AKER HORIZONS

HALF-YEAR REPORT 2021

Highlights

- Acquiring 75% of Mainstream Renewable Power for EUR 900 million on 100% basis
- Completing successful private placement and listing of Aker Horizons
- Successfully placing Aker Horizons NOK 2.5 billion unsecured green bond
- Launching and listing Aker Clean Hydrogen

Portfolio highlights

- Aker Carbon Capture started up the Brevik CCS project to realize the world's first carbon capture facility at a cement plant, removing 400,000 tonnes of CO_2
- Aker Clean Hydrogen, Statkraft and Yara launched plans to electrify ammonia facility in Herøya, Norway, establishing Europe's first industrial-scale green ammonia project and potentially removing 800,000 tonnes of CO_2
- Aker Carbon Capture, Ørsted and Microsoft signed an MoU to support development of CCS at biomass-fired heat and power plants in Denmark
- Aker Offshore Wind, bp and Statkraft established a consortium bidding to develop offshore wind energy in Norway
- Mainstream signed an agreement to acquire an 80 percent interest in the 405 MW solar energy development portfolio Dak Nong in Vietnam

Aker Horizons is dedicated to incubating and developing companies that solve fundamental challenges to sustainable existence – or planet-positive investing. Aker Horizons 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 majority-owned by Aker ASA, a Norwegian industrial investment company listed on the Oslo Stock Exchange.

The company leverages the Aker ecosystem's deep domain expertise and capabilities to drive sustainable long-term value creation. Aker Horizons has a 2025 ambition to invest NOK 100 billion in green technology, develop 10 GW renewable power capacity, and enable the removal or avoidance of 25 Mt CO_2e annually. Each Aker Horizons portfolio company works to maximize value individually, with separate management teams and boards, but with strong support from Aker Horizons to ensure activities are optimized across the entire value chain and to capitalize on internal expertise in the broader Aker group.

Aker Horizons was listed on Euronext Growth Oslo on 1 February and started trading on the main list of the Oslo Stock Exchange on 21 May.

The acquisition of 75 percent of Mainstream Renewable Power was announced in January and closed in May. Mainstream is a global pure-play renewable energy company that has developed and brought forward 6.5 GW of solar and wind projects to financial close. Existing Mainstream shareholders re-invested and retained 25 percent ownership in the company.

Following the Mainstream announcement, Aker Horizons carried out a successful private placement raising NOK 4.6 billion and issued a subordinated convertible bond of NOK 1.5 billion.

In the first half, Aker Horizons established a EUR 400 million corporate revolving credit facility agreement. The facility agreement contains an option to increase the facility to EUR 500 million and options to extend the 3-year tenor with 1 + 1 year subject to approval.

In February, Aker Horizons also completed a new senior unsecured green bond issue of NOK 2.5 billion with maturity in August 2025. The bond issue was placed with a coupon of 3 months NIBOR + 3.25 percent p.a. with quarterly interest payments.

Sustainability

Aker Horizons is dedicated to developing companies that solve fundamental challenges to sustainable existence, with an ambition to deliver necessary products and services in a responsible and profitable way. Building on the shoulders of Aker's industrial capabilities, Aker Horizons aims to build, scale and finance industries for the future and create green jobs. To achieve the desired impact, Aker Horizons shall develop and evaluate new investment opportunities and exert active ownership while incorporating sustainability as a core dimension.

Aker Horizons is committed to having a planet-positive impact with sustainability at the essence of all activities – from investment screening to how ownership is exerted. The following frameworks are at the core of the company's sustainability agenda:

- **UN Sustainable Developments Goals:** All 17 SDGs shall be considered in Aker Horizons' activities, with a particular emphasis on eight priority goals (highlighted, left).

- **EU's Sustainable Finance package,** including the EU Taxonomy regulation, the Sustainable Finance Disclosure Regulation and the Corporate Sustainability Reporting Directive.

- **The Aker Horizons Green Finance Framework,** aligned with the ICMA Green Bond Principles and the LMA/LSTA Green Loan Principles.

- **The UN Global Compact** and the **OECD Guidelines for Multinational Enterprises.** At Aker Horizons, acting responsibly and with integrity, and taking responsibility for the impact the company has on stakeholders and surroundings is a guiding principle. Since May, Aker Horizons is a participant to the UN Global Compact corporate responsibility initiative and is committed to its principles in the areas of human rights, labour, the environment and anti-corruption.

Based on a fundamental belief in sustainable development, Aker Horizons is committed to:

- Protecting, preserving and restoring the climate; scaling Net Zero and Carbon Negative ambitions
- Protecting, preserving and restoring the environment and biodiversity
- Sound resource utilization and realization of the circular economy
- Science, technology and innovation
- Financial and planet-positive returns on investment
- Best practice sustainability governance

In the first half, Aker Horizons recruited dedicated resources to drive the sustainability agenda across the company and its portfolio, and started to implement a framework for the company's future sustainability work.

Further information is available on akerhorizons.com.

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 offers a unique, environmentally friendly solution for removing CO_2 emissions.

The start-up of the Brevik Carbon Capture and Storage EPC contract at the beginning of 2021 marked a breakthrough for Aker Carbon Capture and the carbon capture industry, being the first carbon capture project at a cement facility in the world. Through the first half of the year key milestones have been achieved, according to plan. The plant is scheduled to be in operation in 2024.

In March, Aker Carbon Capture, Ørsted and Microsoft signed an MoU to explore ways to support the development of carbon capture and storage at biomass-fired heat and power plants in Denmark. By capturing the carbon emitted by biomass-fired heat and power plants and storing it underground, it is possible to not only reduce, but also remove carbon from the atmosphere – negative emissions, as carbon from sustainable biomass is part of a natural biogenic carbon cycle.

In June, the Aker Carbon Capture moved to the Oslo Stock Exchange from Euronext Growth, making the stock eligible for trading by a wider pool of investors. Separately, Aker Carbon Capture was quoted on OTCQX, a platform for companies seeking to provide transparent information to a US retail investor audience.

Ownership agenda

- Contribute towards rapid development of Carbon Capture as a Service through Aker Horizons' financing-vehicle Green Yield
- Support development and cost optimization of entire CCS value chain
- Deep understanding of carbon credit markets

Key figures

Amounts in NOK billion	1H 2021
Market cap	11.2
Investment value	5.7
Aker Horizons ownership (percent)	51
Employees and contractors	109

Aker Clean Hydrogen

Aker Clean Hydrogen is set up to develop and operate clean hydrogen production at industrial scale around the world, 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.

Aker Clean Hydrogen was launched in February as a new portfolio company incubated by Aker Horizons.

As part of the stock market listing, Aker Clean Hydrogen raised NOK 3 billion in a Private Placement of new shares, of which Aker Horizons invested NOK 500 million.

During the first half, the company together with Statkraft and Yara launched ambitions to establish Europe's first industrial-scale green ammonia project in Norway, to enable the hydrogen economy and accelerate the energy transition. The first project in the partnership will be to electrify Yara's existing ammonia facility in Herøya. Aker Clean Hydrogen progressed its plans to realize projects in places such as Herøya, Rjukan, Aukra and Berlevåg in Norway and in South America in 2021. The company appointed Kristoffer Dahlberg Chief Financial Officer, effective June 15. Dahlberg joined the company from Aker BP.

Ownership agenda

- Develop both existing and new strategic partnerships
- Support promotion and development of entire hydrogen value chain
- Support financing optimization for large-scale hydrogen facilities through engagement with financial partners and development of financing models

Key figures

Amounts in NOK billion	1H 2021
Market cap	5.6
Investment value	4.3
Aker Horizons ownership (percent)	77
Employees and contractors	59

Aker Offshore Wind

Aker Offshore Wind builds on more than five decades of offshore operations at Aker to identify and develop deepwater offshore wind projects around the world, with a focus on floating wind. The company is actively developing opportunities in South Korea, the US, UK, Sweden and Norway.

In the first half, 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 will each hold a 33.3 percent share – will pursue a bid to develop offshore wind power in the Sørlige Nordsjø II (SN2) license area.

Philippe Kavafyan was appointed Chief Executive Officer of Aker Offshore Wind to deploy his vast experience from the wind industry to accelerate the deepwater wind developer's growth ambitions across projects in Asia, Europe and North America. Later in the second quarter, Tom Selwood was appointed Chief Financial Officer. Selwood joins the company from Aker Horizons' commercial finance unit where he has worked with M&A and financing for offshore wind projects.

Ownership agenda

- Strategic partnerships
- Growing pipeline organically and through M&A
- Utilizing Aker group experience to significantly reduce LCoE

Key figures

Amounts in NOK billion	1H 2021
Market cap	3.7
Investment value	1.9
Aker Horizons ownership (percent)	51
Employees and contractors	100

Mainstream Renewable Power

Mainstream is a leading independent renewable energy player with a global footprint and a proven track record across onshore and offshore wind and solar.

The acquisition of Mainstream, valued at EUR 900 million on a 100 percent basis, gave Aker Horizons a portfolio of solar and wind projects in operation 0.2 GW and under construction of 1.4 GW, proven development capabilities and a global pipeline of development assets. Aker Horizons is targeting both organic and inorganic growth for Mainstream, and since the acquisition was announced on 19 January, the pipeline has increased by nearly 2 GW, giving a total project portfolio including development pipeline of about 13.4 GW.

Kristian Røkke, CEO of Aker Horizons, was appointed chairman of Mainstream Renewable Power in May.

In June, Mainstream 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 and is expected to reach financial close in 2022.

In June, Mainstream completed the final phase of the USD 1.8bn financing in Chile for the Andes Renovables platform. The wind and solar platform will have an installed capacity of 1.35 GW, showcasing Mainstream's industry-leading expertise in structuring hybrid projects to meet commitments to deliver firm power at scale over a 20-year period.

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

Key figures

Amounts in NOK billion	1H 2021
Investment value	7.7
Aker Horizons ownership (percent)	75
Employees and contractors	449

Sunrise Portfolio

The Sunrise portfolio consists of Aker Horizons' investments in Rainpower, SuperNode and REC Silicon. Aker Horizons acquired the hydropower technology company Rainpower to build a next generation technology company to optimize hydropower developments and operations. In June, Hege Brende was appointed Chief Executive Officer of Rainpower, taking over from 1 August. SuperNode, a superconducting technology company was acquired as part of the Mainstream transaction. Aker Horizons owns 49.99 percent of SuperNode. Aker Horizons further owns 24.7 percent of REC Silicon, a leading producer of advanced silicon materials listed on the Oslo Stock Exchange. In March, Kjell Inge Røkke, Aker ASA's main shareholder and a member of Aker Horizons' Board of Directors, was elected chairman of REC Silicon.

Aker Horizons ASA and holding companies

Combined income statement

for the period 1 January to 30 June

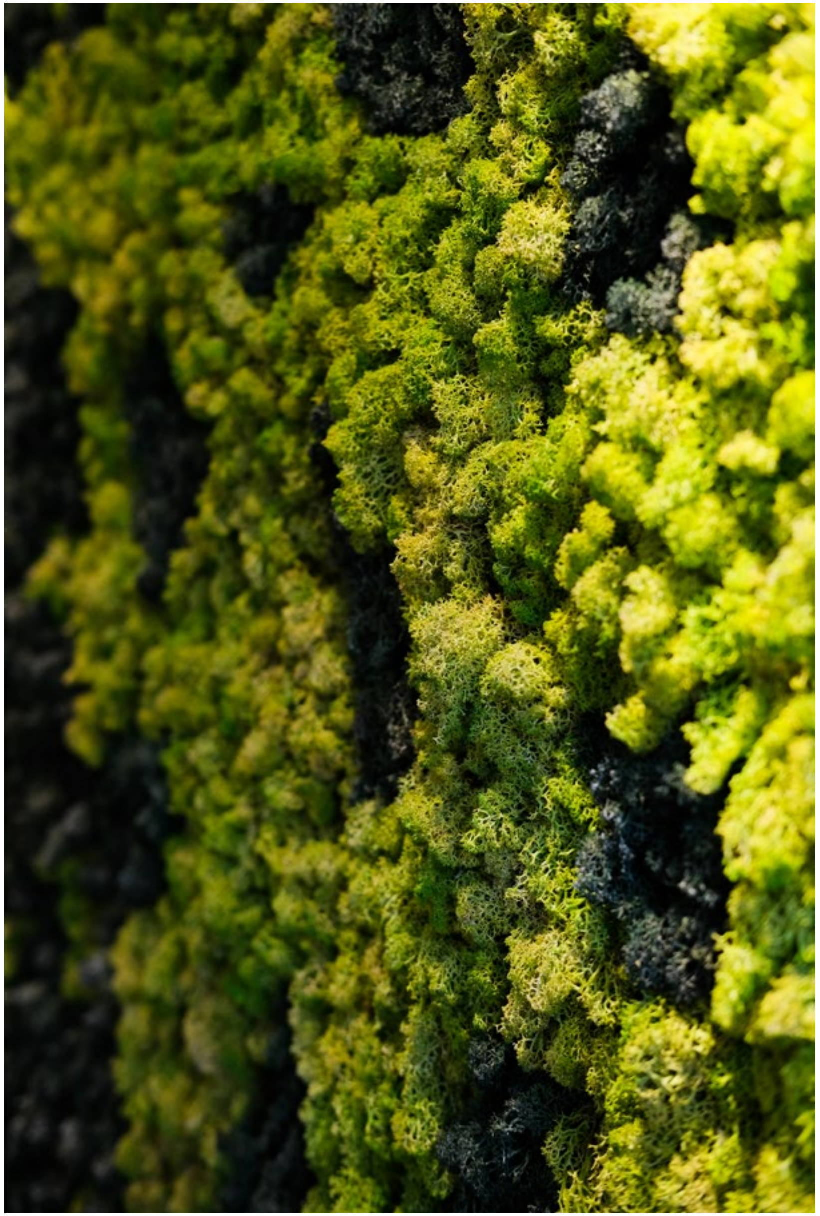
Amounts in NOK milllion	**1Q 21**	**2Q 21**	**1H 21**
Operating revenue	19	25	44
Operating expenses	(94)	(43)	(136)
EBITDA	(75)	(18)	(93)
Value change	2 136	(154)	1 982
Net other financial items	(184)	(102)	(285)
Profit (loss) before tax	**1 878**	**(273)**	**1 605**

The income statement for Aker Horizons ASA and holding companies shows a profit before tax of NOK 1,605 million for the first half year 2021. The income statement is mainly affected by value changes in share investments.

Operating loss in the first six months were NOK 93 million.

Value change in the first six months was positive by NOK 1,982 million and is mainly reflecting a net gain of NOK 3,824 million related to the transfer to Euronext Growth for Aker Clean Hydrogen in March 2021. The gain is partly offset by value decrease of shareholding in Aker Offshore Wind of NOK 1,704 million and Aker Carbon Capture of NOK 139 million.

Net other financial items in the first six months amounted to negative NOK 285 million. Net interest expenses measured at amortized costs was NOK 167 million and net foreign exchange losses amounted to NOK 148 million.



Aker Horizons ASA and holding companies

Combined balance sheet

for the period 1 January to 30 June

Amounts in NOK milllion	**31 March 2021**	**30 June 2021**
Interest-bearing assets	26	26
Investments[1]	13 742	21 347
Trade and other receivables	49	35
Cash	7 643	290
Assets	**21 459**	**21 698**
Equity	15 680	15 406
Interest-bearing debt	5 619	6 152
Non-interest bearing debt	161	139
Equity and liabilities	**21 459**	**21 698**
Net debt	2 024	(5 862)
Equity ratio (%)	73	71

1) Aker Horizons AS and holding companies prepares and presents its accounts in accordance with the Norwegian Act and generally accepted accounting principles (GAAP), to the extent applicable. Accordingly, exchange-listed shares owned by Aker Horizons and holding companies are recorded in the balance sheet at the lower of market value and cost price.

The total book value of assets was NOK 22 billion at the end of second quarter.

Investments includes mainly shareholdings in Aker Carbon Capture, Aker Offshore Wind, Aker Clean Hydrogen, REC Silicon and Rainpower in addition to Mainstream, which was acquired during the second quarter for a total consideration of NOK 7,711 million.

Aker Horizons' cash stood at NOK 290 million as of 30 June 2021.

Interest-bearing debt amounted to NOK 6,152 million and includes the following loans:

Amounts in NOK milllion	**31 March 2021**	**30 June 2021**
Green bond	2 500	2 500
Convertible bond[1]	1 168	1 194
Shareholder loan (Aker Capital AS)	2 000	2 000
RCF	-	560
Capitalized loan fees	(49)	(102)
Total interest-bearing debt	**5 619**	**6 152**

1) NOK 348 million recognized in equity at inception

The Aker Horizons Share

Shares in Aker Horizons started trading on Euronext Growth Oslo 1 February, following a private placement of new shares priced at NOK 35 per share. The share was transferred to the main list of the Oslo Stock Exchange on 21 May. The stock closed at NOK 28.54 at the end of 30 June, giving the company a market capitalization of NOK 16.6 billion. The number of issued shares in Aker Horizons ASA amounted to 580,750,658.

Group consolidated accounts

Aker Horizons' consolidated accounts are presented on page 13 onwards. Detailed information on revenues and pre-tax profit for each of Aker Horizons' operating segments is included in note 4.

Risks

Aker Horizons is a newly established company with limited operating history. Risks that may materialise in relation to a newly established Company with limited operating history, include, but are not limited to, implementation of systems, routines and/or other integration measures taking a longer time and/ or being costlier than anticipated. Furthermore, return calculations, budgets and accounting based on forecasts and assumptions change or vary over time and there can be no assurance that the actual results of the Company and its portfolio companies will be in line with the Company's current calculations and budgets.

- The Company may fail to execute, or change, its strategy. The Company has an ambition to grow and expand further beyond its current portfolio. The Company may, however, due to, inter alia, external factors or internal decisions, fail to execute or change its current strategy and pursue alternative strategies.
- The value of the Company's shareholdings and other investments is exposed to share price risks.
- The Company faces operational risks through the business of its portfolio companies. The Company's portfolio companies are currently involved in various industries, including but not limited to offshore wind, carbon capture, hydrogen, the solar industry, onshore wind and the hydropower technology industry. Activities in these industries, as well as potential future industries/ adjacencies within the Company's investment mandate, are often capital intensive and affected by cyclical variations and causes operational risks for the Company through its portfolio companies.
- As part of its business plan, the Company may, from time to time, acquire other businesses or divest some of its businesses. Acquisition and divestment activities are attached with risk of lack of intended synergies, integration risks and costs, and risk of other losses.
- Future earnings of the Company depend on the profitability and development of the Company's portfolio companies. Future earnings of the Company depend on the earnings of its portfolio companies being distributed to the Company and/or on the potential realisation of any ownership interests in the portfolio companies. There is also a risk that the portfolio companies from time to time may need to enter into financing arrangements whereby its possibility to distribute any dividend may be restricted.
- The Company's ownership in its portfolio companies may be diluted if the Company does not participate or is not offered to participate on a pro rata basis or at all, in future equity raises in the companies.
- The Group is subject to risks relating to changes in laws and regulations and is dependent on licenses, permits and approvals to operate. Furthermore, several of the Company's portfolio companies are (to a various degree) expected to be dependent on support schemes and regulatory incentives which may not always be available.
- The Company's portfolio companies' projects and prospects are capital intensive, and the portfolio companies (and consequently the Company) may need to raise additional funding to finance their projects. Furthermore, the Company and its portfolio companies are parties to financing arrangements and may in the future take on debt which in turn could limit its cash flow and operational flexibility.

Outlook

Renewable energy and green tech are at the centre of the transition to a less carbon-intensive and more sustainable energy system. The transition is driven by a rising number of investors, companies and governments pledging Net Zero ambitions – which are essential to reach the Paris agreement 1.5-degree target. Investments in clean energy and energy efficiency are set to reach a record USD 750 billion in 2021, but there is a need to triple investments to achieve a 1.5-degree stabilisation.

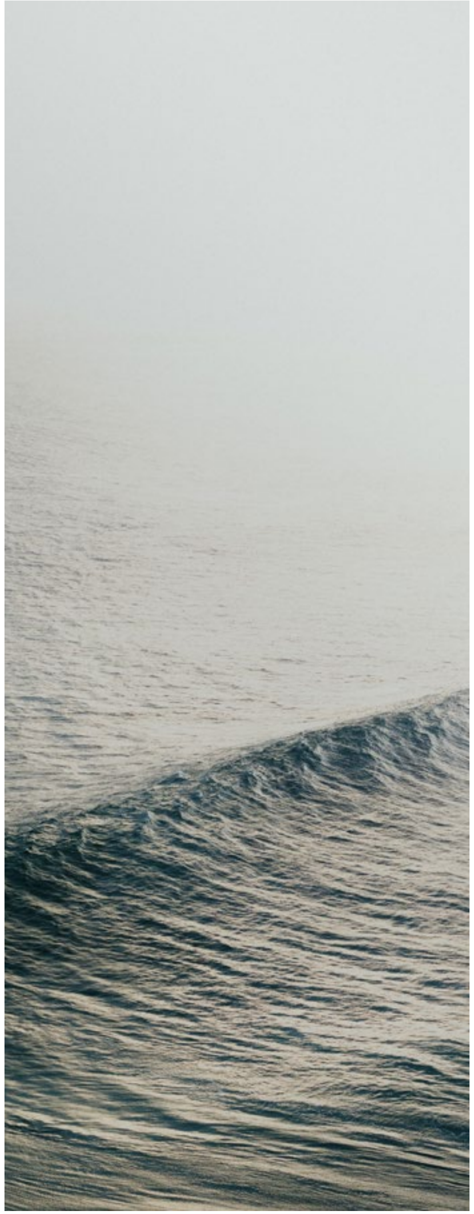
The Interntional Energy Agency's flagship Net Zero by 2050 report, released in May 2021, stipulates that solar and wind energy will have to become the leading sources of electricity generation by 2030 and reach 70 percent market share in global power generation by 2050, to reach the 1.5 degree target. Global energy sector investments will have to increase from 2.3 trillion USD annually to 5 trillion USD annually by 2030 in order to reach the climate targets.

Carbon pricing is an efficient method for promoting deployment of clean industrial solutions like CCUS and green and blue hydrogen. The cost of emitting CO_2 continued to rise throughout the first half of the year, as exemplified by the European ETS quota prices, which reached record highs above 55 euros per tonne CO_2. 25 percent of global emissions are now covered by a carbon pricing mechanism, up from only 5 percent 10 years ago. Both the volume covered, and the price of emissions are expected to increase over the coming decade.

The EU Sustainable Finance package, including the EU Taxonomy regulation, the Sustainable Finance Disclosure Regulation and the Corporate Sustainability Reporting Directive, is expected to be a driving force for sustainable business development and steering sustainable capital flows going forward. Clarifications to the EU Taxonomy are expected in the second half of the year, which are likely to impact the financing cost for many sectors and industries.

The EU's ''Fit for 55'' package this summer and the UN COP 26 event in November 2021 are both expected to reveal more aggressive roadmaps for decarbonization, where carbon prices, support mechanisms and financing initiatives are expected to be included as means to reach desired targets.

Thus, the long-term megatrends that drive investments in renewable energy and decarbonization technologies, are expected to continue. In the near to medium term, both relevant industrial segments and capital markets may experience volatility. However, Aker Horizons is well positioned to take advantage of long-term trends and near-term opportunities through its portfolio of companies. The strength of a diversified platform approach to solve the complexity of industrial decarbonization has become increasingly evident in the past two quarters and Aker Horizons aim to further build on this to achieve the 2025 targets for investments, renewable energy generation and CO_2 removal.



NAV table

Amounts in NOK milllion	No. shares	Share price	Market Cap	AH % ownership	AH Value	Per AH share
Aker Carbon Capture	566.1	19.80	11,205	51.0%	5,714	9.8
Aker Clean Hydrogen	687.8	8.14	5,598	77.2%	4,325	7.4
Aker Offshore WInd	678.7	5.52	3,747	51.0%	1,911	3.3
REC Silicon	372.4	18.79	6,998	24.7%	1,729	3.0
Listed assets			**27,548**		**13,679**	**23.6**
Non-listed assets			**Book Value**	**AH % ownership**	**AH Value**	**Per AH share**
Mainstream			10,282	75.0%	7,711	13.3
Other					156	0.3
Unlisted assets					**7,868**	**13.5**
Cash, cash equivalents and receivables					351	0.6
GAV					**21,897**	**37.7**
Liabilities					(6,291)	(10.8)
NAV					**15,606**	**26.9**

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 2021 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 2021 financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting.
- The half-year 2021 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 2021 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, 13 July 2021
Board of Directors and CEO of Aker Horizons ASA

Øyvind Eriksen
Chairman

Kjell Inge Røkke

Lise Kingo

Lone Fønss Schrøder

Kristian M. Røkke
Chief Executive Officer

Condensed consolidated accounts and notes

Aker Horizons group

Condensed consolidated income statement

for the period 1 January to 30 June

Amounts in NOK milllion	*Note*	**1H 2021**
Revenues	4	217
Operating expenses		(844)
Operating profit (loss) before depreciation and amortisation		**(627)**
Depreciation and amortisation		(16)
Operating profit (loss)		**(643)**
Financial income	5	9
Financial expenses	5	(359)
Share of profit (loss) equity accounted investees	8	(82)
Profit (loss) before tax		**(1 074)**
Tax benefit (expense)		(1)
Profit (loss) for the period		**(1 075)**
Attributable to:		
Share of profit (loss) non-controlling interest		(170)
Equity holders of parent company		(905)
Profit (loss) for the period		**(1 075)**
Average number of shares outstanding		515 481 419
Basic earnings (loss) per share		(2.09)
Diluted earnings (loss) per share		(1.90)

Aker Horizons group

Condensed consolidated statement of other comprehensive income

for the period 1 January to 30 June

Amounts in NOK milllion	*Note*	**1H 2021**
Profit (loss) for the period		**(1 075)**
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences		213
Cash flow hedge, change in fair value, net of tax		9
Share of OCI from equity-accounted investees	8	(1)
Other comprehensive income (loss)		**220**
Total comprehensive income (loss)		**(855)**
Comprehensive income for the period attributable to:		
Non-controlling interests		(121)
Equity holders of parent company		(733)
Total comprehensive income (loss)		**(855)**

Aker Horizons group

Condensed consolidated balance sheet

for the period 1 January to 30 June

Amounts in NOK milllion	*Note*	30 June 2021	31 December 2020
ASSETS			
Non-current assets			
Goodwill	6	5 315	-
Intangible assets	6	84	4
Right-of-use assets	12	621	38
Property plant and equipment	7	11 085	3
Deferred tax assets		2	-
Equity-accounted investees	8	1 368	364
Other investments		79	-
Total non-current assets		**18 554**	**409**
Current assets			
Interest-bearing receivables		26	25
Inventories		356	-
Trade and other receivables		1 511	18
Restricted cash	10	1 505	-
Cash and cash equivalents		5 933	943
Total current assets		**9 330**	**986**
Total assets		**27 884**	**1 394**

Amounts in NOK milllion	*Note*	30 June 2021	31 December 2021
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of parent company	9	4 913	(450)
Hybrid capital		16	-
Non-controlling interest		3 588	513
Total equity		**8 517**	**63**
Non-current liabilities			
Pension liabilities		8	5
Borrowings, external	11	12 779	-
Borrowings, related party	11	1 992	1 000
Lease liabilities	12	586	28
Other financial liabilities		175	-
Deferred tax liability		407	-
Total non-current liabilities		**15 947**	**1 034**
Current liabilities			
Borrowings, external	11	125	184
Lease liabilities	12	50	12
Trade and other payables		3 245	101
Total current liabilities		**3 420**	**297**
Total equity and liabilities		**27 884**	**1 394**

Aker Horizons group

Condensed consolidated cash flow statement

for the period 1 January to 30 June

Amounts in NOK milllion	*Note*	**1H 2021**
Profit before tax		(1 074)
Adjustment for:		
Depreciation and amortisation	6,7,12	16
Share of profit (loss) equity-accounted investees	8	82
Financial items with no cash effect		181
Other items and changes in other operating assets and liabilities		357
Cash flow from operating activities		**(439)**
Investments in property, plant and equipment	7	(904)
Investments in intangible assets	6	(1)
Acquisition of subsidiary, net of cash acquired	3	(4 753)
Payments for equity-accounted investees	8	(63)
Other investments		(80)
Decrease in restricted cash	10	454
Cash flow from investing activities		**(5 348)**
Payment of lease liabilities	12	(16)
Proceeds from borrowings and convertible bonds, net of transaction costs	11	4 605
Repayment of borrowings	11	(409)
Proceeds from issue of share capital, net of transaction costs	9	4 424
Proceeds from private placement, net of transaction costs	3	2 446
Proceeds sale of non-controlling interest		18
Cash flow from financing activities		**11 067**
Net cash flow in the period		**5 281**
Effect of changes in exchange rates on cash		(291)
Cash and cash equivalent at the beginning of the period [1]		943
Cash and cash equivalent at the end of the period		**5 933**

1) Cash and cash equivalent at the beginning of the period from combined carve-out financial statements, see note 2.

Aker Horizons group

Condensed consolidated statement of changes in equity

for the period 1 January to 30 June

Amounts in NOK milllion	Share capital	Other paid-in capital	Retained earnings	Other equity [4]	Cash flow hedge reserve	Currency translation reserve	Equity attributable to parent company	Hybrid capital [3]	Non-controlling interests	Total equity
Opening balance 1 January 2021 [1]	-	-	(427)	-	-	(23)	**(450)**	-	513	**63**
Total other comprehensive income	-	-	(905)	-	6	166	**(733)**	-	(121)	**(855)**
Increase equity, net of transaction costs	581	12 815	-	(8 972)	-	-	**4 424**	-	3 160	**7 584**
Equity portion, convertible bond	-	-	-	348	-	-	**348**	-	-	**348**
Sale to non-controlling interests [5]	-	-	1 872	-	-	-	**1 872**	16	36	**1 924**
Continuity difference [2]	-	-	-	(547)	-	-	**(547)**	-	-	**(547)**
Equity as of 30 June 2021	**581**	**12 815**	**541**	**(9 172)**	**6**	**143**	**4 913**	**16**	**3 588**	**8 517**

1) Aker Horizons ASA was incoporated on 1 November 2020 with a share capital of NOK 30,000. The table shows equity at the beginning of the period from the consolidated financial statements of Aker Horizons Holding AS group, see note 1 and 2.

2) The continuity difference represents the continuity effects from the transfer of 24.7% shareholding in REC Silicon ASA from Aker Capital AS. Book value of these shares in Aker Capital AS was NOK 256 million and seller's credit amounted to NOK 803 million. See note 3 for more information on accounting for the internal reorganisation.

3) Hybrid capital from Rainpower transacton, see note 3 and 9 for more information.

4) Other equity includes negative NOK 8,972 million representing the difference between fair value and book value of assets transferred as contribution-in-kind in an internal reorganisation. See note 3 for more information. Other equity also includes NOK 348 million related to equity component of a convertible bond issue, see note 11 for more information.

5) Gain relates to private placement in Aker Clean Hydrogen, see note 3 for more information.

Note 1 - General information

Aker Horizons ASA (the Company) 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, and 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. The largest shareholder is Aker Capital AS and the ultimate parent company is The Resource Group TRG AS.

Aker Horizons ASA, previously named Aker Horizons AS and AH TI AS, was incorporated on 1 November 2021 and became the parent of the consolidated group through an internal reorganisation (see note 3 for further information) in the Aker ASA group on 19 January 2021.

The condensed interim consolidated financial statements of Aker Horizons ASA and its subsidiaries are collectively referred as Aker Horizons or the Group, and separately as group companies. Comparative figures are consolidated figures of Aker Horizons Holding AS group prior to the establishment of the Aker Horizons ASA group. Information on the group's principal subsidiaries is provided in Note 15 Group companies.

Aker Horizons ASA 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 developer, a carbon capture specialist delivering proprietary CCS technology and plants, an independent renewable energy player with a global portfolio of assets across solar, onshore and offshore wind and a company dedicated to developing, building, owning and operating clean hydrogen production at industrial scale globally.

Note 2 - Basis of preparation

First-time Consolidated Financial Statements and Statement of Compliance

Aker Horizons' half-year financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and are unaudited. The first-time consolidated half-year financial statements have been prepared in accordance with IFRS 1, First-Time Adoption of International Financial Reporting Standards, for the reporting period ended 30 June 2021.

Special purpose carve-out combined financial statements were prepared for the Aker Horizons group in line with International Financial Reporting Standards as adopted by the European Union (IFRS (EU)) for the years ended 31 December 2020, 2019 and 2018 prepared in conjunction with the listing on the Oslo Stock Exchange, published on 21 May 2021. The accounting principles used in the half-year financial statements are consistent with those used in the carve-out combined financial statements, except as described below. As the half-year financial statements do not include all the information and disclosures required in the annual report, they should be read in conjunction with the 2020 carve-out combined financial statements, available at www.akerhorizons.com.

As the Group has acquired Mainstream Reneweable Power Ltd and Rainpower Holding AS during first half of 2021, significant accounting principles related to these two companies have been included in this report. See note 3 for more information about these acquisitions.

Opening balances and comparable figures

The Aker Horizons ASA group was created on 19 January 2021. Comparative figures are consolidated figures of Aker Horizons Holding group prior to the establishment of the Aker Horizons ASA group. Aker Horizons Holding AS group was established on 22 December 2020. Accordingly, there are no comparable half-year figures to present in this report.

Basis of Consolidation

The consolidated condensed half-year financial statements comprise the parent company Aker Horizons ASA and its subsidiaries. Intra-group balances and transactions, and any unrealized gains and losses or income and expenses arising from intra-group transactions, are eliminated in the consolidated financial statements.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date of which control ceases.

Business combinations

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 generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment.

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 consideration payable is measured at fair value at the acquisition date.

Non-controlling interests

Non-controlling interests are measured initially at their fair value at the date of acquisition. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Foreign operations

Foreign currency translation

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

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

Foreign operations

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 at the reporting date. The income and expenses of foreign operations are translated into the presentation currency of the group at the exchange rates at the dates of transactions.

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

Earnings per share

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.

Cash and cash equivalents

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 are 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 to the Company for immediate or general business use.

Power generation assets
Development and construction assets, which the group intends to dispose of prior to their commercial operation date, are held in inventory. Construction assets which the Group intends to hold after commercial operation date, are included in Property, Plant and Equipment under construction.

The Group begins to capitalise costs related to a project when it secures the initial land required.

Inventories are stated at the lower of cost and net realisable value. Net realisable 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 labour costs and other directly attributable costs, including borrowing costs. Overheads of local offices are capitalised to projects where those offices solely support development activities in that region. Head office costs are also capitalised where they are directly attributable to projects. These are capitalised on a time-based allocation of staff working directly on projects and incidental costs as they incur.

Depreciation of power generation assets starts when commercial operations begin and useful life is estimated to 25 years.

Financial liabilities
The Group's financial liabilities include trade and other payables, loans and interest-bearing borrowings and derivative financial instruments.

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are measured at amortised 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.

Derivative financial instruments and hedge accounting
The Group uses derivative financial instruments, such as interest rate swaps, to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Any gains or losses arising from changes in the fair value of derivatives are recognised in the Income Statement, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

Compound instruments
On initial recognition of a compound instrument, the Group identifies the various components of the instrument; determines the fair value of the liability components, and determines the equity component as a residual amount.

The fair value of the liability component is the present value of the contractually determined stream of future cash flows discounted at the rate of interest applied by the market to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the other components. Thereafter, it is measured at amortised cost using the effective interest rate method until redemption.

The remainder of the proceeds on issue is allocated to the equity component. The carrying amount of the equity component is not re-measured in subsequent years.

Judgments and estimates
The preparation of the half-year financial statements in conformity with IAS 34 Interim Financial Reporting requires management to make judgments, estimates and assumptions each reporting period that affect the income statement and balance sheet. The accounting estimates will by definition seldom precisely match actual results. The judgments and estimates are based on historical experience or other factors, including expectations of future events that are believed to be reasonable under the circumstances. Changes to accounting estimates are recognised in the period in which the estimate is revised and any subsequent periods the change relates to.

In preparing these half-year financial statements, significant judgments made by management in applying the Group's accounting policies and the key sources of uncertainty in the estimates, in addition to those described in the 2020 carve-out combined financial statement available on www.akershorizons.com, are discussed below.

Key accounting judgements

Classification of financial instruments

The Group reviews all financial instruments to which it is a party and considers, based on a number of criteria, whether or not the instrument should be classified as debt or equity. One key criterion in relation to this judgement is whether the Group has an obligation to pay dividends to the investing party. See note 11 for more information about convertible bonds.

Determination of subsidiaries, joint ventures or associates

The Group assesses the treatment of all related party companies to ensure that these companies still meet the definition of a subsidiary, joint venture or associate in accordance with IFRS 10, 11 and 12. This includes assessing shareholdings, board memberships, voting rights and reviewing special resolutions in place.

Key estimates and assumptions

Fair value measurement of contingent consideration payable and receivable
Contingent consideration payable or receivable is measured at fair value at the date at which it becomes contractually payable or receivable on completion of certain future contingent events. At each reporting date the asset or liability is subsequently measured at fair value. The determination of the fair value of contingent consideration payable is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor which includes own credit risk. Contingent consideration receivable is measured on the same basis. See note 3 for more information about the contigent consideration payable related to the acqusition of Mainstreams.

Fair value of convertible bond

The fair value of convertible bonds is mainly estimated considering prevailing market interest rate for similar bonds without conversion options.

Note 3 - Significant transactions in the period

Aker Carbon Capture, Aker Offshore Wind and REC Silicon

On 19 January 2021, in connection with, and as a result of an internal reorganisation, Aker Capital AS transferred at fair value its 100% shareholding in Aker Horizons Holding AS as well as its 24.7% shareholding in REC Silicon ASA to the Company. The transfer was structured partly as a contribution-in-kind and partly as a seller's credit of NOK 803 million. Aker Horizons Holding AS' main assets at the time of the reorganisation were 51% 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 booked as a common control transaction out of scope from 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 booked as continuity difference towards 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 continuity difference in 2021 as it relates to the seller's credit that was established under the internal organisation 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 13 Related party transactions).

Rainpower Holding AS (Rainpower)

Rainpower was acquired 26 March 2021 for a cash consideration of NOK 8.5 million. Rainpower offers proprietary technologies for integrated products and services to the hydropower industry worldwide.

In connection with this acquisition, existing debt in Rainpower has been refinanced and replaced with a subordinated perpetual equity linked loan agreement, assessed as hybrid capital with fair value NOK 16 million, see note 9 for more information. A preliminary purchase price allocation shows an allocation of excess values of NOK 107 million to goodwill and NOK 52 million to customer relationship. Transaction costs related to the Rainpower transaction of NOK 8 million have been recognised as operating expenses.

Mainstream Renewable Power Ltd (Mainstream)

On 11 May 2021 Aker Horizons acquired 75% of the shares in Mainstream. Mainstream is a leading independent renewable energy player with a global footprint and a proven track record across renewable power industries.

The cash consideration for the 75% stake in Mainstream was EUR 640 million. In addition, EUR 109 million has been transferred to Mainstream as a capital increase in the company.

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 based on MWs awarded as an amount per MW and capped at EUR 100 million. If successful, Aker Horizons will pay according to its ownership percentage, currently at 75%. The contingent consideration payable by Aker Horizons has been valued to EUR 12 million in the preliminary purchase price allocation. Transaction costs related to the Mainstream transaction of NOK 202 million have been recognised as operating expenses, of which NOK 92 million is stamp-duty.

A preliminary purchase price allocation has been performed. The table below summarises the preliminary recognised amounts of assets acquired and liabilities assumed at the date of acquisition. Pending completion of the purchase price allocation, the fair values allocated to PPE and equity-accounted investees have been measured on a provisional basis.

The goodwill resulting from the acquisitions is mainly attributable to Mainstream's development pipeline combined with its global organisation. There is also an expectation that Mainstream will have synergies, collaboration and development projects with several other companies in the Aker Horizons portfolio. None of the goodwill recognised is expected to be deductible for tax purposes.

Identified assets acquired and liabilities assumed related to Mainstream acquisition

Amounts in NOK milllion	
Assets	
Non-current assets (Including PPE, IA and ROU assets)	10 770
Trade and other receivables [1]	1 358
Restricted cash	1 935
Cash and cash equivalents	1 659
Total assets	**15 722**
Liabilities	
Deferred tax	396
Borrowings	8 789
Other non-current liabilities	530
Trade and other payables	2 027
Total liabilities	**11 742**
Net identifiable assets	**3 980**
Goodwill	5 137
Non-controlling interest (NCI) [2]	2 577
Total consideration for 75% of the shares	**6 541**
Of which cash	6 416
Cash acquired	1 659
Cash outflow	**4 757**

1) The trade receivables comprise gross contractual amounts due of NOK 1,063 million of which nil was expected to be uncollectable at the date of acquisition.

2) The fair value of NCI is determined as 25% of the fair value of Mainstream plus 25% of the fair value of the capital increase made by Aker Horizons as part of the transaction.

For the period between the date of acquisition and 30 June 2021, Mainstream contributed NOK 1 million to Aker Horizons' revenues and negative NOK 85 million to profit before tax. If the business combination had taken place at the beginning of the year, the Group's revenues would have been NOK 217 million and profit before tax for the Group would have been negative NOK 1,417 million.

SuperNode Limited (SuperNode)

As part of the Mainstream transaction, the Company, through its subsidiary SuperNode Holding AS, assumed 49.99% indirect ownership in SuperNode, being an associated company for the group. The consideration for acquiring 49.99% of SuperNode was EUR 1.25 million. In addition, EUR 3.5 million has been transferred to SuperNode as a capital increase in the company.

SuperNode is developing SuperGrid enabling technology, in particular a proprietary technology for superconducting cable systems for bulk power transfer.

Aker Clean Hydrogen

Aker Clean Hydrogen, incorporated in February 2021, is a subsidiary of the company, and was established as a pure play industrial clean hydrogen developer and operator with the purpose of accelerating global decarbonisation. Aker Clean Hydrogen shares became available for trading on Euronext Growth in March 2021 and raised new equity through a private placement with net proceeds of NOK 2,935 million. Aker Horizons participated in the private placement with NOK 500 million and holds 77% of Aker Clean Hydrogen following the private placement. A gain of NOK 1,819 million was recognised in equity related to the transaction.

Note 4 - Operating segments

Reportable segments are components of the Group regularly reviewed by the chief operating decision maker to assess performance and to allocate resources. The Group's CEO (Chief Executive Officer) is the chief decision maker at Aker Horizons. Transactions between the segments are eliminated upon consolidation.

Reportable segments in Aker Horizons:

- **Aker Offshore Wind (AOW)** sources, develops and structures offshore wind projects, primarily focused on deepwater projects
- **Aker Carbon Capture (ACC)** offers products, technology and solutions within the field of carbon capture, utilisation and storage ("CCUS")
- **Aker Clean Hydrogen (ACH)** is dedicated to developing, building, owning and operating clean hydrogen production at industrial scale globally
- **Rainpower** offers proprietary technologies for integrated products and services to the hydropower industry worldwide
- **Mainstream** is global renewable energy developer that develops, builds and operates wind and solar power plants
- **Other** includes unallocated corporate costs and management services as well as the share of profit (loss) in the equity-accounted investees REC Silicon and SuperNode

Amounts in NOK milllion	*Note*	ACC	ACH	AOW	Mainstream [1]	Rainpower	Other [1, 2]	Eliminations [1,2]	Total
Income statement									
Total segment revenue		133	1	2	4	76	2	-	217
Inter-segment revenue		-	-	-	-	-	42	(42)	-
Revenue from external contracts		133	1	2	4	76	44	(42)	217
Operating profit (loss) before depreciation, amortisation and impairment (EBITDA)		(70)	(59)	(118)	(155)	(22)	(93)	(109)	(627)
Operating profit (loss) (EBIT)		(73)	(60)	(121)	(159)	(28)	(93)	(111)	(643)
Share of profit (loss) equity accounted investees	7	-	-	(36)	(7)	-	-	(38)	(82)
Net financial items		-	1	-	(10)	(2)	1 697	(2 036)	(350)
Profit (loss) before tax		(72)	(60)	(157)	(176)	(29)	1,604	(2,185)	(1,074)

1) Mainstream includes NOK 92 million (stamp-duty) and "Eliminations" includes NOK 110 million in transaction costs related to the acquisition of Mainstream. "Other" includes NOK 8 million in transaction costs related to the acquistion of Rainpower. See note 3 for more information.

2) Net financial items in Other and Elimination reflects share value changes reported in Aker Horizons ASA and holding companies, which are eliminated in the consolidated account

Amounts in NOK milllion	*Note*	ACC	ACH	AOW	Mainstream	Rainpower	Other	Eliminations	Total
Assets and liabilities									
Non-current assets		18	94	393	17 516	262	21 348	(21 077)	18 554
Current assets		792	2 833	404	4 814	161	351	(24)	9 330
- of which restricted cash	16	-	-	-	1 505	-	-	-	1 505
Non-current liabilities		9	5	10	9 668	99	6 152	4	15 947
Current liabilties		421	47	89	2 508	237	139	(21)	3 420
Net current operating assets (liabilities)		(176)	(38)	(69)	(924)	(66)	(105)	-	(1 378)
Net cash (debt)		552	2,828	389	5,340	(25)	(5,862)	-	(7,458)

Amounts in NOK milllion	*Note*	ACC	ACH	AOW	Mainstream[1]	Rainpower	Other[1]	Eliminations[1]	Total
Disaggregation of revenue from contracts with customers									
Revenue from contracts with customers recognised over time		133	1	2	3	70	44	(42)	210
Revenue from contracts with customers recognised at point in time		-	-	-	-	7	-	-	7
Other income		-	-	-	1	-	-	-	1
Total		**133**	**1**	**2**	**4**	**76**	**44**	**(42)**	**217**

1) Mainstream includes NOK 92 million (stamp-duty) and "Eliminations" includes NOK 110 million in transaction costs related to the acquisition of Mainstream. "Other" includes NOK 8 million in transaction costs related to the acquistion of Rainpower. See note 3 for more information.

Note 5 - Financial income and expenses

Amounts in NOK milllion	**30 June 2021**
Interest income	8
Interest expense on financial liabilities measured at amortised cost	(169)
Net foreign exchange gain (loss)	(154)
Interest expense on lease liabilities	(5)
Other financial income	9
Other financial expense	(39)
Net financial expenses recognised in profit and loss	**(350)**

Note 6 - Intangible assets

Amounts in NOK milllion	*Note*	**Goodwill**	**Capitalised development**	**Other intangible**	**Total**
Balance as of 1 January 2021		-	4	-	4
Additions		-	1	-	1
Acquisition of subsidiaries	3	5 244	27	52	5 323
Amortisations		-	(1)	-	(1)
Currency translation differences		71	-	-	71
Balance as of 30 June 2021		**5 315**	**31**	**52**	**5 398**

Goodwill relates to Mainstream and Rainpower, both acquired in the first half year of 2021, and other intangible assets relate to the estimated value of customer relationships in Rainpower. Both purchase price allocations are provisional. See note 3 for more information.

Note 7 - Property, plant and equipment

Amounts in NOK milllion	*Note*	**Machinery & equipment**	**Assets under construction**	**Total**
Balance as of 1 January 2021		3	-	3
Acquisition of subsidiaries	3	21	9 544	9 565
Additions		2	1 197	1 199
Depreciations		(3)	-	(3)
Currency translation differences and other changes		-	321	321
Balance as of 30 June 2021		**23**	**11 062**	**11 085**

Assets under construction

Assets under contstruction relate to Mainstream's project assets Condor and Huemul in Chile. The assets are expected to reach Commercial Operation Date in second half 2021 and 2022, respectively.

Note 8 - Equity-accounted investees

Joint ventures (JVs) are entities where the Company has joint control and rights to net assets. Associates are entities where the Company has significant influence, but not control or joint control (usually between twenty and fifty percent of voting power). Interests in associates and joint ventures are accounted for using the equity method. See below for the book value of equity-accounted investments.

Ownership [2]		47.1%	24.7%	33.8%	40.0%		
Classification		Associate	Associate	Associate	JV		
Amounts in NOK milllion	*Note*	**Principle Power Inc (AOW)** [3]	**REC Silicon ASA (AH)** [3]	**MRP Africa Holdings Limited (Mainstream)**	**Aquila (Mainstream)**	**Other**	**Total**
Balance as of 1 January 2021		364	-	-	-	-	364
Reclassification receivables						31	31
Investments		-	-	-	7	57	63
Acquisition of business	3			378	327	-	705
Transfer by contribution-in-kind	3		256				256
Share of profit (loss) [1]		(16)	(38)	(1)	(6)	(20)	(82)
Share of other comprehensive income		1	-	(1)	-	-	(1)
Currency translation differences		24	1	(3)	8	-	30
Balance as of 30 June 2021		**373**	**218**	**373**	**336**	**67**	**1 368**

1) REC Silicon releases 2Q 2021 results after Aker Horizons, and the 1H 2021 share of profit is based on an assumption that Q2 will be equal to Q1 2021.
2) Ownership percentage does not include ownership by non-controlling interest.
3) Further details on Principle Power Inc and REC Silicon ASA equity-accounted investees can be found in the combined carve-out financial statements as referred to in note 2.

Acquisition of Mainstream in 2021 has resulted in two significant equity-accounted investees, further described below.

MRP Africa Holdings Limited

Mainstream Renewable Power Africa Holdings Limited ("MRP Africa Holdings") is a holding company for Mainstream's investment in Lekela Power B.V. MRP Africa Holdings is recognised as an associate, of which Mainstream holds a 33.8% shareholding, resulting in an indirect shareholding of 14% 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 MRP Africa Holdings with Mainstream Offshore committing USD 60 million and the investors USD 117.5 million. This funding is committed exclusively to fund the administration of MRP Africa Holdings and its funding commitments to Lekela. As at 30 June 2021, total funding of USD 53.2 million has been issued. In the coming years MRP Africa Holdings will continue to invest the committed funds.

Aquila Renewable Limited and Liguria 1 Limited (Aquila)

In 2013, Mainstream entered an agreement with Actis, a private equity fund, to jointly construct a portfolio of wind and solar projects in Chile. Mainstream has a 40% shareholding in the joint venture structures; "Aquila Renewable Limited" and "Liguria 1 Limited", which are collectively described as Aela Energía. Subsequently, Mainstream sold its 90% subsidiary, AM Eolica Negrete SpA ("Negrete"), a 33MW wind farm under construction, to Aquila Renewable Limited. On completion of the sale of Negrete, Mainstream received a loan from its joint venture partner of USD 20 million, and the outstanding loan balance of USD 13.4 million. The loan is repayable from the disposal proceeds of the Mainstream interest in Aquila (Aela). However, under the terms of the loan and given the expected disposal proceeds, it is highly unlikely that the repayment of the loan would have negative economic impact on Mainstream as Mainstream's share of the disposal proceeds will not be impacted by the loan repayment.

During 2016, certain projects were sold to Aela Energía and revenue of EUR 3.9 million was deferred in relation to the gain on the sale of projects to the Aela joint venture, representing Mainstream's 40% shareholding in the Aela joint venture. Liguria 1 Limited had no capital commitments as at 30 June 2021. Aquila Renewable Limited had the following capital commitments as at 30 June 2021:

In 2017 a 'Collateral Agency, Security and Depositary Agreement' was signed, governing the flow of funds in relation to the $413.5 million Credit Agreement;
In 2017 an insurance guarantee was signed, in relation to the 2016/01 tender where Aela Generacion was awarded 80GWh. Mainstream has fully funded its construction equity obligations relating to the Aela project financing facilities and as such, has no further contractual commitments relating to the Aela project finance facilities.

Mainstream's interests in its principal joint ventures and associates were as follows:

Amounts in NOK milllion	33.8% **MP Africa Holdings Limited (Mainstream)**	40.0% **Aquila (Mainstream)**
Non Current Assets	626	4 643
Current Assets	11	400
Current Liabilities	(11)	(280)
Non Current Liabilities	-	(3 940)
Net Assets of Associate / JV	**626**	**823**
Investment in JV	**211**	**329**
Excess value	169	13
Deferred gain	0	33
Other consolidation adjustments	(7)	(39)
Carrying Value Associate / JV	**373**	**336**
Revenue [1]	18	201
Expenses [1]	(20)	(236)
Tax Expense [1]	(4)	(5)
Net profit (loss)	**(6)**	**(40)**
Share of net proft (loss)	**(2)**	**(16)**

1) Includes amounts from 1 January to 30 June 2021. Only amounts from 11 May 2021 are included in these consolidated financial statements.

Note 9 - Share capital and capital reserves

The Company holds no treasury shares. The share capital of Aker Horizons ASA is divided into 580 750 658 ordinary shares with a nominal value of NOK 1. All issued shares are fully paid.

Issues of ordinary shares during the half-year	
Shares at the beginning of the period	3 000
Issue of ordinary shares 19 January 2021	450 000 000
Issue of ordinary shares 31 January 2021	118 893 516
Issue of ordinary shares 17 February 2021	11 857 142
Ordinary shares at end of the period	**580 753 658**

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 12,185 million, net of transaction costs of NOK 138 million.

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 than its parent company 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 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 recapitalisation 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 instalments or scheduled maturity date.

As Rainpower has no contractual obligation to repay the loan, the Hybrid loan is assessed to not meet the requirements in 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 3 for more information.

Note 10 - Restricted cash

As of 30 June 2021, NOK 1,505 million of the Group's cash was restricted, the amount relates only to Mainstream. Of this amount around NOK 525 million is related to cash backing of certain guarantees provided on behalf of Mainstream. Around NOK 980 million is related to the Condor and Huemul projects, where the funding mechanism under the project financing facility is that drawdowns are disbursed into restricted cash and then utilised to pay for the Condor and Huemul project capex.

Note 11 - Borrowings

Overview of loans and borrowings

Amounts in NOK milllion	Maturity	Borrowing in currency	Currency	June 30, 2021[1]
Convertible loan - Aker Horizons ASA	2026	1 500	NOK	1 188
Shareholder loan - Aker Horizons ASA	2026	2 000	NOK	1 992
Green bond - Aker Horizons ASA	2025	2 500	NOK	2 470
Revolving Credit Facility - Aker Horizons ASA	2024	560	NOK	504
Facilities (Rainpower)	2026	33	NOK	33
Construction financing (Mainstream)	2038/2039	785	USD	6 351
AMP loan (Mainstream)	2025	250	USD	2 111
VAT loans (Mainstream)	2023/2024	15	USD	127
Other loans				120
Total borrowings				**14 896**
1) Net of transaction costs				
Current borrowings				124
Non-current borrowings				14 772
Total borrowings				**14 896**

Reconciliation of movements of loans and borrowings in the period

Amounts in NOK milllion	Non-current borrowings	Current borrowings	Total borrowings
Balance as of 1 January 2021	1 000	184	1 184
Cash changes			
Cash proceeds received from lenders[1]	4 605	-	4 605
Repayments to lenders	-	(409)	(409)
Non-cash changes			
Convertible bond, equity portion	(348)	-	(348)
Interest accrual	39	-	39
Amortisation of loan	3	-	3
Acquisition of business	8 300	533	8 834
Common control transaction[2]	987	(184)	803
Currency translation	185	-	185
Balance as of 30 June 2021	**14 772**	**124**	**14 896**

1) Net of transaction costs
2) This relates to the Shareholder loan from Aker Capital AS that was established as part of an interal reorganisation, see note 3 for more information

Revolving Credit Facility (RCF)

In April 2021, the Company signed a multicurrency revolving credit facility of EUR 400 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 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 of NOK 200 million. As of 30 June 2021, NOK 560 million was drawn.

Green bond

In February 2021, the Company signed an unsecured green bond issue in an amount of NOK 2,500 billion, with a tenor of 4 years, a bullet amortisation and carry an interest rate of 3M NIBOR + 3.25% margin. The terms of the green bond issue include customary financial covenants such as an incurrence based loan to value 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 unsecured convertible bonds in the amount of NOK 1,500 million with a tenor of 5 years, bullet amortisation and 1.5% 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% 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. Aker Capital AS underwrote the convertible bond issue in full, and was allocated NOK 1,200 million in the convertible bond issue.

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 recognised as equity.

Shareholder loan

27 January 2021, the Company entered into a subordinated loan agreement of NOK 2,000 million with Aker Capital AS (see note 3 Significant transactions and note 13 Related parties 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, of which NOK 28 million was drawn at 30 June 2021. The purpose of which is to provide financial support to Rainpower and certain of its subsidiaries.

In addition, Rainpower has an overdraft facility of NOK 30 million, of which NOK 5 million was drawn as of 30 June 2021.

Construction financing (Mainstream)

In October 2019, Mainstream entered into a project financing loan agreement for USD 548.4 million, of which was fully drawn at 30 June 2021. This loan will provide construction funding to finance a majority portion of Mainstream's commitment in the Condor projects and is payable quarterly. The loan accrues interest at 4.12% p.a. which is payable monthly. The remainder of the funding will be coming from the AMP mezzanine financing and as equity from Mainstream.

In August 2020, Mainstream entered into a project financing loan agreement for USD 542 million, of which USD 237 million was drawn down at 30 June 2021. This loan will provide construction funding to finance a majority portion of Mainstream's commitment in the Huemul projects, and is payable quarterly. The loan accrues interest at 4.06% p.a. which is payable monthly. The remainder of the funding will be coming from the AMP mezzanine loan and equity from Mainstream.

The construction financing loans 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.

In September 2020, Mainstream entered into a mezzanine financing loan agreement (AMP loan with Australian Mutual Provident "AMP Capital") for USD 250 million, of which USD 250 million was drawn down at 30 June 2021. This loan will provide funding to finance a portion of Mainstream's commitments in the Condor and Huemul projects. The loan accrues interest at 8.25% p.a. which is payable quarterly.

Other loans (Mainstream)

Other loans include a loan from a joint venture partner of EUR 10.9 million from 2014 which is repayable in 2021.

In November 2019, Mainstream Renewable Power entered into a Project Financing VAT loan agreement for USD 50 million, of which USD 14.9 million was drawn down at 30 June 2021. This loan will provide VAT funding to support Mainstream's commitment in the Condor projects.

Note 12 - Right-of-use assets and lease liabilities

Amounts in NOK milllion	Note	Land & buildings	Machinery & equipment	Total right-of-use assets	Lease liabilities
Balance as of 1 January 2021		38	-	38	41
Acquisitions of subsidiaries	3	571	3	574	611
Depreciations		(12)	-	(12)	-
Interest expense		-	-	-	5
Lease payments and interests		-	-	-	(17)
Currency translation differences and other changes		21	-	21	(4)
Balance as of 30 June 2021		**618**	**3**	**621**	**636**

The carrying amount of right-of-use assets increased with NOK 574 million in the period as a result of acquisitions of Mainstream (NOK 503 million) and Rainpower (NOK 71 million) in 2021 (see note 3 for more information). The majority of the right-of-use assets from Mainstram relates to seven land leases in Chile for the Condor and Huemul projects, expiring over a period from 22 to 34 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 13 months to 34 years
- Motor vehicles and other equipment 13 months to 5 years

Lease liabilities increased with NOK 611 million and relates to Mainstream (NOK 536 million) and Rainpower (NOK 75 million).

Note 13 - Related party transactions

All transactions with related parties have been carried out based on arm's length terms. For detailed description of related party transactions, please refer to note 20 in the 2020 carve-out combined financial statements.

Below is a summary of significant transactions and balances between Aker Horizons and related parties.

Amounts in NOK milllion	**Aker entities**	**Related parties to Aker**	**Associates and Joint Ventures**	**Joint Ventures**
Income statement				
Revenues	-	2	1	1
Operating expenses	(3)	(100)	-	-
Interest income	-	-	1	-
Interest expense	(54)	-	-	-
Balance sheet				
Trade and other receivables	-	2	107	-
Non-current borrowings	(1 992)	-	-	-
Non-current lease liabilities	-	(20)	-	-
Current lease liabilities	-	(17)	-	-
Trade and other payables	(64)	(33)	-	-

Aker Capital AS

As part of the the internal reorganisation, as described in note 3, 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 amortisation, and carries a 6.0% p.a. fixed interest. Under the Shareholder Loan, the Company has an option to elect to defer any interest payment (in whole or in part), at which 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 7.0 % 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. Book value of the loan as of 30 June 2021 is NOK 1,992 milllion, net of transaction costs. Accrued interest as of 30 June 2021 is included in Trade and other payables.

Note 14 - 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 condition, results of operations, liquidity, capital expenditure or capital resources.

The following items are not recognised in the Group's balance sheet:

Mainstream

In the ordinary course of business for a renewable energy developer, it is custom to provide certain guarantees and committments. 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 overview of significant guarantees and committments 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 5 banks, and the bond instruments issued from the TFF are fronted by Swiss Re as Issuing Institution. The TFF is used for the Andes portfolio of projects and guarantees Mainstream's equity portion of the projects. This TFF facility is a guarantee facility that will be utilised in the beginning of a project instead of equity and be replaced with Mainstream's equity towards the end of the construction phase. When released from the Condor projects, the TFF facility can be utilised for the Huemul projects and the Copihue project.

Land bonds Chile

Land Ministry Bonds to the total value of EUR 11.2 million are in issue, guaranteeing the performance of land agreements for ten Chilean projects in the Andes portfolio.

Grid bonds Chile

On being awarded a grid agreement for a Chilean project, bonds to the total value of EUR 2.3 million were issued.

Bid bonds and performance bonds Chile:

On being awarded bids in the Distribution Company (the counterparty to the PPAs with the Mainstream owned Andes Renovables supplying the eletricity) tender for seven Chilean projects, bid bonds and performance bonds to the total value of EUR 33.5 million were issued. The bid bonds are cash backed, currently with approx. EUR 2.8 million reported as restricted cash.

Other performance guarantees Chile:

The Company has issued several other performance guarantess, all issued in the normal course of business for a total of EUR 1.1 million.

Capital commitments - Condor portfolio main contracts

Turbine supply agreements, balance of plant agreements, transformer and grid connection agreements are in place to the value of EUR 11 million.

Capital commitments - Huemul portfolio main contracts:

Turbine supply agreements, balance of plant agreements, transformer and grid connection agreements are in place to the value of EUR 264 million.

Capital commitments - Copihue project main contracts:

Turbine supply agreements, balance of plant agreements, transformer and grid connection agreements are in place to the value of EUR 139 million.

Aker Carbon Capture

Aker Carbon Capture AS 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, the group has an obligation to ensure that it has sufficient cash or cash equivalents, whereby the total cash and cash equivalents held by the group shall be at least equal to 25% of any outstanding guarantees under the guarantee facility, and in any event, minimum NOK 100 million.

Note 15 - Group companies

The Group's first half year financial statements include the financial statements of Aker Horizons ASA and all of its subsidiaries, the principal ones of which are listed below. If not stated otherwise, ownership equals the percentage of voting shares.

Company	City/Country	Ownership
Company		
Aker Carbon Capture ASA [1]	Bærum, Norway	51%
Aker Carbon Capture Norway AS [1]	Bærum, Norway	51%
Aker Offshore Wind AS [1]	Bærum, Norway	51%
Aker Offshore Wind Operating Company AS [1]	Bærum, Norway	51%
Aker Clean Hydrogen AS	Bærum, Norway	77%
Aker Clean Hydrogen Operating Company AS [2]	Bærum, Norway	77%
Principal subsidiaries Rainpower [3]		
Rainpower Holding AS	Kjeller, Norway	100%
Rainpower Norge AS	Kjeller, Norway	100%
Hymatek Controls AS	Oslo, Norway	100%
Rainpower Kristinehamn AB	Kristinehamn, Sweren	100%
Principal subsidiaries Mainstream [3]		
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%
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%

1) Also included in Combined Carve-Out Financial Statements, see note 2
2) Dormant entity in Combined Carve-out Financial Statements. Renamed from AH TO AS
3) Acquired in 2021, see note 3 for more information

Note 16 - 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 has put in place a set of policies and procedures to assist in the management of group financial risk. These procedures are to be approved and reviewed annually by the Board. These policies and procedures primarily cover foreign exchange risk, credit risk, liquidity risk and interest rate risk.

Aker Horizons' capital management policy are designed to ensure that the Group has sufficient financial flexibility, short-term and long-term, to maintain a strong capital base to retain investor, creditor and market confidence, to ensure financial flexibility for the seizure of opportunities as they arise, and to maintain a capital structure that minimises the company's cost of capital.

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 model of a 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 risk such as that of oil, steel and other metal or turbine components which can have an impact on the Group's business as part of its overall risk assessment.

Currency risk

The Group operates internationally and is exposed to currency risk on commercial transactions, recognised assets and liabilities and net investments in foreign operations. Commercial transactions and recognised assets and liabilities are subject to currency risk when payments are denominated in a currency other than the respective functional currency of the Group company. The Group's exposure to currency risk is primarily to EUR, USD and GBP, but also other currencies.

The Group manages its foreign exchange risk in accordance with the agreed policies. These principally focus on the Group's foreign currency requirements for 12 months and their level of certainty. When longer term foreign exchange risk can be measured with reasonable certainty (for example during the construction of a renewable energy asset), the Group will, subject to market conditions, enter into financial derivative agreements to hedge these potential cash flow exposures.

Credit risk

Credit risk is the risk of financial losses to the Group if customer or counterparty to financial investments/instruments fails to meet contractual obligations and arise principally from investment securities and receivables.

The Group holds a diversified portfolio of borrowings. The Group transacts with a variety of high credit rated financial institutions for the purpose of placing deposits. The Group's objective is to only trade with counterparties that have an investment grade rating.

The 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 is exposed to credit risk from its operating activities (primarily for other receivables) and from its financing activities, including deposits with banks and financial institutions.

The Group's maximum exposure to credit risk for the components of the Group Statement of Financial Position at 30 June 2021 is the carrying amount of its cash and cash equivalents, trade and other receivables and financial guarantees at that date. Outstanding customer and other receivables are regularly monitored. An impairment analysis is performed at each reporting date. The impairments analysis is based on; amounts due, contracts and agreements, days past due date and historical recoverability of customer. At 30 June 2021, there were no materially overdue receivables and as a result no impairment was deemed to be required.

Liquidity and interest rate 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.

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. The Group is exposed to interest rate risk from its financing activities. The Group minimises this risk by borrowing at a fixed rate of interest where possible. Where Group borrowings are at a floating rate of interest the Group manages future exposure to interest rate risk by using appropriate interest rate risk management methods.

Alternative Performance Measures (APM)

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 operations, financing and future prospects of the company. 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 amortisation, corresponding to "Operating profit before depreciation, amortisation 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 capitalisation.

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

Reconciliations

Net current operating assets (NCOA)

Amounts in NOK milllion	**30 June 2021**	**31 December 2020**
Trade and other receivables	1 511	18
Inventories	356	-
Trade and other payables	(3 245)	(101)
Net current operating assets (NCOA)	**(1 378)**	**(84)**

Net debt

Amounts in NOK milllion	**30 June 2021**	**31 December 2020**
Non-current borrowings	14 771	1 000
current borrowings	125	184
Gross debt	**14 896**	**1 184**
Restricted cash	(1 505)	-
Cash and cash equivalents	(5 933)	(943)
Total cash and cash equivalents	**(7 438)**	**(943)**
Net debt	**7 458**	**241**

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