79 on 30 June. The market capitalization at 30 June was NOK 4.7 billion. As per 30 June 2023, the total number of issued shares in Aker Horizons amounted to 690,348,751 shares. As per the same date, Aker Horizons did not hold any own shares.

Group consolidated accounts

Aker Horizons' consolidated accounts are presented on page 15 onwards.

Detailed information on revenues and pre-tax profit for each of Aker Horizons' operating segments is included in note 4 Operating segments.

Subsequent events

On 5 July 2023, Aker Horizons signed a 10-year PPA with Statkraft, Europe's largest generator of renewable energy, securing a significant amount of renewable power required for its large-scale green ammonia plant in Narvik.

On 11 July 2023, Aker Carbon Capture announced the appointment of Egil Fagerland as new Chief Executive Officer.

Risks

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

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

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

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

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

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

Since 2022, Aker Horizons has intensified its work related to the assessment of climate-related risks and their implications. As the Group's purpose is to develop green energy and green industry to accelerate the transition to net zero emissions, Aker Horizons' main transition risks are associated with the global ambition/implementation gap, and with the transition being implemented too slowly

or incompletely. Succeeding with the energy transition requires a massive growth in energy generation assets, but also large investments in transmission and storage systems. Inadequate policy design and a non-synchronized development may delay the overall speed of the transition. Regional variations in ambition and implementation speed also pose the risk of capital and resources being allocated incorrectly.

Outlook

Following a turbulent 2022 with geopolitical shifts, tighter supply chains and sharp rises in energy and commodity prices, the first half of 2023 saw a normalization in some areas. However, developers, owners and operators of renewable energy assets and projects to decarbonize industry were also faced with new challenges. While cost increases have begun to stabilize as broader commodity prices ease, interest rates have continued to rise, impacting the return profile of renewables and decarbonization projects. At the same time, favorable policy initiatives aimed at tackling the energy crisis and the transition to Net Zero have gained momentum.

Early in 2023, the European Commission launched the Green Deal Industrial Plan to cut emissions, increase energy security and improve the competitiveness for European industries. Widely seen as an answer to the US Inflation Reduction Act, the plan gives a boost to long-term support for renewable energy and firms up incentives to foster the development of hydrogen and CCS. The plan includes measures to speed up permitting for new projects, targets for production capacity, more flexibility to provide state aid and a new production support scheme for green hydrogen. CCS is explicitly mentioned in the plan as a key technology towards Net Zero. Important elements of the plan will be relevant for Norway through the EEA agreement.

In the second quarter of 2023, the European Union adopted a broad set of laws to implement the "Fit for 55" policy package, including a landmark reform of the EU ETS. Adopting the revised ETS confirms the target of 55 percent reduction in CO₂ emissions by 2030. With the final agreement of the revised EU Renewable Energy Directive (RED), reached in June 2023, a target of 42.5

percent share of renewable energy consumption by 2030 will become binding. This implies almost a doubling from the 22 percent share in 2021 and will be a major driver for expansion of renewable projects, including offshore wind. The importance of expanding offshore wind was highlighted by the Oostend Summit where nine countries, including Norway, agreed on a target of 120 GW offshore wind to be developed in the North Sea by 2030.

RED also includes a binding target for renewable hydrogen to constitute 42.5 percent of total hydrogen used by industry by 2030. To accelerate the scale up of renewable hydrogen in the EU, the European Commission unveiled plans for the European Hydrogen Bank aiming to bridge the cost gap between renewable hydrogen and fossil fuels. The Hydrogen Bank is a potential game-changer for hydrogen projects in Europe, supporting EU targets for renewable hydrogen of 10 million tonnes domestic production and 10 million tonnes imports by 2030. The global hydrogen supply chain is ramping up, signaling strong market belief, with an expected increase by a factor nine from 2020-levels.

During the first half of 2023, Aker Horizons secured multiple offtake LOIs with major European energy, industrial and chemical companies for its large-scale green ammonia plant under development in Narvik, and in early July, the company signed a 10-year power purchase agreement (PPA) with Statkraft, securing a significant amount of the renewable power required. The agreement is essential to establish a sound commercial foundation and predictability for the Narvik green ammonia project. Passing this milestone enables Aker Horizons to progress its flagship project in Narvik to the next stage and further underscores Aker Horizons' ambitions as a leading developer of hydrogen and ammonia projects in Northern Europe.

Investments in CCUS are growing rapidly, led by the US and Europe. According to the IEA, projects in the US, Europe and China taking FID helped push investments to a record USD 3.1 billion in 2022. Market developments so far in 2023 provide confidence that spending will continue to grow. If all advanced projects take FID in line with their schedules, global CCUS spending could reach USD 34 billion in 2025. This dramatic potential ramp-up reflects the extent to which the CCUS project pipeline has expanded recently. The tax credits offered by the US Inflation Reduction Act – up to USD 85/t CO₂ stored – are set to stimulate investments in the US, supported by proposed emissions rules for power plants. In Europe, the requirement in the proposed Net Zero Industry Act to develop storage capacity of 50 million tonnes CO₂ by 2030, combined with carbon pricing, national support schemes and the carbon border adjustment mechanism (CBAM) will strengthen the prospects and accelerate the deployment of CCUS in Europe.

As evidenced by the contract award in the second quarter of 2023 for a large-scale carbon capture project by Ørsted in Denmark, Aker Horizons, through its portfolio company Aker Carbon Capture, is well positioned to partake in the growth of the CCUS industry.

After a record year in 2021, FIDs for utility-scale renewable energy plants globally were slightly down in 2022, driven by a drop in wind investments, particularly for offshore wind. In recent months, there are positive signs with Covid-19 regulations lifted, supply chain constraints easing and prices for key components and materials moderating. Industry trends are improving as recent auctions demonstrate increasing power prices and improved return profiles. Combined with the implementation of new policies such as the US Inflation

Reduction Act', the EU's RED and Germany's EUR 28 billion support scheme for renewable energy, it can be expected that solar and wind investments will increase going forward.

Floating offshore wind is today generally more costly than bottom-fixed but offers enormous potential as the world electrifies and cuts emissions. To maintain growth in this segment, many governments are working on attractive regulatory frameworks, auction designs and support schemes.

In Norway, the industry is paying close attention to the upcoming acreage awards for the first two offshore areas, Sørflige Norsjø II and Utsira Nord, during the second half of 2023. Aker Horizons' portfolio company Mainstream, together with its consortia partners, is working towards the application deadline for both Norwegian areas. Mainstream is also growing its global offshore pipeline in other geographies, including the UK, Sweden, Australia and South Korea.

Across its core segments, i.e. onshore and offshore renewable energy production, carbon capture, and hydrogen and derivatives, Aker Horizons is poised to benefit from recent political and regulatory tailwinds.

Amid the challenges the industry is facing, Aker Horizons continues to pursue a diversified approach to decarbonization, developing green industrial projects, technologies and companies that accelerate the net zero transition.

Declaration by the Board of Directors and CEO

The board and CEO have today reviewed and approved the condensed, consolidated financial statements for the six months ending 30 June 2023 for Aker Horizons. This declaration is based on information received by the Board through reports and statements from the CEO and CFO as well as other information essential to assess the company's results and financial position.

To the best of our knowledge:

- The half-year 2023 financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting.
- The half-year 2023 financial statements give a true and fair view of the company's assets, liabilities, and financial position in addition to the development and results of the company taken as a whole.
- The half-year 2023 financial statements give a true and fair overview of important events that have occurred during the period and their impact on the financial statements, the most significant risks and uncertainties facing the company and significant related party transactions.

Fornebu, 12 July 2023

Board of Directors and CEO of Aker Horizons ASA



Øyvind Eriksen
Chair



Kimberly Mathisen
Director



Lone Fønss Schrøder
Director



Trond Brandsrud
Director



Kristian Røkke
Chief Executive Officer



Condensed consolidated accounts and notes

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Income statement

Condensed consolidated income statement

<i>Amounts in NOK million</i>	Note	1H 2023	1H 2022	2022
Revenues	4	1,663	1,034	2,371
Other income		82	1,643	1,918
Operating expenses		(3,035)	(2,338)	(5,084)
Operating profit (loss) before depreciation and amortization		(1,290)	339	(795)
Depreciation and amortizations	6, 7	(341)	(210)	(494)
Impairment	6, 7, 8	(4,720)	—	(4,405)
Operating profit (loss)		(6,351)	129	(5,694)
Net financial items	5	(462)	(487)	(804)
Share of profit (loss) equity-accounted investees	9	226	(90)	(152)
Profit (loss) before tax		(6,587)	(448)	(6,650)
Income tax benefit (expense)		463	15	1,402
Profit (loss) from continuing operations		(6,124)	(433)	(5,248)
Profit (loss) from discontinued operations		—	32	30
Net profit (loss)		(6,124)	(401)	(5,218)
Profit (loss) for the period attributable to:				
Non-controlling interests (NCI)		(2,415)	(713)	(2,585)
Equity holders of the parent company		(3,709)	312	(2,633)
Profit (loss) for the period		(6,124)	(401)	(5,218)
Basic and diluted earnings (loss) per share (NOK) continuing operations attributable to ordinary equity holders of the company ¹		(5.37)	0.46	(4.08)
Basic and diluted earnings (loss) per share (NOK) attributable to ordinary equity holders of the company ¹		(5.37)	0.46	(4.03)

¹) Due to loss in periods presented, basic and diluted earnings per share are identical

Other comprehensive income (OCI)

Condensed consolidated statement of other comprehensive income

<i>Amounts in NOK million</i>	1H 2023	1H 2022	2022
Profit (loss) for the period	(6,124)	(401)	(5,218)
Other comprehensive income			
Cash flow hedges, effective portion of changes in fair values	(270)	1,295	1,772
Cash flow hedges, reclassification to income statement	—	—	59
Tax of cash flow hedges	—	—	(517)
Currency translation differences - foreign operations	1,226	1,757	1,830
Equity-accounted investees - share of OCI	(73)	539	180
Total items that may be reclassified subsequently to profit or loss, net of tax	883	3,592	3,325
Total comprehensive income (loss) for the period, net of tax	(5,241)	3,191	(1,893)
Attributable to			
Equity holders of the parent	(3,194)	2,483	(603)
Non-controlling interests	(2,047)	707	(1,290)
Total comprehensive income (loss) for the period, net of tax	(5,241)	3,191	(1,893)

Balance sheet

Condensed consolidated balance sheet

<i>Amounts in NOK million</i>	Note	30 Jun 2023	31 Dec 2022	30 Jun 2022
Assets				
Non-current assets				
Goodwill	7	1,577	1,417	2,755
Intangible assets	7	284	2,040	4,909
Right-of-use assets		787	734	711
Property, plant and equipment	6	15,170	15,912	14,832
Deferred tax assets		77	132	—
Investments in associates and joint ventures	9	612	1,163	2,281
Derivative financial instruments	11	8	1,938	1,412
Non-current interest bearing receivables		502	447	57
Total non-current assets		19,017	23,783	26,957
Current assets				
Inventories		1,045	952	900
Trade and other receivables		1,755	1,577	1,369
Restricted cash	11	3,129	2,076	1,478
Cash and cash equivalents		8,198	8,683	12,261
Assets held for sale		198	268	268
Total current assets		14,326	13,556	16,276
Total assets		33,343	37,339	43,233

<i>Amounts in NOK million</i>	Note	30 Jun 2023	31 Dec 2022	30 Jun 2022
Equity and liabilities				
Equity				
Total equity attributable to the parent		3,907	7,096	9,573
Non-controlling interests		4,530	6,519	8,955
Total equity		8,437	13,615	18,528
Non-current liabilities				
Non-current borrowings	10	6,183	19,102	19,548
Non-current lease liabilities		697	626	578
Other financial liabilities		436	401	318
Deferred tax liabilities		50	554	1,312
Total non-current liabilities		7,365	20,683	21,757
Current liabilities				
Current borrowings	10	15,135	871	525
Current lease liabilities		56	61	51
Trade and other payables		2,350	2,110	2,373
Total current liabilities		17,541	3,041	2,948
Total liabilities		24,906	23,724	24,705
Total equity and liabilities		33,343	37,339	43,233

Cash flow

Condensed consolidated statement of cash flow

<i>Amounts in NOK million</i>	Note	1H 2023	1H 2022	2022
Cash flow from operating activities				
Profit (loss) for the period - continuing operations		(6,124)	(433)	(5,248)
Profit (loss) for the period - discontinuing operations		—	32	30
Adjustments for:				
Income tax expense (benefit)		(476)	(15)	(1,398)
Net interest cost and unrealized currency loss (income)		312	655	544
Depreciation, amortization and impairment	6, 7, 8	5,061	218	4,907
Share of (profit) loss from equity-accounted investees	9	(226)	90	152
Other non-cash effects		(26)	(1,684)	(1,918)
Profit (loss) for the period, adjusted		(1,478)	(1,137)	(2,931)
Changes in operating assets		1,887	(625)	(725)
Cash generated from operating activities		409	(1,763)	(3,658)
Cash flow from investing activities				
Acquisition of property, plant and equipment	6	(893)	(1,662)	(3,006)
Payments for capitalized development	7	(39)	(17)	(65)
Net payments for shares in subsidiaries, net of cash acquired (disposed)		(30)	(11)	(74)
Net proceeds (payments) for equity-accounted investees	9	825	1,732	2,740
Net proceeds (payments) for other investments		—	670	700
Payments related to interest-bearing receivables		(17)	—	(249)
Change in restricted cash	11	(791)	657	102
Net cash from investing activities		(944)	1,370	148
Cash flow from financing activities				
Net proceeds from borrowings	10	(275)	1,093	756
Proceeds from issue of share capital, net of transaction cost		—	(10)	(27)
Payment of lease liabilities		(65)	(54)	(49)
Net proceeds from transactions non-controlling interests		55	5,828	5,569
Net cash from financing activities		(285)	6,856	6,249
Effect of exchange rate changes on cash and cash equivalents		336	386	532
Net increase (decrease) in cash and cash equivalents		(484)	6,849	3,271
Cash and cash equivalents at the beginning of the period		8,683	5,412	5,412
Cash and cash equivalents at the end of the period		8,198	12,261	8,683

Equity

Condensed consolidated statement of changes in equity

Amounts in NOK million

	Note	Contributed equity and retained earnings	Other reserves	Total equity attributable to the parent	Non-controlling interests	Total equity
Equity as of 1 January 2022		5,639	86	5,725	4,260	9,985
Profit (loss) for the period		312		312	(713)	(401)
Other comprehensive income		325	1,846	2,171	1,420	3,591
Increase equity, net of transaction cost		1,308	—	1,308	—	1,308
Transactions with non controlling entities		58	—	58	3,985	4,043
Equity as of 30 June 2022		7,642	1,931	9,573	8,955	18,528
Equity as of 1 January 2023		4,959	2,137	7,096	6,519	13,615
Profit (loss) for the period		(3,709)	—	(3,709)	(2,415)	(6,124)
Other comprehensive income		—	515	515	368	883
Increase equity, net of transaction cost		—	—	—	58	58
Transaction with non-controlling entities		—	5	5	—	5
Equity as of 30 June 2023		1,250	2,657	3,907	4,530	8,437

Notes

Note 1 General information

Aker Horizons develops green energy and green industry to accelerate the net-zero transition. The main office is at Fornebu, Norway and the parent company Aker Horizons ASA is listed on the Oslo Stock Exchange under the ticker AKH.

The condensed consolidated interim financial statements for the first half of 2023, ended 30 June 2023, comprise Aker Horizons ASA and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly-controlled entities.

Note 2 Basis for preparation

The condensed consolidated financial statements of Aker Horizons comprise the consolidated half year figures of Aker Horizons ASA and its subsidiaries. As a result of rounding differences, numbers or percentages may not add up to the total.

Aker Horizons' condensed financial statements for the six months ended 30 June 2023 are prepared in accordance with International Accounting Standards (IAS) 34 Interim Financial Reporting. The condensed consolidated interim financial statements do not include all of the information and disclosures required for a complete set of annual consolidated financial statements, and should be read in conjunction with Aker Horizons' Annual and Sustainability Report 2022. The accounting policies applied in these financial statements are the same as those applied in the group's consolidated financial statements as for the year ended 31 December 2022, available at www.akerhorizons.com.

The condensed consolidated interim financial statements are unaudited.

Note 3 Judgements, estimates and assumptions

In applying the accounting policies, management makes judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates is recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of uncertainty in the estimates are consistent with those applied to the consolidated financial statements as for the period ended 31 December 2022.

Note 4 Operating segments

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

Recognition and measurement applied to segment reporting is consistent with the accounting principles applied when preparing the financial statements, except for Aker Horizons and holdings, see more information below.

Aker Carbon Capture

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

Asset Development

Aker Horizons Asset Development originates and develops a portfolio of hydrogen-derivative projects and includes the investments in the Narvik region.

Mainstream Renewable Power

Mainstream is a leading pure-play renewable energy company with a global portfolio of offshore- and onshore wind, and solar power generation projects.

Aker Horizons and holdings

The combined financial statements of Aker Horizons ASA and holding companies are prepared in order to present Aker Horizons' financial position as a parent holding company. The traditional financial statement of the parent company has been extended to include all subordinate administrative service and holding companies that are wholly-owned by Aker Horizons ASA and have balance sheets containing only investments, bank deposits and debt. Investments are reported at the lower of market value and cost price.

Other and eliminations

The "other" segment consists of Aker Horizons investment in SuperNode and elimination between the segments.

Segment performance

Amounts in NOK million

	Aker Carbon Capture	Asset Development	Mainstream Renewable Power	Aker Horizons and holdings	Other & eliminations	Total Aker Horizons
1H 2023						
Income statement						
External revenue and other income	593	14	1,138	1	—	1,746
Internal revenue	—	—	—	74	(74)	—
Total segment revenue	593	14	1,138	75	(74)	1,746
Operating profit (loss) before depreciation and amortization (EBITDA)	(105)	(120)	(1,014)	(58)	6	(1,290)
Depreciations, amortizations and impairments	(7)	(2)	(5,047)	—	(5)	(5,061)
Operating profit (loss) (EBIT)	(112)	(122)	(6,061)	(58)	1	(6,351)
Share of profit (loss) equity-accounted investees	—	(15)	256	—	(15)	226
Net financial items	15	(12)	(303)	(1,832)	1,670	(462)
Profit (loss) before tax	(97)	(149)	(6,108)	(1,890)	1,657	(6,587)
Assets and liabilities						
Equity-accounted investments	—	59	422	164	(32)	612
Other non-current assets	178	642	17,544	13,498	(13,458)	18,405
Current operating assets	144	45	2,591	47	(27)	2,800
Cash and marketable securities	1,138	187	6,420	3,583	—	11,328
Assets held for sale	—	—	198	—	—	198
Segment assets	1,460	933	27,175	17,291	(13,517)	33,343
Borrowings	—	64	15,077	6,177	—	21,318
Non-current liabilities	3	76	1,103	—	—	1,183
Current liabilities	663	76	1,630	48	(12)	2,405
Segment liabilities	666	216	17,810	6,225	(12)	24,906
Net current operating assets (liabilities)	(518)	(31)	1,000	(1)	—	451
Net cash (debt)	1,138	123	(8,657)	(2,594)	—	(9,990)
- of which restricted cash	—	—	3,129	—	—	3,129

Amounts in NOK million

	Aker Carbon Capture	Asset Development	Mainstream Renewable Power	Aker Horizons and holdings	Other & eliminations	Total Aker Horizons
1H 2022						
Income statement						
External revenue and other income	338	7	684	5	1,643	2,677
Internal revenue	—	—	—	82	(82)	—
Total segment revenue	338	7	684	87	1,561	2,677
Operating profit (loss) before depreciation and amortization (EBITDA)	(109)	(150)	(984)	(65)	1,647	339
Depreciations and amortizations	(6)	(2)	(200)	—	(3)	(210)
Operating profit (loss) (EBIT)	(115)	(152)	(1,184)	(65)	1,645	129
Share of profit (loss) equity-accounted investees	—	(10)	(58)	311	(333)	(90)
Net financial items	5	(1)	(293)	(2,074)	1,875	(487)
Profit (loss) before tax	(110)	(163)	(1,534)	(1,828)	3,187	(448)
Assets and liabilities						
Equity-accounted investments	—	77	2,099	118	(12)	2,281
Other non-current assets	58	163	24,410	15,736	(15,691)	24,676
Current operating assets	42	36	2,160	277	(246)	2,270
Cash and marketable securities	1,452	169	7,732	4,377	9	13,739
Assets held for sale	—	—	268	—	—	268
Segment assets	1,552	444	36,669	20,508	(15,940)	43,233
Borrowings	—	25	14,127	5,921	—	20,073
Non-current liabilities	4	65	2,127	—	13	2,209
Current liabilities	581	177	1,810	94	(239)	2,424
Segment liabilities	585	267	18,063	6,015	(225)	24,705
Net current operating assets (liabilities)	(530)	(137)	380	183	—	(103)
Net cash (debt)	1,452	144	(6,395)	(1,544)	9	(6,334)
- of which restricted cash	—	—	1,478	—	—	1,478

Amounts in NOK million

	Aker Carbon Capture	Asset Development	Mainstream Renewable Power	Aker Horizons and holdings	Other & eliminations	Total Aker Horizons
Full year 2022						
Income statement						
External revenue and other income	773	9	1,856	8	1,642	4,289
Internal revenue	8	—	4	164	(176)	—
Total segment revenue	781	9	1,860	172	1,466	4,289
Operating profit (loss) before depreciation and amortization (EBITDA)	(212)	(335)	(1,759)	(136)	1,646	(795)
Depreciations and amortizations	(11)	(4)	(4,879)	—	(6)	(4,900)
Operating profit (loss) (EBIT)	(223)	(338)	(6,638)	(136)	1,641	(5,694)
Share of profit (loss) equity-accounted investees	—	(19)	(94)	—	(39)	(152)
Net financial items	20	(5)	(478)	(3,223)	2,883	(804)
Profit (loss) before tax	(203)	(362)	(7,210)	(3,360)	4,484	(6,650)
Assets and liabilities						
Equity-accounted investments	—	74	999	118	(28)	1,163
Other non-current assets	128	487	21,964	14,818	(14,777)	22,620
Current operating assets	76	49	2,396	37	(28)	2,529
Cash and marketable securities	1,093	167	5,383	4,116	—	10,759
Assets held for sale	—	—	268	—	—	268
Segment assets	1,297	776	31,010	19,089	(14,833)	37,339
Borrowings	—	66	13,857	6,050	—	19,973
Non-current liabilities	3	77	1,501	—	—	1,581
Current liabilities	415	171	1,513	82	(11)	2,170
Segment liabilities	418	314	16,871	6,133	(11)	23,724
Net current operating assets (liabilities)	(333)	(120)	917	(45)	—	419
Net cash (debt)	1,093	101	(8,473)	(1,934)	—	(9,214)
- of which restricted cash	—	—	2,076	—	—	2,076

Note 5 Financial income and expenses

<i>Amounts in NOK million</i>	1H 2023	1H 2022	2022
Interest income	133	32	126
Interest expense on financial liabilities measured at amortized cost	(570)	(372)	(806)
Net foreign exchange gain (loss)	73	(107)	68
Interest expense lease liabilities	(16)	(14)	(26)
Other financial income	2	—	3
Other financial expense	(84)	(25)	(169)
Net financial expenses recognized in profit and loss	(462)	(487)	(804)

Note 7 Intangible assets and goodwill

Reconciliation of carrying amount in the period:

<i>Amounts in NOK million</i>	Note	Cap dev	Contr assets	Other	Total	Goodwill
Balance as of 1 January 2023		78	1,791	171	2040	1,417
Additions		40	—	—	40	—
Amortization		(1)	(34)	—	(34)	—
Impairment	8	—	(1,923)	—	(1,923)	—
Currency translation differences		(3)	165	—	162	160
Balance as of 30 June 2023		113	—	171	284	1,577

Note 6 Property, plant and equipment

Reconciliation of carrying amount in the period:

<i>Amounts in NOK million</i>	Note	Machinery and equipment	Assets under construction	Generation assets	Land	Total
Balance as of 1 January 2023		35	6,611	8,955	311	15,912
Additions		30	524	228	143	924
Reclassifications from assets under construction		10	(4,099)	4,088	—	—
Depreciation		(9)	—	(269)	—	(278)
Impairment	8	—	(607)	(2,190)	—	(2,797)
Currency translation differences		2	594	812	—	1,409
Balance as of 30 June 2023		68	3,024	11,624	454	15,170

Note 8 Impairment

Impairment test for Andes Renovables

There is continued uncertainty and challenging market conditions in the Chilean power market. Mainstream's diversified portfolio, with both wind and solar power production in the north and south of the country, together with the finalizing of new projects, helps to mitigate the impact. Mainstream continues to actively pursue a mitigation strategy. Nevertheless, uncertainty remains, and Mainstream is currently engaged in discussions with lenders regarding the restructuring of the Andes Renovables portfolio, consisting of the three Cash Generating Units (CGUs) in the Andes Renovables platform, Condor, Huemul and Copihue. Impairment tests of these CGUs have been performed, and main assumptions used are described below.

Recoverable amount

The recoverable amount has been determined based on fair value less cost of disposal. The carrying value of the CGUs is calculated as the sum of allocated contractual assets, PPE and working capital items, reduced by deferred tax on the items included in the CGU.

Future cash flows

The cash flows for the electricity sold through the projects in the Andes Renovables platform are based on long-term power purchase agreements (PPA) ending in 2041/2042. Power generation in excess of committed PPA volume, and after expiration of the PPAs, are based on spot sales throughout the useful life of the assets. The power prices and generation assumptions assumed in the calculation of recoverable amount are based on available market data from external third-party market analytics and Aker Horizons' long-term market outlook. No terminal value is assumed for the power plants.

Discount rate

The recoverable amount in the impairment test has been calculated by applying a discount rate of approximately 6 percent, reflecting an assumption of an optimized long-term capital structure in line with historical practice.

The table below summarizes the recoverable amount and the impairments recognized per CGU.

<i>Amounts in NOK million</i>	Condor	Huemul	Copihue	Total
Net carrying value	8,905	8,726	1,846	19,478
Recoverable amount	6,731	7,210	816	14,757
Impairment	2,175	1,516	1,029	4,720
<i>Allocated as follows:</i>				
Contractual assets	1,388	37	498	1,923
Property, plant and equipment	786	1,479	531	2,797
Total impairment	2,175	1,516	1,029	4,720
Deferred tax on impairment	(375)	(10)	(134)	(519)
Net	1,800	1,506	895	4,201

Impairment losses of NOK 4,201 million, net of tax, on contractual assets and property, plant and equipment related to the Andes portfolio, reflecting continued uncertainty and the ongoing debt restructuring.

Sensitivity

The recoverable amount used in the impairment test is sensitive to changes in the discount rate. Sensitivity analysis shows that an increase in the discount rate of 0.5 percentage points would result in an increased impairment charge of NOK 1,406 million across the Andes Renovables portfolio.

Goodwill

Goodwill related to the Mainstream acquisition in 2021 amounts to NOK 1.4 billion. The goodwill relates to Mainstream's development pipeline, combined with its global organization, and is allocated to the Mainstream segment for impairment testing. An impairment trigger test have been carried out. As a result of an overall analysis, no impairment indicators have been identified.

Note 9 Investments in associates and joint ventures

Reconciliation of carrying amount in the period:

<i>Amounts in NOK million</i>	Associates	Joint Ventures	Total
Opening balance 1 January 2023	1,056	107	1,163
Additions	—	87	87
Disposals	(913)	—	(913)
Share of Other Comprehensive Income	—	(74)	(74)
Share of profit (loss)	289	(63)	226
Currency translation differences	38	84	123
Closing balance 30 June 2023	470	142	612

Lekela Power

In March 2023, Mainstream and Actis completed the sale of Lekela Power platform to Infinity Power, generating net proceeds to Mainstream of approximately USD 90 million.

Note 10 Borrowings

Reconciliation of carrying amount in the period:

<i>Amounts in NOK million</i>	Total
Balance as of 1 January 2023	19,974
Net increase Mainstream	(266)
Net decrease other	(9)
Fees, interest and other changes	392
Currency translation differences	1,225
Closing balance 30 June 2022	21,318
Non-current	6,183
Current	15,135

Mainstream

Mainstream is currently engaged in discussions with lenders regarding the restructuring of the Andes Renovables portfolio (Andes) debt. In the first half of 2023, certain defaults occurred in the Andes project financing and mezzanine financing. A standstill agreement was entered into with the project finance lenders on 24 May 2023 providing a temporary waiver for all outstanding defaults on the senior debt per 30 June 2023. As the waiver was valid for less than 12 months, the debt is classified as a current liability per 30 June 2023. There are current defaults in the Andes project financing and the mezzanine financing fell due on 3 July 2023. If a positive outcome from the restructuring discussions, the definitive agreement will permanently address all outstanding defaults.

A default in the Andes senior debt causes a technical cross default to the Trade Finance Facility (TFF). Such cross defaults are automatically resolved once the senior debt default is resolved. Discussions with the TFF lenders are underway to resolve the defaults.

Note 11 Derivative financial instruments

In June 2023, Mainstream agreed with the senior lenders to the Andes Renovables portfolio to terminate the interest rate swaps. This resulted in net proceeds of USD 170 million, which currently form part of the restricted cash in the Andes Renovables accounts.

As a result of terminating the interest rate swaps, hedge accounting has been discontinued. The cumulative gain of NOK 1.3 billion, net of tax, remains in Other Comprehensive Income as of 30 June 2023. Pending final outcome of the ongoing debt restructuring (see note 10 Borrowings), the gain is expected to be recognized in the Income Statement either partially or in full.

Alternative Performance Measures

Aker Horizons discloses alternative performance measures in addition to those normally required by IFRS, as such performance measures are frequently used by securities analysts, investors and other interested parties. Alternative performance measures are meant to provide an enhanced insight into the Company's operations, financing and future prospects. These measures are calculated in a consistent and transparent manner and are intended to provide enhanced comparability of the performance from period to period.

Definitions

EBITDA - Earnings before interest, tax, depreciation and amortization, corresponding to "Operating profit before depreciation, amortization and impairment" in the consolidated income statement.

EBIT - Earnings before interest and tax, corresponding to "Operating profit (loss)" in the consolidated income statement.

CapEx - A measure of expenditure on PPE that qualify for capitalization.

Net current operating assets (NCOA) - A measure of working capital. It is calculated by trade and other receivables and inventories minus trade and other payables, excluding financial assets or financial liabilities related to hedging activities.

Net debt - Gross debt minus cash and cash equivalents, restricted cash and marketable securities.

Net current operating assets (continuing operations)

	30 Jun 2023	31 Dec 2022	30 Jun 2022
<i>Amounts in NOK million</i>			
Trade and other receivables	1,755	1,577	1,369
Inventories	1,045	952	900
Trade and other payables	(2,350)	(2,110)	(2,373)
Net current operating assets	451	419	(103)

Net debt (continuing operations)

	30 Jun 2023	31 Dec 2022	30 Jun 2022
<i>Amounts in NOK million</i>			
Non-current borrowings	6,183	19,102	19,548
Current borrowings	15,135	871	525
Gross debt	21,318	19,973	20,073
Restricted cash	3,129	2,076	1,478
Cash and cash equivalents	8,198	8,683	12,261
Total cash and marketable securities	11,328	10,759	13,739
Net debt	9,990	9,214	6,334

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