AkerSolutions

Annual Report 2022

#PowerTheChange

www.akersolutions.com

Who we are

Aker Solutions delivers integrated solutions, products and services to the global energy industry. We enable low-carbon oil and gas production and develop renewable solutions to meet future energy needs.

By combining innovative digital solutions and predictable project execution we accelerate the transition to sustainable energy production.

Content

Key Figures

		2022	2021
ORDERS AND RESULTS			
Order backlog December 31	NOK mill	97,316	49,168
Order intake	NOK mill	88,238	40,466
Revenue	NOK mill	41,417	29,473
EBITDA	NOK mill	2,934	1,842
EBITDA margin	Percent	7.1	6.2
EBITDA ex. special items	NOK mill	3,022	1,871
EBITDA margin ex. special items	Percent	7.3	6.4
EBIT	NOK mill	1,857	693
EBIT margin	Percent	4.5	2.4
EBIT ex. special items	NOK mill	1,923	775
EBIT margin ex. special items	Percent	4.6	2.6
Net income	NOK mill	1,170	249
CASH FLOW			
Cash flow from operating activities	NOK mill	4,518	2,799
BALANCE SHEET			
Net interest-bearing debt	NOK mill	-5,147	-2,200
Equity ratio	Percent	27.9	27.2
Liquidity reserve	NOK mill	11,170	9,560
SHARE			
Share price December 31	NOK	37.4	23.4
Basic earnings per share	NOK	2.42	0.52
Basic earnings per share ex. special items	NOK	2.53	0.65
EMPLOYEES			
Total employees December 31	Own employees	15,395	15,012
HSSE			
Lost time incident frequency	Per million worked hours	0.11	0.34
Total recordable incident frequency	Per million worked hours	1.09	1.31
Sick-leave rate	Percentage of total working hours	3.59	3.17

88,238
ORDER INTAKE
NOK million

41,417
REVENUE
NOK million

2,934
EBITDA
NOK million

1,857
EBIT
NOK million

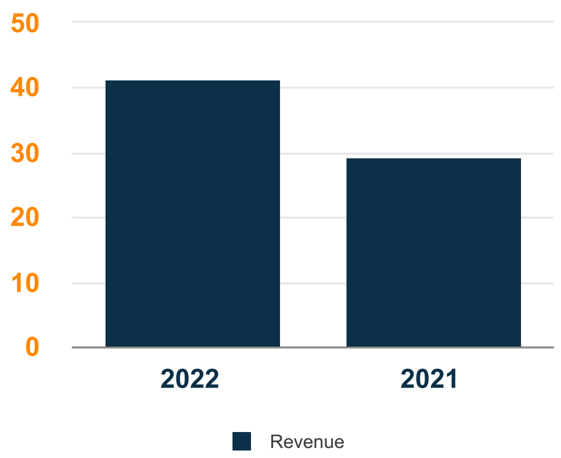
7.1
EBITDA MARGIN
Percent

4.5
EBIT MARGIN
Percent

Key Figures

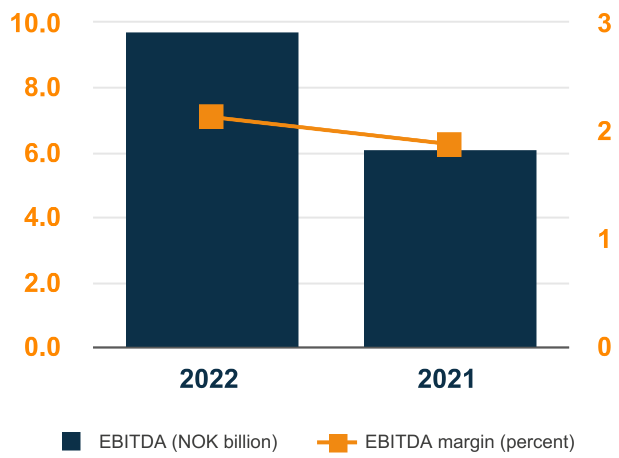
Revenue

Amounts in NOK billion



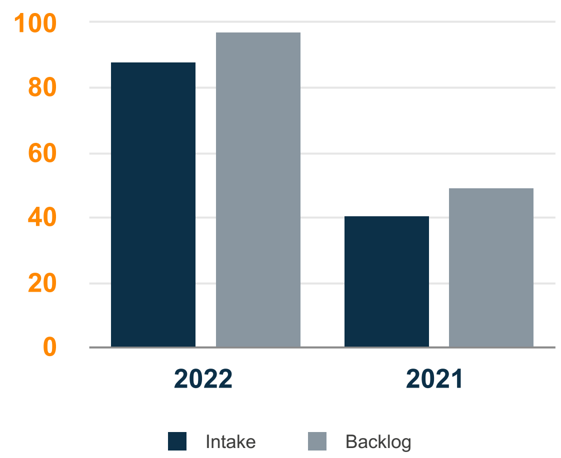
EBITDA and EBITDA margin

Amounts in NOK billion and percent



Order intake and backlog

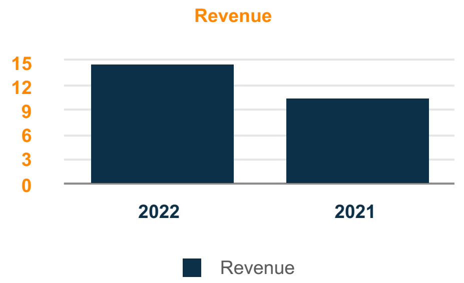
Amounts in NOK billion

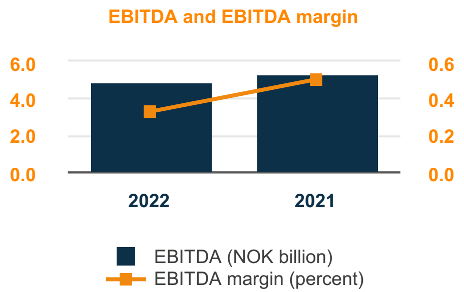


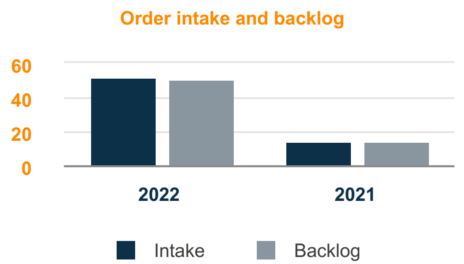
Segment Key Figures

Renewables and Field Development

Amounts in NOK billion and percent

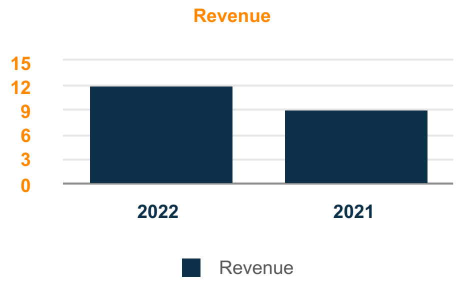


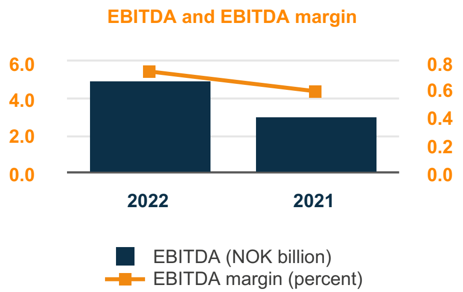


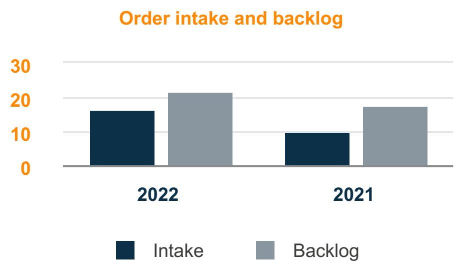


Electrification, Maintenance and Modifications

Amounts in NOK billion and percent

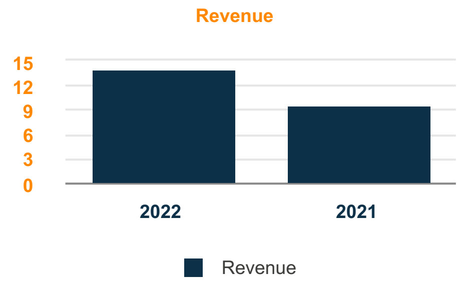


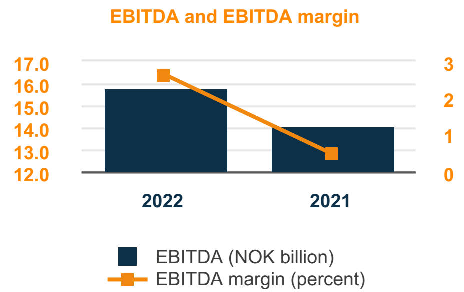


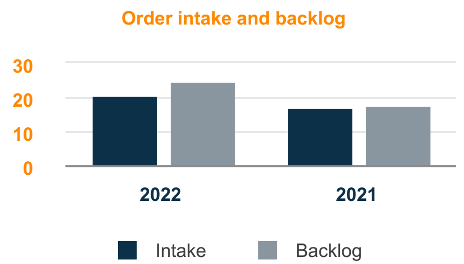


Subsea

Amounts in NOK billion and percent







Where We Are

Operations in more than 20 countries

Highlights

Record Order Intake and Backlog

In 2022, Aker Solutions won new orders worth a total of NOK 88.2 billion, equivalent to 2.1x book-to-bill, bringing the order backlog at year-end to NOK 97 billion, an increase from NOK 49 billion at the beginning of the year. Majority of the backlog consists of projects under the NCS activity package with low risk and upside potential through incentives.

High Tendering Activity

High FEED and tendering activity provide a solid foundation for Aker Solutions' growth targets. Despite the record high order intake in 4Q 2022, the company was tendering for approximately NOK 78 billion worth of contracts at year end. Early-phase engineering consultancy and Front-end work was in strong demand in 2022, and Aker Solutions won several FEED contracts that the company expects will convert to significant order intake in 2023 and onwards.

HSSE

Aker Solutions is committed to a goal of zero harm to people, assets and the environment. The cornerstone of this objective is a strong, structured and company-wide HSSE system, setting clear standards for HSSE management and leadership.

Organizational Development

During 2022, Aker Solutions has welcomed more than 3,000 new employees across its organization globally. In addition, the company has continued to develop and invest in competence development programs across its operation.

Strong Operational and Financial Performance

Revenues in 2022 increased by 41 percent from 2021, with EBITDA excluding special items increasing from NOK 1.9 billion to NOK 3.0 billion improving the EBITDA margin from 6.4 percent to 7.3 percent. The year has seen high activity levels across our business segments and geographical regions.

Transition Journey on Track

Aker Solutions has set an ambitious target of one third of revenues in 2025 to come from renewables and transitional solutions. In 2022, about 22 percent of the company's revenues came from projects within these markets. a growth from 15 percent in 2021 and 6 percent in 2020. This demonstrates that Aker Solutions is on-track with this target.

Collaboration

Aker Solutions is a firm believer in collaboration, both between suppliers, customers and other stakeholders. The majority of the backlog will be executed through the well proven Alliance model together with AkerBP and strategic partners. Working together in alliance models, aligning around common drivers, reducing the time to first energy production resulting in value creation for both customers, contractors and shareholders.

Sustainability and Climate Action Plan

In 2022, Aker Solutions moved from plans and ambitions to actions and outcomes within sustainability. The company improved its CDP score to A-, rolled out a new Human Rights training to all employees, launched an enterprise Climate Action Plan to achieve its strategic climate goals and completed an updated climate-related risk assessment (TCFD report) based on three climate scenarios.

CEO Introduction

I am pleased to report that 2022 was successful for Aker Solutions on many fronts. We delivered an all-time-high order intake, significant revenue growth, improved profitability and enhanced shareholder returns. We also took important steps on our transformation journey.

Overall, we met our priority targets and delivered a solid foundation for executing our strategy moving forward.

2022 will be remembered as a particularly disruptive and challenging time in world history. We emerged from two years of pandemic strictures to face unprecedented geopolitical disruption, including Russia's invasion of Ukraine. These crises brought on historically high inflation, supply chain disruption and volatile energy markets.

After decades of political stability, trade liberalization and enhanced global collaboration, there are signs that countries or regions may look inwards and prioritize their own policies and energy production ahead of cross-border collaboration. The trend is worrisome, as cross-border collaboration is vital to meeting the joint challenges of energy transition and energy security.

The current energy crisis has clearly illustrated the need for both energy transition and energy security. Oil and gas will continue to play an important role in the energy mix and is a key input factor for industrial processes. The industry is actively seeking ways to reduce carbon emissions, an area where Aker Solutions offers unique competences and solutions to help our customers reach their energy and emission targets.

At the same time, the global climate objectives show the importance of a rapid increase in sustainable energy sources. The energy transition is a large undertaking that will require new ways of working across industries, together with investors, developers and regulators, in order to succeed.

For more than 50 years, Aker Solutions has been a leading supplier of complete solutions to international oil and gas projects. We see that our vast experiences and broad capabilities are needed to help accelerate the energy transition. This corresponds well with our purpose; "to solve global energy challenges for future generations".

In 2022, we delivered on both our financial and operational targets. Turnover grew more than 40 percent from 2021 while margins and cash generation improved. The all-time-high order intake and backlog secured high activity levels with a solid base for delivering healthy margins going forward.

The bulk of our backlog of work relates to projects under the Norwegian Continental Shelf tax incentives agreement, also known as the 'activity package'. We will largely deliver on these projects under the well proven 'Alliance Model' with AkerBP and our strategic delivery partners. These project delivery models align partners around common drivers reducing time to first oil resulting in value creation for both customers, contractors, our shareholders and our company.

In Aker Solutions, safety is our first priority. We work hard every day to prevent accidents from happening and to make sure all employees return safely home from work. Tragically, however, an accident at our Egersund yard in October 2022 proved the unacceptable exception. A driver delivering scaffolding equipment lost his life in an unloading accident. Our thoughts and deepest sympathies are with his family, friends and colleagues. The lessons learned will be absorbed to ensure it never happens again. Our stated goal is a workplace free of injury.

Through the challenge of 2022, we also progressed our transition journey. We are on-track to deliver on our 2025 and 2030 ambition of deriving one-third and then two-thirds of our revenues from renewables and transitional energy solutions. Key milestone projects in 2022 were the electrification of the Troll West offshore platform; the landmark subsea gas-compression project, Jansz, for Chevron in Australia; offshore wind deliveries for Hywind Tampen and Sunrise Wind and joint work with clients and partners in executing the Longship carbon capture and storage project (CCS) in Norway.

2022 was also a milestone year for the development of our organization. Aker Solutions welcomed more than 3,000 new employees across the globe. In Norway, we were rated a Top 3 most-attractive employer by Randstad Employer Brand Research and the No. 2 most attractive employer in the engineering category by a Universum student survey. Competence development programs continued across the company ensuring that our people have the right skills to solve future energy challenges.

In the second half of 2022, we agreed to combine the complementary subsea businesses of Aker Solutions and SLB to create a leading subsea company. This combination brings together deep reservoir domain and engineering design expertise; an extensive field-proven subsea production and processing technology portfolio; world-class manufacturing scale and capabilities and a comprehensive suite of life-of-field solutions to customers all over the world. Subsea construction expert, Subsea 7, will also become an owner and will enable the joint venture to offer fully integrated subsea projects globally. This compelling combination will deliver an industry step change that will significantly benefit our customers, employees and shareholders.

To summarize, Aker Solutions took important steps to deliver on our ambitions and strategy during the year. The market outlook remains positive and Aker Solutions is well positioned to capitalize on near-term market recovery and the longer-term structural change in world energy markets.

Together, we will #PowerTheChange!

Best Regards,

Kjetel Digre
CEO, Aker Solutions

Board of Directors' Report

In a significantly evolving energy landscape impacted by the tragic war in Ukraine, 2022 has been affected by elevated energy prices, increased commodity prices, broad-based inflation and global supply chain constraints.

Despite the unpredictability such challenges present to international businesses, Aker Solutions has navigated safely through 2022, successfully delivering on the company's targets for revenue growth, profitability, order intake and shareholder value creation.

Aker Solutions delivered revenue of NOK 41.4 billion in 2022, a 41 percent increase from 2021. The EBITDA-margin ended at 7.1 percent, up from 6.2 percent in 2021. EBITDA excluding special items increasing from NOK 1.9 billion to NOK 3.0 billion improving the EBITDA margin from 6.4 percent to 7.3 percent. Further, Aker Solutions delivered a record-high order intake of NOK 88 billion in 2022, resulting in an order backlog at year-end of NOK 97 billion, reflecting a continued strong energy market outlook and high demand for the company's products and services.

Overview

Building on nearly two centuries of technological and engineering excellence, Aker Solutions is a digitally driven engineering and project execution company. The company enables oil and gas production with reduced emissions and develops renewable solutions to meet future energy needs. By combining innovative digital solutions and predictable project execution it accelerates the transition to sustainable energy production.

Aker Solutions provides products, systems and services ranging from concept studies and front-end engineering to integrated project execution of offshore, onshore and subsea solutions, and services for enhancing and extending the life of a field. Aker Solutions also delivers consultancy and engineering services as well as power solutions to support energy transition projects within offshore wind, electrification, hydrogen, CCS and hydropower. The main customers are international, national and independent energy companies involved with production of oil and gas, producers of renewable energy, operators of aquaculture facilities in open waters, and more.

Aker Solutions employs about 15,000 employees in 20 countries. The head office is at Fornebu, Norway.

Aker Solutions ASA is listed on the Oslo Stock Exchange under the ticker AKSO.

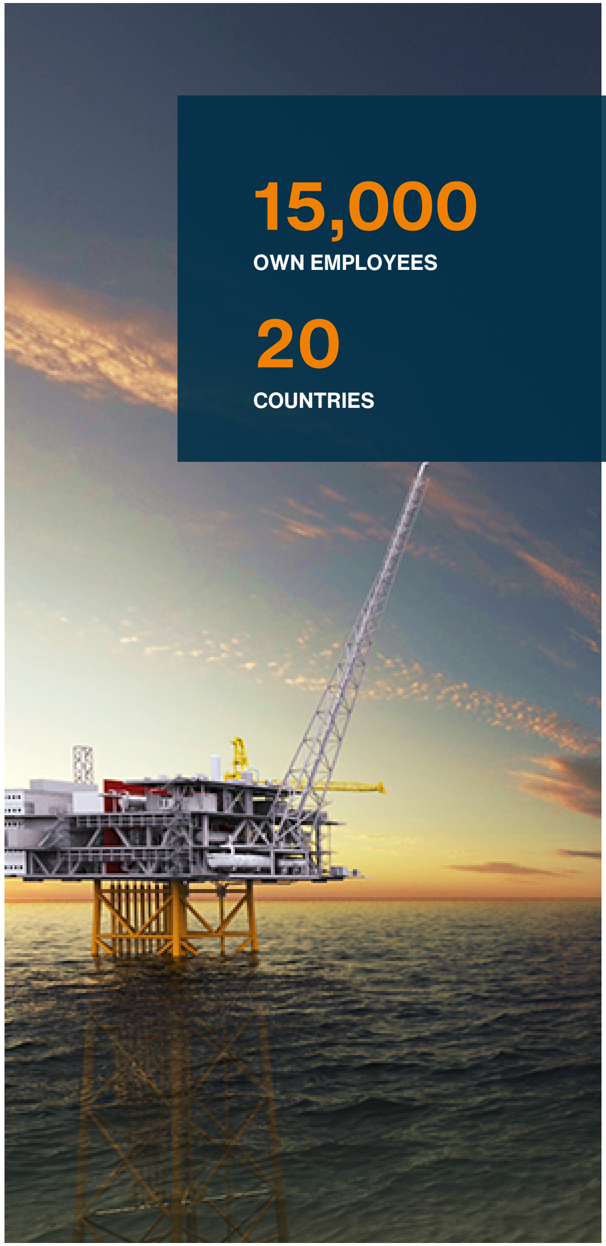
Market Outlook & Strategy

There are considerable changes in Aker Solutions' global markets, including the energy transition trends. The Ukraine war and subsequent energy crisis in Europe have shown the importance of both energy transition and energy security. It has also highlighted the need for increased energy spending.

Going forward, significant shifts in the global energy markets are anticipated, with accelerated growth in renewables energy production. Oil and gas demand is likely to decline over time. Nevertheless, these markets will need significant investments in new production in the years to come in order to bridge the gap between demand and natural decline.

The global oil and gas markets will continue to be very important for Aker Solutions in the years to come. The temporary activity package implemented by the Norwegian parliament in 2020 has triggered several new project awards for Aker Solutions in 2022. In the fourth quarter of 2022, Aker Solutions was awarded approximately NOK 60 billion in new contracts mainly related to the Aker BP portfolio that will be executed through the alliance model. These projects will secure high activity levels for several years ahead.

Furthermore, during 2022, Aker Solutions cemented its leading position as the life cycle partner of choice with long term frame agreements for maintenance and modifications signed with Equinor, Aker BP, BP, Shell and ConocoPhillips.



15,000
OWN EMPLOYEES

20
COUNTRIES

"Aker Solutions is committed to be a supplier that accelerates the transition to sustainable energy production.

Aker Solutions is committed to be a supplier that accelerates the transition to sustainable energy production. The company's ambition is that renewables and transitional energy projects will represent one third of our revenues within 2025 and two thirds by 2030. Aker Solutions has furthermore set ambitious emissions reduction targets and is committed to reduce own emissions by 50 percent for scope 1 and 2 by 2030. By 2050, the objective is net zero emissions.

Aker Solutions' offering within renewables markets spans a wide range, including offshore wind, hydrogen production facilities, hydropower generation solutions and installations for carbon capture and storage (CCS).

Within offshore wind, Aker Solutions delivers solutions and services for full field developments, including foundations, converter and substations and power distribution solutions. Aker Solutions is currently working on several milestone projects including foundations for the world's largest floating wind project, Hywind Tampen, and the first HVDC converter platform to be installed in USA at the Sunrise development for Ørsted.

Within CCS, Aker Solutions is engaged across the entire CO2 value chain, with key contracts for the Norcem carbon capture plant, for the Northern Light terminal for receiving captured CO2, as well as for the subsea system for injection of CO2 into the seabed for permanent storage.

Despite high interest and ambitions, the renewables industry remains immature. Profit levels are currently insufficient to ensure that the industry makes the required investments to deliver on government targets. The industry is dependent on authorities and policy makers taking an active role in developing frameworks that increases predictability and improves commercial models to ensure industrialization of the industry. During the year, Aker Solutions has adjusted its renewables strategy to focus solely on customers that see the value of working in long term partnership with aligned incentives and more sustainable risk-reward balances.

The company won 150 front-end orders in 2022, compared to 103 orders in 2021. This is historically a leading indicator for upcoming project activity. Some of these are FEED-studies which include options for project execution contracts, putting the company in a good position for further work in the next phases of development. Approximately one third of these studies were for projects related to renewable energy and transitional energy solutions.

"The company won 150 front-end orders in 2022, compared to 103 orders in 2021. This is historically a leading indicator for upcoming project activity.

Digitalization is a key enabler for Aker Solutions' transformation journey. The company is collaborating with partners, including companies in the Aker group, to develop and commercialize new and innovative digital tools and solutions. Aker BP is collaborating with the supplier alliances where Aker Solutions is a partner to spearhead the new digital journey and establish models for upcoming projects.

Organization

In 2022, Aker Solutions' organization is divided into five business segments: Renewables, Engineering, Topside & Facilities, Electrification, Maintenance and Modifications (EMM), and Subsea.

The company has three external reporting segments: Renewables and Field Development, Electrification, Maintenance and Modifications (EMM), and Subsea.

CEO Kjetel Digre heads up Aker Solutions.

There was one change to the executive management team during 2022. In March, Linda Litlekalsøy Aase resigned as EVP of EMM. Paal Eikeseth was appointed as her successor.

In late August, Aker Solutions announced that it had entered into an agreement to form a joint venture (JV) with SLB (formerly Schlumberger) and Subsea 7 to deliver a step change in subsea production economics. Aker Solutions and SLB will contribute their subsea businesses into the JV which following the transactions will be owned by SLB (70 percent), Aker Solutions (20 percent) and Subsea 7 (10 percent). Each party will operate their businesses independently and in the normal course until closing, which is expected during the second half of 2023, pending regulatory approval.

To ensure the company's ability to deliver on its strategy, including preparing for the high activity levels secured by the backlog, while also positioning for the energy transition, Aker Solutions has initiated a process of reorganization. The new organization and executive management team will be operational in 2Q 2023. Aker Solutions' three external financial reporting segments will remain as today after the reorganization.

Global presence

Aker Solutions is pursuing international growth in targeted markets, while safeguarding its existing market positions. The company is represented in major energy hubs around the world, including the North Sea, North America, Brazil, Africa and Asia. Aker Solutions has more than 15,000 employees at over 50 locations in 20 countries around the world.

ESG/Sustainability

Sustainability at Aker Solutions means being a supplier that accelerates the transition to sustainable energy production by making responsible business decisions that create value while protecting the environment and contributing to the good of society.

The company works to ensure safe operations for its people and the environment, and has robust programs in the social and governance areas. Aker Solutions' Climate Action Plan provides a pathway to meeting emissions targets, supports clients in reaching their goals, and further develops the company's renewable and transitional energy solutions.

The company maintains its commitment to reduce CO2 emissions from its own operations by 50 percent by 2030, based on our 2019 emissions. By 2050, the ambition is to become a net-zero company.

Achievements

In 2022, Aker Solutions moved from plans and ambitions to actions and outcomes within sustainability. The company improved its Carbon Disclosure Project (CDP) score to A-, from B in 2021 and C in 2020, rolled out a new Human Rights training to all employees and completed an updated climate-related risk assessment (TCFD report) based on three climate scenarios. Aker Solutions' commitment to the Science Based Targets initiative (SBTi) was accepted and reduction targets will be submitted for approval by SBTi in 2024.

Aker Solutions' 2022 materiality assessment concluded that the same topics remain material for the company. This result confirms that its focus on the specific impacts that the company has on the environment, society, human rights and the economy remains valid and will lead to more comparable ESG reporting year over year.

Climate Action Plan

In 2022, Aker Solutions launched an enterprise Climate Action Plan to achieve its strategic climate goals, catalyze new opportunities and accelerate the transition to sustainable energy production. The plan addresses these issues through four key features:

- Reduce own emissions: Eliminate scope 1 hotspots and lower scope 2 through renewable energy consumption
- Unite the supply chain: Establish a resilient supply chain to bring down scope 3 emissions
- Accelerate decarbonization: Build a trusted, industry leading offering to bring down scope 3 emissions
- Integrate data systems: Push climate action through data driven insight

Progress toward targets for the Climate Action Plan are included in the company's 2022 Sustainability Report.

Reporting Frameworks

The company's commitment to human and labor rights is covered by the Global Framework Agreement between Aker ASA and the Norwegian and international trade unions Fellesforbundet, IndustriALL Global Union, NITO and Tekna. Aker Solutions follows the Euronext guidance on ESG reporting of January 2020 and includes reports according to the Global Reporting Initiative (GRI), Carbon Disclosure Project (CDP) and Task Force on Climate-related Financial Disclosures (TCFD). Aker Solutions' strategy supports the UN Sustainable Development Goals (SDGs) and the company has prioritized 7 SDGs where it can have the most impact and contribute positively.

More information is available in the company's sustainability report for 2022 on www.akersolutions.com/sustainability-reports

Disclosure of EU Taxonomy Related Information

In 2020 the European Union introduced the Taxonomy Regulation, which is a classification system of environmentally sustainable activities. The intention of the EU Taxonomy is to help scale up sustainable investments and implement the European green deal. Aker Solutions is reporting voluntary on the EU Taxonomy for 2022. The reporting builds on the diligent work performed in 2021 relating to EU Taxonomy preparation. The EU Taxonomy has defined six environmental objectives, and as of 2022 there are two objectives that are described in the first Delegated Act. Of these two objectives, Climate Change Mitigation is the objective where Aker Solutions' activities contribute the most.

The EU Taxonomy has introduced a number of economic activities. In order to be aligned under one of these activities there is a set of prerequisites that needs to be fulfilled:

- The activity needs to contribute substantially to one or more of the listed objectives
- The activity cannot do significant harm to any of the other objectives
- The activity needs to be carried out in accordance with minimum safeguards relating to human and labor rights, bribery, taxation, and fair competition
- The activity needs to comply with a set of established performance thresholds

Aker Solutions will continuously work on assessments of eligibility and alignment, including the "Do No Significant Harm"-criteria and the "Minimum Social Safeguards"-criteria. Going forward, Aker Solutions will monitor the development of the EU taxonomy to understand whether additional activities could qualify under any of the four upcoming environmental objectives.

EU Taxonomy information and numbers are reported in detail under the section EU Taxonomy for Sustainable Activities in the annual report.

Corporate Governance

Good corporate governance at Aker Solutions shall ensure sustainable operations and value creation over time to the benefit of shareholders and other stakeholders. Corporate governance is a framework of processes, mechanisms, and responsibilities for managing the business and making sure the right objectives and strategies are set and implemented with results that can be measured and followed up.

The Board of Directors is responsible for ensuring that the company conducts business using sound corporate governance, and sets the standards for corporate governance, ensuring these reflect the Norwegian Code of Practice for Corporate Governance.

The audit committee supports the Board of Directors in the quality assurance of guidelines, policies, and other governing instruments pertaining to the company. The audit committee supports the Board of Directors in safeguarding that the company has sound management and internal controls over financial reporting and enterprise risks. The audit committee also monitors compliance with the company's Code of Conduct as well as anti-corruption and third-party representative policies.

More information is available in the corporate governance report for 2022 on www.akersolutions.com/corporate-governance.

Aker Solutions will publish a statement of due diligence assessments in accordance with the Transparency Act on www.akersolutions.com under Reports before June 30, 2023.

Liability Insurance

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

Financial Performance

Aker Solutions presents its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as approved by the European Union. All financial information, except those in the Parent Company Financial Statements, relate to the consolidated financial statements for the group, since the parent company has very limited operations.

Consolidated Financial Results

Aker Solutions' revenue increased significantly to NOK 41.4 billion in 2022 from NOK 29.5 billion in the prior year. Earnings before interest and other financial items, taxes, depreciation and amortization (EBITDA) for the full year 2022 increased to NOK 2.934 billion (7.1 percent) compared to NOK 1.842 billion (6.2 percent) a year earlier. EBITDA excluding special items was NOK 3.022 billion, compared to NOK 1.871 billion a year earlier. This corresponds to an increase of the EBITDA margin excluding special items to 7.3 percent compared to 6.4 percent for 2021. The positive development of EBITDA for 2022 was mainly driven by solid performance in the Subsea segment as well as improvement in the Electrification, Maintenance and Modifications segment from the year before.

Interest income was NOK 170 million in 2022, compared to NOK 242 million in the previous year. Interest expenses were NOK 338 million compared to NOK 383 million the year before. Income before tax increased to NOK 1,715 million in 2022 from NOK 520 million the year before. The effective tax rate was 31.8 percent compared to 52.1 percent in the previous year.

Net income after tax in 2022 was NOK 1,170 million compared with NOK 249 million the previous year. Earnings per share were NOK 2.42 versus NOK 0.52 in 2021. Excluding special items, the earnings per share for 2022 were NOK 2.53 versus NOK 0.65 the previous year.

External Reporting Segments

The company has established three reporting segments for communication to shareholders and the financial markets: The Renewables and Field Development segment, the Electrification, Maintenance and Modifications (EMM) segment, and the Subsea segment.

Renewables and Field Development Financial Results

The Renewables and Field Development segment designs and delivers renewable energy solutions for offshore wind, hydrogen and carbon capture and storage (CCS). The segment also includes engineering and fabrication for complete deliveries of traditional oil and gas platforms, onshore facilities, decommissioning and marine operations.

Renewables and Field Development revenue increased to NOK 14.9 billion in 2022 from NOK 10.6 billion the year before. The EBITDA margin declined to 3.3 percent from 5.0 percent the year earlier, negatively impacted by a loss provision related to a renewables project in 2022. Several projects in the portfolio were still in earlier phases of execution in 2022, with no margin recognition.

The full-year order intake increased to NOK 51.4 billion in 2022 from NOK 14.0 billion in the prior year. This represented a book-to-bill of 3.5 times. The order backlog increased by more than 2.5 times during 2022 to NOK 50.8 billion at the end of the year versus NOK 14.1 billion a year earlier.

Electrification, Maintenance & Modifications Financial Results

The Electrification, Modifications and Maintenance segment (EMM) optimizes field life solutions. It has specialized capabilities for efficient execution of a range of maintenance and modifications services for offshore infrastructure, and offers decarbonization and environmentally sound offerings including electrification solutions.

EMM revenue increased substantially to NOK 12.2 billion in 2022 from NOK 9.2 billion the year before. The EBITDA margin was 5.5 percent versus 4.4 percent a year earlier, when some non-recurring project adjustments were made.

The full-year order intake was NOK 16.2 billion in 2022, compared to NOK 9.9 billion the prior year. This represented a book-to-bill of 1.3 times. The order backlog increased to NOK 21.6 billion at the end of 2022 versus NOK 17.6 billion a year earlier.

Subsea Financial Results

The Subsea segment supplies a broad spectrum of market leading intelligent subsea products, systems and solutions globally, as well as subsea lifecycle services.

Subsea revenue increased significantly to NOK 14.1 billion in 2022 from NOK 9.7 billion the year before. The EBITDA margin increased to 16.4 percent versus 12.8 percent a year earlier, driven by solid performance on ongoing projects supported by a robust project portfolio with a high portion of standardized equipment, as well as some contingency releases.

The full-year order intake increased to NOK 20.5 billion in 2022, compared to NOK 16.8 billion the prior year. This represented a book-to-bill of 1.5 times. Subsea won several significant contracts in the year, with the largest one being the Yggdrasil subsea production system project for AkerBP. The order backlog increased by 38 percent to NOK 24.7 billion at the end of 2022 versus NOK 17.8 billion a year earlier.

Segment key figures

	Renewables & Field Development		Electrification, Maintenance & Modifications		Subsea	
NOK million	2022	2021	2022	2021	2022	2021
Revenue	14,857	10,625	12,164	9,197	14,055	9,712
EBITDA	487	535	663	402	2,305	1,244
EBITDA margin	3.3%	5.0%	5.5%	4.4%	16.4%	12.8%
EBITDA ex. special items	488	540	663	420	2,307	1,244
EBITDA margin ex. special items	3.3%	5.1%	5.5%	4.6%	16.4%	12.8%
EBIT	185	317	558	273	1,710	627
EBIT margin	1.2%	3.0%	4.6%	3.0%	12.2%	6.5%
EBIT ex. special items	189	285	558	291	1,720	630
EBIT margin ex. special items	1.3%	2.7%	4.6%	3.2%	12.2%	6.5%
NCOA (or working capital)	-2,912	-795	245	-111	-394	-275
Order Intake	51,398	14,028	16,190	9,882	20,536	16,837
Order Backlog	50,790	14,058	21,617	17,553	24,654	17,826
Employees	5,484	4,553	4,381	6,085	4,271	3,607

Assets, Equity and Liability

Non-current assets totalled NOK 13.8 billion at the end of 2022, compared with NOK 13.5 billion the year before. Goodwill and other intangible assets were NOK 5.9 billion at year-end which is slightly more than the year before. The company had a net cash position of NOK 5.1 billion in 2022, compared with a net cash position of NOK 2.2 billion in the prior year. The net cash consists of current and non-current borrowings and cash and cash equivalent.

The debt at the end of 2022 mainly consists of bond loan in the Norwegian market. The company ended the year with a total liquidity buffer of NOK 11.2 billion consisting of cash and bank deposits of NOK 6.2 billion as well as committed long-term revolving bank credit facilities of NOK 5.0 billion. In 1Q 2023, Aker Solutions successfully refinanced its revolving credit facility. It has been reduced to NOK 3 billion with maturity in 2028. The liquidity buffer in the prior year was NOK 9.6 billion.

The book value of equity, including non-controlling interests, was NOK 9.2 billion at the end of 2022. The company's equity ratio was 27.9 percent, up from 27.2 percent a year earlier.

Cash Flow

Consolidated cash flow from operating activities depends on several factors, including progress on and delivery of projects, changes in working capital and prepayments from customers.

Net cash flow from operating activities was NOK 4,518 million in 2022 compared with NOK 2,799 million a year earlier. Net current operating assets was NOK -4.0 billion at the end of 2022 versus NOK -1.8 billion a year earlier. Net current operating assets may fluctuate due to the timing of large milestone payments on projects as well as other timing effects and working capital movements.

Aker Solutions' net cash outflow for investing activities was NOK 476 million in 2022, compared with net cash inflow of NOK 6 million a year earlier. Investments in technology development and IT were NOK 113 million, compared with NOK 144 million a year earlier. Net cash outflow related to financing activities was NOK 2,566 million, compared to NOK 1,424 million in 2021.

Investing in Research, Innovation and Technology

Building on a history of technological and engineering accomplishments, Aker Solutions is well positioned to leverage core capabilities and maintain a strong position in oil and gas, while growing its offering within renewables and transitional energy solutions. Through the dual role as both a technology agnostic and technology developer, the company chooses the best system solutions for customers and provides competitive technology that enables decarbonization and renewable energy offerings.

Aker Solutions' technology strategy is customer focused on standardization within oil and gas, including technologies such as all-electric subsea tree and others. Technologies such as subsea processing, subsea and floating substations for electrification of offshore facilities, remote inspections, robotics and data driven services enable offerings and solutions for reduced carbon emissions. Subsea and floating substations, power cables for floating wind, engineering concept studies within carbon capture and hydrogen production are examples of technologies that create new opportunities within the renewable segment.

The strong focus on digitalization within the company continued throughout 2022. The Yggdrasil field development, operated by Aker BP, aims to transform the way the company delivers projects through a fully digitalized project execution model, which is setting new standards for cost efficiency.

Partnership, alliances and joint industry projects (JIPs) are key contributors to Aker Solutions' technology role. Technologies such as power distribution systems and data driven services are being developed in collaboration with partners such as ABB, Siemens, Cognite and others.

Aker Solutions has a key role in the Linking Carbon Capture and Storage (LINCCS) R&D project. The initiative is funded by NOK 100 million from the Research Council of Norway and a similar amount from industry partners including important customers. The objective for Aker Solutions' work is to develop new solutions for transport and storage of CO_2 after capture on offshore oil and gas installations. The ambition is to reduce costs for such solutions by 70 percent .

Furthermore, through technology partners such as SuperNode (part of Aker Horizon), Aker Solutions has the potential to provide disruptive superconductor power transmission solutions that also expands the company's subsea delivery portfolio. When the technology is commercialized, it can result in subsea deliveries of cooling, pumping pod (CPP) and system solution deliveries within floating wind.

Total 2022 R&D expenditure was NOK 184 million, of which NOK 124 million was capitalized and NOK 60 million was expensed. The research and development portfolio included several key development programs for future and current prospects. At the end of the year, Aker Solutions recognized NOK 6 million in impairment losses on capitalized R&D related to technologies where the market outlook changed.

Parent Company Financial Statements

Aker Solutions ASA, the parent company of the Aker Solutions group, owns and manages the group's subsidiaries. Aker Solutions ASA has outsourced all company functions to other companies in the group, mainly Aker Solutions AS. Assets and liabilities related to the corporate treasury function are held by Aker Solutions ASA. Aker Solutions ASA had a net loss of NOK -107 million in 2022. The costs in the company mainly consist of corporate costs and interest expenses. The net profit was NOK 810 million in 2021.

More information on the allocation of profits can be found in the income statement of the parent company in this report.

Health, Safety, Security and Environment

Aker Solutions is committed to a goal of zero harm to people, assets and the environment. The cornerstone of this objective is a strong, structured and company-wide HSSE system, setting clear standards for HSSE management and leadership. Regular audits aim to identify, isolate and help address potential shortcomings.

Aker Solutions is focused on continuous improvement and learning throughout the organization, and the HSSE system is a key enabler in the quest for increasingly stringent standards. The HSSE culture is founded on the principle that every employee has a personal responsibility for HSSE.

> "Aker Solutions is committed to a goal of zero harm to people, assets and the environment.

Participation and consultation of our people and safety representatives is a success factor for the HSSE Management System and a key ingredient in a strong HSSE culture.

One of the focus areas in 2022 has been global Control of Work process and digitalization of Control of Work tools. To ensure compliance and identify best practices, the company has continued to develop HSSE Verification and Maturity assessment for its HSSE processes.

Safety

Aker Solutions operates with a zero-harm mindset and the belief that all incidents can be prevented. The Zero Days indicator counts days without a recordable injury or serious incident across the company. In 2022, Aker Solutions delivered 314 Zero Days, compared to 306 in 2021.

Aker Solutions uses the lagging indicator Serious Incident Frequency (SIF) to monitor and address the trend and occurrence of high-risk incidents. These are incidents where the actual or potential consequence is deemed to be high or extreme, as defined by the company's classification matrix.

The safety performance for 2022 is strongly affected by the tragic fatality in Egersund, Norway, in October 2022. The internal investigation has been completed and learnings have been adopted in Aker Solutions and shared with the oil and gas industry and through the company's supply chain. The tragic accident is still being investigated by the Norwegian Labor Inspection Authority and the local police. Looking at the key performance indicators in general, the year-end result indicates a positive SIF development with 0.15 in 2022 compared to 0.29 in 2021. The company experienced seven serious incidents in 2022: one fatality, one serious injury and five dropped objects without injuries.

In total, 49 employees were injured with a severity higher than first aid treatment during 2022. A total of five injuries caused lost workdays, and nine caused restricted work. The remaining 35 injuries required medical treatment. At the end of 2022, Aker Solutions had a Lost Time Injury Frequency (LTIF) of 0.11, compared to 0.34 in 2021. The Total Recordable Injuries Frequency (TRIF) decreased from 1.31 in 2021 to 1.09 in 2022.

Health and Working Environment

Aker Solutions is committed to a goal of zero harm to its employees, not just through accident prevention, but also through safeguarding employees' physical and mental health. In 2022, the health discipline continued to focus on reducing exposure to health hazards by performing site-specific assessments with the E-score tool at seven Norwegian and six international locations. The identified hazards and risks will be eliminated or controlled through systematic preventive work, and this will contribute to reduce the risk of work-related illnesses. The corporate E-score improved to 30 in 2022 (from 37 in 2021), which indicates good control of work-related health hazards.

Another priority in 2022 has been mental health and employee well-being. This included a survey in Norway to assess the psychosocial work environment, promotion of mental health awareness and coping skills through different means of communication (lectures, digital campaigns and webinars) and an increased capability to offer professional support. In 2022, Aker Solutions received the AKAN award in Norway which is a prestigious recognition of the company's effort to prevent problematic use of alcohol, drugs, and gaming.

Aker Solutions' global sick leave for 2022 was 3.59 percent, which is above the target of 2.5 percent. The sick leave in the previous year was 3.17 percent. The 2022 number reflects a continuous influence by the COVID-19 pandemic.

Security

Aker Solutions' commitment towards safeguarding employees, assets and reputation is demonstrated by the core team of security professionals and the operation of a 24/7 Global Security Operations Center. This centre supports all aspects of Aker Solutions' global operations as well as some of the affiliated Aker companies.

Security is currently grouped into the disciplines of physical security, personnel security, travel security, information security and executive protection. It is managed either from within the corporate security function or as a stakeholder in concert with the appropriate segment or function. In 2022, 157 Security Cases were reported and most of the cases were related to physical security (generally failure of technical components and personnel not adhering to security procedures). No serious security incidents were reported in 2022 and 147 cases out of 157 were reported as low risk (green).

Cybercrime

The risks posed by cyber criminals continue to be a major threat to both the business and operations. This risk is managed by IT with the security function closely engaged as a stakeholder. The threat landscape is continuously monitored, and necessary steps are taken to safeguard employees, systems, data and products to comply with the company´s risk policy. Phishing emails remain the most commonly used vector for cyber-attacks. Further measures have been taken to secure email, improve capabilities to identify ongoing malicious activities, and increase employee awareness of cyber threats.

With smarter products connected to the internet, there is an increased risk to these devices and the systems they are connected to. Precautions have been taken to protect Aker Solutions' and clients' assets.

In February 2023, Aker Solutions subsidiary C.S.E. Mecânica e Instrumentação Ltda in Brazil became the victim of a cyber attack. As a response, Aker Solutions quickly mobilized a crisis management team, and with the support of external experts, worked to contain and resolve the situation.

Emergency Preparedness and Response

The primary focus in 2022 for the Aker Solutions' Emergency Response Teams has been to more clearly identify the company's risk picture and coordinate the organization's actions at tactical, operational and strategic levels.

Emergency response exercises have been conducted at all three levels of the organization to ensure that processes and procedures at all levels are complimentary, coordinated and standardized. The teams trained regularly, and all findings and learnings are registered in the Synergi tool.

Environment

Aker Solutions works to protect the environment by offering products, systems and services that promote the reduction of the environmental footprint of customers' operations where possible.

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The company's internal total energy consumption increased by 6 percent from 159,429 MWh (megawatt hours) in 2021 to 168,719 MWh in 2022. This overall energy consumption increase is explained by a 11 percent increase in man-hours, due to higher activity level in 2022. The like-for-like increase is minimal as there have also been emission reduction activities at sites, such as the switch to alternative fuels and to the use of electric vehicles.

Internal emissions related directly to scope 1 and 2 Greenhouse Gas (GHG) emissions, was reduced by approximately 31 percent, from 31,032 tons of CO2e in 2021 to 21,532 tons in 2022. The emissions from electricity are calculated on a market-based approach. This is a more accurate accounting for energy allocation and allows the use of renewable energy through energy attribute certificates that were purchased for approximately 105,000 MWh in 2022.

Scope 3 GHG emissions data has increased by 193 percent, from 933,145 tons CO2e in 2021 to 2,730,807 tons CO2e in 2022. The increase is due to reporting on an additional four categories within scope 3 as well as increased activity levels in 2022. The two main categories within scope 3 are category 1 (purchased goods and services) and category 11 (use of sold products). The 10 reported categories within scope 3 are detailed in the company's annual sustainability report for 2022.

Aker Solutions also measures and monitors waste segregation and recycling activities. In 2022, the company recorded total waste of 14,870 tons compared to 20,700 tons in the previous year. In total, 54 percent of the waste was sent for recycling in 2022 versus 69 percent in 2021.

In 2022, Aker Solutions reported its climate change information to CDP and will continue this practice in 2023. The company received an "A-" score for its 2022 CDP rating, which is an excellent achievement and a notable improvement from the "B" and "C" scores that were attained in 2021 and 2020 respectively. The reporting framework changes annually, and the company has seen increasing requirements on data quality and verification, higher focus on integration of climate action into the company-wide business strategy, and engagement of senior leadership into the climate strategy and initiatives. The CDP report is available on Aker Solutions' website (https://www.akersolutions.com/sustainability/reporting-frameworks-and-assessments/)

In 2022, Aker Solutions launched an enterprise Climate Action Plan comprised of four key pillars. Three of these pillars were drivers to improve environmental performance: Reducing the company's own emissions, uniting its supply chain and integrating data systems through an environmental life cycle tool. The five-year plan has already created learning opportunities for the organization and is helping build internal competencies on climate-related tools such on the LCA (life-cycle assessment) tool, collecting supplier-related emissions data, and improving accuracy of emissions accounting.

Safeguarding Diversity and Equal Opportunity

Aker Solutions had 15,395 employees and 7,274 contract staff at the end of 2022. The company is strongly committed to the principles of non-discrimination and equal opportunity, regardless of gender, nationality, or other factors. The company has a diverse workforce, which it seeks to develop and motivate through strategy involvement, competency management, employee engagement, career development and leadership training.

Aker Solutions seeks to promote diversity in its workforce through clear requirements for diversity in recruitment and development of individuals and programs supporting equal opportunity, in accordance with its Code of Conduct, People Policy and recruitment procedures.

Men have traditionally dominated the oil and gas industry and, particularly, offshore work. This continues to be reflected in the company's organization, where 21 percent of its employees are women. Aker Solutions strengthened its focus on promoting greater diversity in 2022 through recruiting more female candidates and promoting women to leadership roles. The company has recruited 3,891 new employees in 2022. The percentage of females being recruited in 2022 was 24.7 percent compared with 17.5 percent in 2021. The percentage of women in leadership roles has decreased from 23.18 in 2021 to 21.6 in 2022. As the company is not content with this development, increasing the share of female employees will remain a priority in 2023.

Aker Solutions is empowered by its diverse workforce with 94 nationalities and by the number of female employees excelling and filling crucial roles across the company's global operations.

More information regarding the company's commitment to equality and diversity is available in the company's 2022 sustainability report: www.akersolutions.com/sustainability-reports.

Risk Factors

Aker Solutions' global footprint, operations and exposure to energy markets provide both opportunities and risks that may affect the company's operations, performance, finances, reputation and share price. External risk factors such as market risk, supply chain risks, pandemics, cybercrime, compliance and integrity risks, political risks, risks related to civil- or political unrest including war, and climate related risks may have a significant adverse impact on the company, in addition to internal risk factors such as operational risks and financial risks. Several of these risk factors are described below.

In February 2022, Russia invaded Ukraine and the international response has been to drastically expand sanctions against Russia. One of the effects of this has been increased uncertainty for the global business environment in general, and for business in Russia in particular. Management has been handling this event and its development proactively, including sanctions and indirect impacts. Aker Solutions had no employees or operations in Ukraine in 2022, but has employees with Ukraine citizenship working at its locations elsewhere. The company's operations in Russia was insignificant in the beginning of 2022 and during the year we have discontinued all operations in Russia, while simultaneously striving to find adequate solutions for its employees in Russia. The safety and security of employees is always a primary focus for Aker Solutions. The company is also taking necessary actions to mitigate its effect on supply chain and other associated risks.

Looking ahead, Aker Solutions see that possible increased polarization in the geopolitical landscape may influence business opportunities and supply chains. The development is monitored closely, and the company will if required seek to take proactive measures.

Cybercrime Risk

Risk of cybercriminals and cyber attacks causing system downtime or significant loss of intellectual property. Insufficient capacity and capabilities within current teams to follow up information security controls and threat advisories which may cause unproductive time (internal and external) because of system downtime, loss of intellectual property and impact on reputation. Aker Solutions is continuously improving its cyber security incident response capabilities.

Market Risk

The market outlook has improved during 2022, including increased oil and gas prices, and the market outlook remains positive overall. Energy security of increased importance globally and especially in Europe and is expected to drive investments across energy sources in both oil and gas and renewables. However, on the macro level there has been a dynamic environment, amplified by the war in Ukraine. Some of the principal factors that contribute to market risk are outlined below:

- Instability in the world economy as a result of virus pandemics or risks related to civil or political unrest including war, including impacts such as supply chain disruptions
- Volatile oil and gas market, major changes in supply, demand and storage having an adverse impact on energy prices which is likely to impact activity levels significantly
- Uncertainty regarding future contract awards and their impact on future earnings and profitability
- Climate change and speed of the energy transition to renewables and lower carbon economy, including environmental requirements, impact upon oil company activities and the overall development of the market
- Local content requirements, legislative restrictions and/or prohibitions on oil and gas activities in countries of existing or planned operations
- Liabilities under environmental laws or regulations

These factors will influence oil price and oil companies' exploration, development, energy transition, production, investment, modification and maintenance activity

Developments within the market will lead to capacity adjustments and changes in the valuation of company assets and liabilities. The main uncertainties include delivering on the company's international growth ambitions, entry and establishment in new growth markets, and delivering a competitive cost base. As Aker Solutions prepares to deliver on a record-high order intake and backlog, the company will implement a new organizational structure and make changes to the executive management team. This is to safeguard project execution and drive new growth within renewables and consulting. The new organization will be effective from April 1, 2023.

Aker Solutions is committed to an active policy of risk management and will take mitigating actions to increase flexibility in its operations, for instance by seeking to drive down costs, build a sustainable global workforce, invest in sustainable energy such as floating offshore wind and technology to capture emissions such as carbon capture and storage, and enhance standardization and simplification.

The company aims to be agile in its approach to the market, effectively adapting to industry demand, Environment Social Governance (ESG) requirements, and fluctuations to deliver optimal value and rewards across the value chain. A focus on continuous improvement in productivity and sustainability is central to these efforts. Entering new market segments also presents new opportunities and risks.

Operational Risk

Aker Solutions uses both reimbursable and fixed-price contracts. Contracts that include fixed prices for all or parts of the deliverables are subject to the risk of potential cost overruns. Aker Solutions is involved in projects that are both demanding and complex in nature, with significant design and engineering requirements, as well as extensive procurement and manufacturing of equipment, sourcing supplies and construction management. In certain situations, the projects may also require the development of innovative new technology and solutions. These can impact upon the company's ability to deliver on time and in accordance with a contract, potentially harming Aker Solutions' reputation, performance and finances.

Factors that may have an adverse material effect on the business, results of operations and finances of Aker Solutions include, but are not limited to:

- Labour markets and resources required to execute projects
- The ability to safeguard multiple large projects
- The loss of business from a significant customer, the failure to deliver a significant project as agreed, or alterations to the order backlog
- The ability to compete effectively and maintain market positions and sales volumes
- The ability to successfully commercialize new technology, including within digitalization

- Partnerships, joint ventures and other types of cooperation that expose the company to risks and uncertainties outside its control
- Non-delivery and/or disputes with key supplier(s)
- Delays or quality issues impacting project delivery or performance
- Supply chain disruptions and prices of raw materials, longer lead times, capacity of fabrication years, logistics

Compliance and Integrity Risks

Aker Solutions shall conduct its business with integrity, respecting the laws, cultures, dignity and rights of individuals in all of the countries where the company operates. Aker Solutions has a code of conduct which is endorsed by the Board of Directors and constitutes a framework for managing compliance and integrity risks. It describes Aker Solutions' commitments and requirements regarding business practice, personal conduct and expectations towards business partners.

The code of conduct and other compliance procedures are implemented and operationalized in the line of business through a global compliance program. The global compliance program is designed to help the company promote a culture of compliance and integrity, and to prevent, detect and respond to non-compliances, breaches of law, regulations or internal policies.

Aker Solutions' compliance program is managed by the Business Integrity and Compliance team, led by Chief Compliance Officer (CCO). The CCO has a direct and independent reporting line to the Audit Committee. On a quarterly basis, the Audit Committee reviews the company's compliance with the Code of Conduct and supporting documents. At least once a year, the Audit Committee meets separately with the CCO without members of management present.

Aker Solutions has established policies and procedures in order to comply with applicable ethical standards, laws and regulations domestically and internationally. Aker Solutions could, nevertheless, potentially become involved in unethical behaviour, either directly or through third parties or partners. The company has operations in countries associated with high political, corruption and human rights risks. Key tools to reduce these risks are the company's code of conduct, global compliance program including anti-corruption and human rights frameworks, which are implemented at Aker Solutions' locations globally. Risks are managed through country risk assessments, sanctions and trade compliance assessments, mandatory compliance and integrity awareness training, compliance reviews and integrity due diligence process of business partners.

Aker Solutions has zero tolerance for corruption and works vigilantly to prevent such behaviour. The company has control systems in place throughout the organization designed to identify and limit the effects of violations of the code of conduct. Employees violating the code face consequences ranging from a warning to dismissal for violating the code of conduct.

Aker Solutions is committed to building a culture of trust where employees are comfortable to ask questions, seek guidance, raise concerns and report suspected violations. Aker Solutions' whistleblowing channel allows anyone (including externals) to report concerns, incidents, breaches or suspected breaches of the Code of Conduct, other internal policies, or laws and regulations. The company does not tolerate retaliation against anyone who speaks up in good faith.

In 2022, the company maintained core elements of its global compliance program including anti-corruption and human rights compliance frameworks. The company conducted screenings of potential projects in high-risk countries and integrity due diligence processes of potential business partners as it pursued opportunities in high-risk markets. The company revised some of the elements of its human rights compliance framework to meet the requirements of the Transparency Act. New geopolitical situation in 2022 triggered enhanced activity in terms of Russia sanctions and implementation of additional control mechanisms and sanctions assessments. In 2022, 38 whistleblower reports were received, and all cases received were investigated. Around half of the received reports concerned employee relations and human resources issues. The remaining cases were related to other business integrity topics.

The annual mandatory code of conduct certification course for employees was conducted in 2022 with registered completion rate of 96 percent for the target employee group. The Human Rights Committee maintained its quarterly meetings throughout the year. Activities requiring travel and/or in-person interaction, such as classroom training and on-site audits, resumed partly after being postponed or cancelled in 2021 due to the global COVID-19 pandemic.

Climate-related Risks

Aker Solutions maps climate-related risks in accordance with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD).

In 2022, Aker Solutions conducted a climate-related scenario analysis using the TCFD guidelines. The purpose of the analysis was to improve company strategy resilience based on a thorough assessment of energy transition and physical climate risks and opportunities.

Details about the financial impact, risk mitigations, and strategies to capture these opportunities can be found in the independent Climate Risk Review, along with information on Aker Solutions' governance of climate-related risks and opportunities, and the metrics and targets used to assess and manage them. These risks and potential impacts are covered in other chapters in this annual report and in more detail within the company's Annual Sustainability Report. (https://www.akersolutions.com/sustainability/reporting-frameworks-and-assessments/)

Review shows that Aker Solutions has a clear understanding of climate-related risks and has systems in place to manage them.

Pandemics

Despite great disparities in vaccination among countries where Aker Solutions operate, based on current trends, WHO remains hopeful that by the end of 2023, the COVID-19 emergency can be ended worldwide. But the COVID-19 pandemic may still have negative influence on the operations also in 2023 and it is difficult to estimate the effects on the operations for the full year. A new negative development of the COVID-19 situation or other pandemics globally or in key countries or regions may impact Aker Solutions and the energy industry at large:

- Long-term impact on the global economy may result in loss and impairment of the assets and future decrease of the market as clients reduce capex
- Personnel may not be able to work due to illness, quarantines, travel restrictions and social distancing causing shut down of manufacturing sites, service bases or office buildings of the company and our suppliers
- Clients may face delays and losses and may claim reimbursement from Aker Solutions and other suppliers

Financial Risks

The objective of financial risk management is to manage exposure from financial risks to increase predictability of earnings and minimize potential adverse effects on financial performance. Financial risk management and exposures are described in detail in note 22 and capital management is described in note 23. The main financial risks are:

- **Currency risk:** Aker Solutions has international operations and is exposed to currency risk on commercial transactions, assets, and liabilities when payments and revenues are denominated in a currency other than the functional currency of the respective entity. The currency risks in all major contracts that contain currency exposure are hedged with external banks in the foreign exchange market. More than 80 percent of the hedging volume either qualifies for hedge accounting or is presented separately as hedges of embedded derivatives. Contracts in split currency and contracts reimbursable per cost currency are also used to avoid or reduce currency exposure in contracts. Aker Solutions operates in some jurisdictions where regulations and requirements limit the convertibility of local currency and restrict free flow of cash. Despite mitigating actions, Aker Solutions has historically experienced currency losses in Angola as currency hedging instruments are generally not available. The COVID-19 pandemic has also increased the volatility in the currency market and there is a risk that the contingency buffer included in tender prices may be insufficient to cover currency losses when market fluctuations are significant. Currency variation clauses, escalation mechanisms and currency options are also used to mitigate contingent currency exposures, for example in tenders and other transactions pending final approval or investment decision.
- **Liquidity risk:** Liquidity risk is the risk that the company is unable to meet the obligations associated with its financial liabilities. The corporate treasury department ensures financial flexibility by forecasting cash flow needs and maintaining sufficient liquidity reserves and available committed credit lines. Strong order intake in 2021 and 2022, and strong cash generation from operations, has contributed to an improved balance sheet and visibility. The undrawn revolving credit facility of NOK 5,000 million is maturing in March 2023 and has been refinanced with a new NOK 3,000 million five-year syndicated revolving credit facility (RCF). The refinanced RCF and the group's cash reserve currently constitute a sufficient liquidity reserve for the group.
- **Interest rate risk:** The company's interest exposure mainly arises from external funding in bank and debt capital markets. Currently all external debt in Aker Solutions is at floating interest rates. The company's risk management strategy is that 30-50 percent of the interest exposure shall be fixed interest rate for the duration of the debt. The company uses interest rate swaps to achieve the desired fixed/floating ratio of the external debt. As the group has no significant interest-bearing operating assets, operating income and operating cash flow are substantially independent of changes in market interest rates.
- **Credit risk:** Credit risk is the risk of financial losses if a customer or counterparty to financial receivables and financial instruments fails to meet contractual obligations. Financial instruments and financing are done with reputable and highly rated banks and financial institutions, of which the credit risk is considered to be low. The credit risk related to customers' ability to pay is assessed in the bid phase and during execution of a project. The majority of the customers in traditional oil and gas projects are highly rated energy companies, where the credit

risk is considered to be limited. New customers in the renewable energy sector may represent an increased credit risk. However, the majority of customers in the renewables sector are leading renewable energy companies and highly rated energy companies where Aker Solutions' products support their decarbonization efforts and transition to renewables. The credit risk is monitored closely, especially for lower rated companies, new customers, key partners and suppliers. As a result of the ongoing COVID-19 pandemic and general market uncertainties, credit risk has increased in most industries. Due to a predominance of large international companies with a relatively low credit risk in its customer base, the overall exposure of Aker Solutions to credit risk related to customers' ability to pay is low.

- **Price risk:** Aker Solutions is exposed to fluctuations in market prices which are mitigated in the bid process to a great extent by locking in committed prices with vendors or through escalation clauses with customers. Aker Solutions' approach to enterprise risk management, risk management and internal controls are based on the principles in ISO 31000, Project Management Institute and the Committee of Sponsoring Organizations of Treadway Commission (COSO) frameworks, however, without applying all elements of these standards. Climate related risk is also evaluated in accordance with Task Force on Climate-related Financial Disclosures (TCFD). Aker Solutions has company-wide governing documents and tools for each defined risk category on how to assess, respond to and report on risks actively and systematically. The assessment, definition, follow-up and implementation of adequate mitigating actions towards the main risk factors are all integral parts of the overall governance of the company. Aker Solutions applies a combination of risk management practices in order to effectively manage the risk to the company such as: mandatory internal key controls and safeguarding processes for tender and projects in execution, scenario planning, sensitivity analysis, and regular audits.

Dividend Policy

Aker Solutions' overall objective is to create long-term value for its owners in the form of an increase in the value of the company's shares over time and/or dividend payments or share buy-backs, or a combination of these.

The company has adopted a dividend policy targeting annual dividend distributions of 30-50 percent of adjusted net profit over time. Any dividend is subject to an annual evaluation by the board and will be based on the company's financial position and re-investment opportunities based on strict principles for capital allocation. The dividend policy supports the company in balancing the target of annual dividends over time while building financial robustness and maintaining a strong balance sheet with adequate liquidity reserves to handle future obligations as well as realizing objectives for strategic development and delivering of shareholder value.

Given the company's solid financial position and positive outlook, the Board of Directors has proposed a dividend payment of NOK 1.00 per share to be paid in 2023, for the fiscal year 2022. This equals 40 percent of the 2022 adjusted net profit, a substantial increase from NOK 0.20 per share for 2021, which represented 30 percent of adjusted net profit.

Going Concern

While uncertainties from 2022, including energy market transition direction and supply chain challenges amplified by Russian invasion of Ukraine continue to influence the outlook for 2023, Aker Solutions is now better positioned to mitigate these challenges.

During the last year, the company secured record-high order intake and began implementation of a new organizational structure to safeguard project execution and drive new growth within renewables and engineering consultancy. The order backlog is strong and balanced, and the financial platform has been improved. Nevertheless, uncertainties in labor markets and availability of qualified resources remains to be a concern.

Market volatility caused by the war in Ukraine, increasing tensions in Asia and growing political instability in other regions increases the risk regarding the going concern assumption for most companies, and this is also the case for Aker Solutions. Potential future effects of instability are difficult to predict. However, the assessment is that Aker Solutions has the resources, organization, competence, assets and customer base to continue being a going concern.

Cybercrime continues to be a major and increasing threat to operations. The threat landscape is continuously monitored, and necessary steps are taken to safeguard employees, systems, data and products. With digitalization and increased data sharing between partners, suppliers and clients, Aker Solutions is committed to protecting the company's and clients' assets.

In accordance with the Norwegian Accounting Act, the Board of Directors confirms that the consolidated financial statements and parent company financial statements have been prepared based on the going-concern assumption.

The Board of Directors confirms that the Annual Report for 2022 gives a true and fair overview of the development during the year and the impact on the financial statements, the most significant risk and uncertainties facing the company.

Fornebu, March 21, 2023
Board of Directors of Aker Solutions ASA

Leif-Arne Langøy
Chairman

Øyvind Eriksen
Deputy Chairman

Kjell Inge Røkke
Director

Birgit Aagaard-Svendsen
Director

Hilde Karlsen
Director

Jan Arve Haugan
Director

Elisabeth Heggelund Tørstad
Director

Lone Fønss Schrøder
Director

Tommy Angeltveit
Director

Sigurd Sævareid
Director

Line Småge Breidablikk
Director

Kjetel Digre
Chief Executive Officer

Consolidated Financial Statements

Aker Solutions
December 31, 2022

Declaration by the Board of Directors and Chief Executive Officer

The Board and chief executive officer have today considered and approved the annual report and financial statements for the Aker Solutions group and its parent company Aker Solutions ASA for the calendar year ended on December 31, 2022.

This declaration is based on reports and statements from the chief executive officer, chief financial officer and on the results of the group's business as well as other essential information provided to the Board to assess the position of the parent company and the group.

To the best of our knowledge:

- The 2022 financial statements for the parent company and the group have been prepared in accordance with all applicable accounting standards.
- The information provided in the financial statements gives a true and fair portrayal of the parent company's and the group's assets, liabilities, financial position and results taken as a whole as of December 31, 2022.
- The Board of Directors report of the parent company and the group provides a true and fair overview of the development, performance and financial position of the parent company and the group taken as a whole, and the most significant risks and uncertainties facing the parent company and the group.

Fornebu, March 21, 2023
Board of Directors of Aker Solutions ASA

Leif-Arne Langøy Chairman	**Øyvind Eriksen** Deputy Chairman	**Kjell Inge Røkke** Director	**Birgit Aagaard-Svendsen** Director
Hilde Karlsen Director	**Jan Arve Haugan** Director	**Elisabeth Heggelund Tørstad** Director	**Lone Fønss Schrøder** Director
Tommy Angeltveit Director	**Sigurd Sævareid** Director	**Line Småge Breidablikk** Director	**Kjetel Digre** Chief Executive Officer

Income Statement

Consolidated statement for the year ended December 31

Amounts in NOK million	Note	2022	2021
Revenue from customer contracts	3, 4	41,220	29,195
Other income	3, 18	197	278
Revenue and other income		**41,417**	**29,473**
Materials, goods and services		-22,356	-13,854
Personnel expenses	5	-12,102	-10,633
Other operating expenses	6	-4,024	-3,143
Operating expenses before depreciation, amortization and impairment		**-38,482**	**-27,631**
Operating income before depreciation, amortization and impairment		**2,934**	**1,842**
Depreciation and amortization	10, 11, 18	-1,100	-1,097
Impairment	10, 11, 12, 18	22	-52
Operating income		**1,857**	**693**
Interest income	7	170	242
Interest expenses	7	-338	-383
Net other financial items	7	26	-32
Income before tax		**1,715**	**520**
Income tax	9	-545	-271
Net income		**1,170**	**249**
Net income attributable to:			
Equity holders of the parent company		1,179	254
Non-controlling interests		-8	-5
Net income		**1,170**	**249**
Earnings per share in NOK (basic and diluted)	8	**2.42**	**0.52**

Other Comprehensive Income (OCI)

Consolidated statement for the year ended December 31

Amounts in NOK million	Note	2022	2021
Net income		**1,170**	**249**
Other Comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Cash flow hedges, effective portion of changes in fair value	24	175	-153
Cash flow hedges, reclassified to income statement	24	-81	143
Cash flow hedges, deferred tax	9, 24	-25	11
Translation differences - foreign operations		399	-19
Total		**467**	**-18**
Items that will not be reclassified to profit or loss:			
Remeasurements of defined pension obligations	19	-143	-51
Remeasurements of defined pension obligations, deferred tax asset	9	31	11
Change in fair value of equity investments over OCI	25, 27	-78	-53
Total		**-190**	**-94**
Other comprehensive income (loss), net of tax		**278**	**-111**
Total comprehensive income		**1,448**	**138**
Total comprehensive income (loss) attributable to:			
Equity holders of the parent company		1,455	142
Non-controlling interests		-7	-4
Total comprehensive income		**1,448**	**138**

Balance Sheet

Consolidated statement as of December 31

Amounts in NOK million	Note	2022	2021
Assets			
Non-current assets			
Property, plant and equipment	10, 12	3,596	3,231
Intangible assets including goodwill	11, 12	5,949	5,724
Right-of-use assets and investment property	12, 18	2,723	2,803
Deferred tax assets	9	584	581
Lease receivables	18	561	634
Investments in companies	22, 25, 27	128	262
Interest-bearing receivables	25	201	206
Other non-current assets		26	22
Total non-current assets		**13,768**	**13,463**
Current assets			
Current tax assets		67	69
Inventories	13	275	293
Trade receivables	3, 14, 25	5,857	4,677
Customer contract assets and other receivables	3, 14, 25	4,419	3,713
Prepayments		1,981	1,774
Derivative financial instruments	24, 25	406	175
Interest-bearing receivables	18, 25	146	143
Cash and cash equivalents	15, 22	6,170	4,560
Total current assets		**19,320**	**15,405**
Total assets		**33,088**	**28,868**

Amounts in NOK million	Note	2022	2021
Equity and liabilities			
Equity			
Share capital	16	532	532
Share premium	16	3,687	3,687
Reserves	16	1,486	1,186
Retained earnings		3,539	2,428
Total equity attributable to the parent		**9,244**	**7,833**
Non-controlling interests	26	**-4**	**28**
Total equity		**9,240**	**7,861**
Non-current liabilities			
Non-current borrowings	17, 25	962	925
Non-current lease liabilities	18	3,679	4,056
Pension obligations	19	1,031	1,010
Deferred tax liabilities	9	459	333
Other non-current liabilities		36	4
Total non-current liabilities		**6,168**	**6,327**
Current liabilities			
Current tax liabilities		65	69
Current borrowings	17, 25	60	1,434
Current lease liabilities	18	734	692
Provisions	20	1,719	784
Trade payables	21, 25	2,645	1,429
Other payables	21	9,066	7,372
Customer contract liabilities	3	3,134	2,656
Derivative financial instruments	24, 25	255	242
Total current liabilities		**17,679**	**14,679**
Total liabilities		**23,847**	**21,007**
Total equity and liabilities		**33,088**	**28,868**

Fornebu, March 21, 2023

Leif-Arne Langøy
Chairman

Øyvind Eriksen
Deputy Chairman

Kjell Inge Røkke
Director

Birgit Aagaard-Svendsen
Director

Hilde Karlsen
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Sigurd Sævareid
Director

Line Småge Breidablikk
Director

Kjetel Digre
Chief Executive Officer

Cash Flow

Consolidated statement for the year ended December 31

Amounts in NOK million	Note	2022	2021
Cash flow from operating activities			
Net income		1,170	249
Adjustment for:			
Income tax	9	545	271
Net finance cost	7	142	173
Depreciation, amortization and impairment	10, 11, 12, 18	1,077	1,149
Other (profit) loss on disposals and non-cash effects		9	11
Net income after adjustments		**2,944**	**1,853**
Changes in operating assets and liabilities		1,793	1,252
Cash generated from operating activities		**4,737**	**3,105**
Income taxes paid		-219	-306
Net cash from operating activities		**4,518**	**2,799**
Cash flow from investing activities			
Interest received		157	220
Dividends received		13	7
Acquisition of property, plant and equipment	10	-507	-218
Payments for capitalized development	11	-113	-144
Acquisition of subsidiaries, net of cash	26, 28	-169	0
Sale of subsidiaries, net of cash		17	-2
Proceeds from sale of property, plant and equipment		6	6
Change in interest-bearing receivables		18	11
Acquisition of shares and funds		-7	0
Sale of shares and funds		0	1
Cash collection from lease receivables	18	110	125
Net cash used in investing activities		**-476**	**6**

Amounts in NOK million	Note	2022	2021
Cash flow from financing activities			
Interest paid		-319	-340
Proceeds from borrowings	17	6	0
Repayment of borrowings	17	-1,450	-352
Payment of lease liabilities	18	-695	-680
Acquisition of non-controlling interests	26	0	-31
Paid dividends to equity holders of the parent company	8	-97	0
Paid dividends to minority interests		-11	-3
Other financing activities		0	-18
Net cash from financing activities		**-2,566**	**-1,424**
Net increase (decrease) in cash and bank deposits		**1,476**	**1,381**
Cash and cash equivalents at the beginning of the period		**4,560**	**3,171**
Effect of exchange rate changes on cash and bank deposits		134	8
Cash and cash equivalents at the end of the period	15	**6,170**	**4,560**

Equity

Consolidated statement of changes in equity

Amounts in NOK million	Notes	Share capital	Share premium	Treasury share reserve	Retained earnings	Hedging reserve	Translation reserve	Fair value reserve	Equity attributable to parent	Non-controlling interests	Total equity
Equity as of January 1, 2021		**532**	**3,687**	**0**	**2,386**	**-59**	**1,178**	**146**	**7,870**	**38**	**7,908**
Net income		0	0	0	254	0	0	0	**254**	-5	**249**
Other comprehensive income		0	0	0	-40	1	-19	-53	**-112**	1	**-111**
Total comprehensive income		**0**	**0**	**0**	**214**	**1**	**-19**	**-53**	**142**	**-4**	**138**
Sale (purchase) of treasury shares		0	0	-7	-96	0	0	0	**-103**	0	**-103**
Employee share purchase program		0	0	0	10	0	0	0	**10**	0	**10**
Taxes on equity transactions	9	0	0	0	-41	0	0	0	**-41**	0	**-41**
Dividends to non-controlling interests	26	0	0	0	0	0	0	0	**0**	-8	**-8**
Change in non-controlling interests from acquisition of shares	26	0	0	0	-32	0	0	0	**-32**	2	**-29**
Other changes to equity		0	0	0	-13	0	0	0	**-13**	0	**-13**
Equity as of December 31, 2021		**532**	**3,687**	**-7**	**2,428**	**-58**	**1,159**	**93**	**7,833**	**28**	**7,861**
Net income		0	0	0	1,179	0	0	0	**1,179**	-8	**1,170**
Other comprehensive income		0	0	0	-112	69	397	-78	**276**	2	**278**
Total comprehensive income		**0**	**0**	**0**	**1,067**	**69**	**397**	**-78**	**1,455**	**-7**	**1,448**
Dividends		0	0	0	-97	0	0	0	**-97**	0	**-97**
Sale (purchase) of treasury shares	16	0	0	3	68	0	0	0	**71**	0	**71**
Employee share purchase program	5	0	0	0	12	0	0	0	**12**	0	**12**
Realization of equity investment		0	0	0	90	0	0	-90	**0**	0	**0**
Taxes on equity transactions	9	0	0	0	-7	0	0	0	**-7**	0	**-7**
Dividends to non-controlling interests	26	0	0	0	0	0	0	0	**0**	-11	**-11**
Change in non-controlling interests from acquisition of shares	26	0	0	0	-22	0	0	0	**-22**	-15	**-37**
Other changes to equity		0	0	0	1	0	0	0	**1**	0	**1**
Equity as of December 31, 2022		**532**	**3,687**	**-4**	**3,539**	**10**	**1,556**	**-76**	**9,244**	**-4**	**9,240**

Notes to the Consolidated Financial Statements

For the year ended December 31

Note 1 Company Information

Aker Solutions delivers integrated solutions, products and services to the global energy industry. We enable low-carbon oil and gas production and develop renewable solutions to meet future energy needs. By combining innovative digital solutions and predictable project execution we accelerate the transition to sustainable energy production. The company had about 15,000 own employees and was present in 20 countries at the end of 2022.

The main office is in Fornebu, Norway and the parent company Aker Solutions ASA is listed on the Oslo Stock Exchange under the ticker AKSO. The consolidated financial statements in this report include the financial performance and position of the company and its subsidiaries collectively referred to as “the group” or “the company” and separately as group companies.

Note 2 Basis of Preparation

Statement of Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union, their interpretations adopted by the International Accounting Standards Board (IASB) and the additional requirements of the Norwegian Accounting Act as of December 31, 2022.

The consolidated financial statements were approved by the Board of Directors and the chief executive officer (CEO) on March 21, 2023. The consolidated financial statements will be authorized at the Annual General Meeting on April 13, 2023. Until this date the Board of Directors has the authority to amend the financial statements.

Basis of Measurement

The consolidated balance sheet has been prepared on the historical cost basis except for certain financial assets and liabilities as presented in note 25 measured at fair value on each reporting date. The financial information presented in Norwegian Kroner (NOK) has been rounded to the nearest million (NOK million), therefore the subtotals and totals in some tables may not equal the sum of the amounts shown.

Consolidation

The consolidated financial statements comprise the parent company Aker Solutions 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.

Translation of foreign currency

The consolidated financial statements are presented in Norwegian kroner (NOK). Assets and liabilities of subsidiaries that have a different functional currency are translated to NOK using the exchange rate on the balance sheet date. Income and expenses are translated using the average exchange rate for the year, calculated on the basis of 12 monthly rates. Foreign exchange differences arising from these translations are recognized in other comprehensive income, and presented as a separate component in equity (translation reserve). The translation differences are reclassified to the income statement upon disposal or liquidation of the related operations. Exchange differences arising from non-current monetary receivable or payable by a foreign operation where settlement is neither planned nor likely in the foreseeable future, forms part of the net investment in that entity and are also recognized in other comprehensive income.

Judgments and Estimates

The preparation of consolidated financial statements in conformity with IFRS 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 main areas where judgments and estimates have been made are described in each of the following notes:

- Note 9 Income Tax
- Note 10 Property, Plant and Equipment
- Note 11 Intangible Assets and Goodwill
- Note 12 Impairment of Assets
- Note 13 Inventories
- Note 14 Trade and Other Receivables
- Note 18 Leases and Investment Property
- Note 19 Pension Obligations
- Note 20 Provisions and Contingent Liabilities
- Note 28 Business Combinations

The main area where significant judgment has been made is described in:

- Note 3 Revenue

New or Changed Financial Reporting Principles

Amendments to standards and interpretations that have become effective in 2022 has not had a material impact on the consolidated financial statements, nor are any material changes expected.

Note 3 Revenue

The revenue in Aker Solutions consists of large engineering, procurement and construction (EPC) contracts within the renewables and oil and gas energy sector. The company also has engineering contracts and frame agreements for maintenance of various energy installations. The compensation format is both lump sum and reimbursable, and the contracts often include various incentive mechanisms. Project execution is a key component of all deliveries.

Financial Reporting Principles

Customer contracts are assessed using the five-step model. Only approved customer contracts with a firm commitment are basis for revenue recognition. Variation orders are included when they have been approved, either verbally, in writing or implied by customary business practice. The deliveries in the contracts are reviewed to identify distinct performance obligations. For the vast majority of the identified performance obligations, control has been assessed to be transferred to the customer over time as the performance obligation is satisfied. Revenue is recognized over time using a cost based progress method, or as time and materials are delivered to the customer. The cost progress method is commonly used on lump sum contracts and reimbursable contracts when scope of work is firm. The time and materials method is more commonly used for reimbursable contracts with less firm scope. These methods are used to best reflect the pattern of transfer of control of goods and services to the customer.

Variable considerations, such as incentive payments, are included in revenue when they are highly probable. Expected liquidated damages (LDs) are recognized as a reduction of revenue unless it is highly probable LDs will not be incurred. The transaction price of performance obligations is adjusted for significant financing components to reflect the time value of money. Financing components may exist when the expected time period between the transfer of the promised goods and services and the payment is more than twelve months. This assessment is performed at the contract inception. Profit is not recognized until the outcome of the performance obligations can be measured reliably. Contract costs are expensed as incurred. The full loss is recognized immediately when identified on loss-making contracts. The loss is determined based on revenue less direct cost (i.e.labour, subcontractor and material cost) and an allocation of overhead that relate directly to the contract or activities required to fulfil the contract.

Judgments and Estimates

It can be challenging to estimate the expected revenue and cost in the company's customer contracts, in particular if there are operational challenges. The most significant judgments and estimates in the customer contracts are described below.

Performance Obligations

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

Variable Consideration

Incentive payments are integral and significant parts of contract revenue on certain reimbursable contracts. They can also be present in lump sum contracts. Incentive payments include key performance indicators, bonuses, target sum mechanisms and productivity measures and can potentially both increase and decrease revenue. Most incentives are estimated using the most likely amount. Revenue from variable consideration is included only when it is highly probable that the revenue will not be reversed. There is a risk that the actual payment of incentives may differ from the estimated amount.

Liquidated Damages (LDs)

LDs are penalties for not achieving defined milestones on time. LDs are common in construction contracts, but can also be present in service contracts. If a project does not meet the defined milestone in a contract, a provision reducing the transaction price is made unless it is highly probable that LD will not be imposed. The estimated LD provision is highly judgmental. The assessment of the LD provision is based on experience from similar LD situations in addition to client relationship, contractual position and status on negotiations.

Total Contract Cost

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

Different Types of Customer Contracts

The revenue in Aker Solutions consists of various contracts for the engineering, procurement, construction, modification and maintenance within the oil and gas and renewables energy sector.

Renewables and Field Development

Deliveries include foundations for carbon capture, offshore wind and traditional oil and gas installations, topside modules, substructures, floating production units (FPSOs), decommissioning, hook-up services and marine operations. Most contracts last between three to five years. The contracts include a combination of FEED, engineering, procurement, construction and installation (EPCI) of equipment. Each contract is usually assessed as one performance obligation as the deliveries are combined in one output. The contracts may be lump sum, reimbursable, target cost or a combination. The contracts regularly include incentives for achievement of key performance indicators (KPIs) or penalties for late delivery. Payment terms are normally 30-45 days according to predefined milestones or monthly billing. Revenue is recognized over time using a cost progress method. Estimates of total contract revenue and cost may require management judgment. No profit is recognized unless the outcome can be measured reliably, usually at 20 percent progress.

The following table shows a selection of the largest projects in the segment:

Project	Customer	Award year	Estimated delivery
Johan Castberg	Equinor	2017	2024
Hugin A	Aker BP	2022	2026
Sunrise Wind	Ørsted & Eversource	2021	2025
East Anglia 3	ScottishPower	2022	2025
Jackdaw WHP	Shell	2022	2024
Valhall PWP	Aker BP	2022	2026
Norfolk Boreas	Vattenfall	2022	2026
Northern Lights, Carbon Storage	Equinor	2020	2024
Fenris UI	Aker BP	2022	2026
Hugin B	Aker BP	2022	2026
Norcem Carbon Capture	Aker Carbon Capture	2020	2024
Hywind Tampen	Equinor	2019	2023

Electrification, Maintenance and Modification Contracts

Deliveries include electrification, maintenance, modification and hook-up contracts for oil and gas installations. The contracts are mainly reimbursable, but can also include lump sum elements. The majority of the contracts have incentive mechanisms including bonuses, target sum mechanisms, key performance indicators and productivity measures. Each contract or purchase order under a frame agreement (FA) is usually assessed as a separate performance obligation. The contracts usually last from one to five years. Revenue is recognized over time using a cost progress method or revenue is recognized according to delivered time and materials. Payment terms are normally 30 days after time and materials are delivered.

The following table shows a selection of the largest projects in the segment:

Project	Customer	Award year	Estimated delivery
Aker BP EMM / Modific. Alliance (FA)	Aker BP	2015	2024
Equinor H (FA)	Equinor	2016	2026
Troll West, electrification	Equinor	2021	2025
Brunei (FA)	Shell Brunei	2020	2025
ConocoPhillips M&M (FA)	ConocoPhillips	2016	2026
Tommeliten Alpha, topside modification	ConocoPhillips	2021	2023
Johan Sverdrup Hook Up, phase 2	Equinor	2020	2023
Shell Modification Contract (FA)	Shell	2017	2024

Subsea Construction Contracts

Deliveries include stand-alone subsea equipment or complete subsea systems consisting of subsea trees, wellheads, manifolds, umbilicals, tie-in and other types of subsea equipment. Most contracts last more than one year and can be as long as five years. The contracts include engineering, procurement and construction (EPC) of subsea production equipment. Each contract is usually assessed as one performance obligation as the deliveries are combined in one output. The contracts are mainly lump sum with penalties (LDs). Some contracts may have incentive arrangements. Payment terms are normally 30-90 days according to predefined milestones. If payment is agreed upon delivery of the equipment, a financing component will be presented if significant. Revenue is recognized over time using a cost progress method. Estimates of total contract revenue and cost may require management judgment. No profit is recognized unless the outcome can be measured reliably, usually at 20 percent progress.

Subsea Service Contracts

Services include installation and commissioning as well as maintenance, repair, spare supply of subsea equipment and production asset through regional service bases. The contracts are mainly reimbursable, but lump sum contracts or elements of lump sum exist in some regions. Each service job under a frame agreement is usually assessed as a separate performance obligation as they represent one combined output. The frame agreements can run for several years and each service job usually lasts for some months to as long as two years. Revenue is recognized over time using a cost progress method or according to delivered time and materials. Payment terms are normally 30 days after time and materials are delivered.

The following table shows a selection of the largest projects in the Subsea segment:

Project	Customer	Award year	Estimated delivery
Jansz, subsea gas compression	Chevron	2021	2025
Yggdrasil	Aker BP	2022	2028
Skarv Satellites	Aker BP	2022	2025
Halten Øst	Equinor	2022	2024
Askeladd West	Equinor	2020	2023
Breidablikk	Equinor	2020	2024
Kristin South	Equinor	2020	2023
Northern Lights, Carbon Storage	Equinor	2020	2023
Tommeliten Alpha	ConocoPhillips	2020	2023
Eldfisk	ConocoPhillips	2021	2024
Mero 4	Petrobras	2021	2025
Trell & Trine Development	Aker BP	2022	2024

The following tables show the revenue from customer contracts by type. Revenue by country is shown in note 4 (operating segments).

Amounts in NOK million	**2022**	**2021**
Renewables and field development	14,808	10,508
Electrification, modifications and maintenance	12,135	8,998
Subsea construction contracts	11,377	7,346
Subsea service contracts	2,628	2,321
Other	273	22
Total revenue from customer contracts	**41,220**	**29,195**

Timing of Revenue

The satisfaction of performance obligations in customer contracts vary from a few months to as long as five years. The order backlog as of December 31, 2022 was NOK 97.3 billion, compared to NOK 49.2 billion the year before. The table below shows the expected timing of future revenue for ongoing and not yet started performance obligations at year-end.

Amounts in NOK billion	2023	2024	2025	2026 and later	Total backlog
Backlog phasing of ongoing performance obligations	35.0	25.5	17.6	6.7	**84.8**
Backlog phasing of performance obligations not yet started	4.1	5.3	1.9	1.2	**12.5**
Total backlog	**39.1**	**30.8**	**19.5**	**8.0**	**97.3**

Aker Solutions had a high order intake in fourth quarter, and secured multiple contracts with Aker BP in December. These contracts were expected and the company was ready to initiate supplier purchase orders and working on internal scope before year end. As work on these projects was started in 2022, some revenues related to these projects are recognised in 2022 and the backlog phasing are presented as ongoing performance obligations in the table above.

Revenue recognized in 2022 for performance obligations satisfied in prior years was NOK 137 million, compared to NOK -64 million the year before. The negative amount in 2021 included provisions for penalties for late deliveries.

Contract Balances

The company has recognized the following assets and liabilities related to contracts with customers:

Amounts in NOK million	December 31, 2022	December 31, 2021
Trade receivables	5,857	4,677
Customer contract assets	4,283	3,606
Customer contract liabilities	-3,134	-2,656

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

The change in contract assets and liabilities relates to the natural progression of the project portfolio, as well as the current project mix. Of the amount of NOK -2,656 million recognized in contract liabilities at the end of prior year, NOK 2,459 million has been recognized as revenue in 2022.

The bad debt provision included in trade receivables at December 31, 2022 was NOK 69 million, compared to NOK 44 million the year before. No impairment has been recognized on customer contract assets.

Other Income

Other income includes revenue that is not derived from regular customer contracts, such as leasing revenue and profits from equity accounted investees.

Amounts in NOK million	Note	2022	2021
Revenue from operating leases	18	162	144
Settlement from arbitration		0	86
COVID-19 compensation		0	43
Profit (loss) from equity accounted investees	27	33	5
Other		2	0
Total other income		**197**	**278**

See note 4 for more information about revenue per segment and per country
See note 14 for more information about trade and other receivables
See note 18 for more information about leasing revenue
See note 21 for more information about trade and other payables
See note 27 for more information about equity accounted investees

Note 4 Segments

Aker Solutions is a global provider of equipment, systems and services to the renewable and oil and gas energy sector. Aker Solutions has three reporting segments.

Financial Reporting Principles

Reporting segments are components of the group regularly reviewed by the chief operating decision maker to assess performance and be able to allocate resources. The group's Chief Executive Officer (CEO) is the chief decision maker at Aker Solutions. The accounting principles of the reporting segments are the same as described in this annual report, except for hedge accounting. When contract revenues and contract costs are denominated in a foreign currency, the subsidiary hedges the exposure against corporate treasury. Hedge accounting is applied independently of whether the hedge qualifies for hedge accounting in accordance with IFRS. The correction of the non-qualifying hedges to secure that the consolidated financial statements are in accordance with IFRS is made as an adjustment at the corporate level and reported in the Other segment. This means that the group's segment reporting reflects all hedges as qualifying even though they may not qualify according to IFRS. Transactions between the segments are based on negotiations between the parties, and management believes that the agreed prices are a fair approximation to arms length prices. Transactions between segments are eliminated upon consolidation. Aker Solutions has a central treasury function. Financing of the various segments does not necessarily reflect the financial strength of the individual segments. Financial items are therefore presented only for the group as a whole.

Renewables and Field Development

The Renewables and Field Development segment pursues and executes projects within offshore wind power, green onshore as well as the market for traditional oil and gas platforms, onshore facilities, decommissioning and marine operations. The objective of the segment is to add value by improving efficiency and reducing carbon footprint in oil and gas deliveries. Furthermore accelerating the transition to renewables and become a key supplier to renewables and carbon capture solutions by building execution and collaboration through a digital value chain.

The Renewables and Field Development reporting segment includes three operating segments in Aker Solutions that are organized separately and provide individual management reporting to the CEO. The following three operating segments are included: (1) Engineering, (2) Renewables and (3) Topside & Facilities. The operating segments have been aggregated in the external reporting as they share resources and production capacity, and engineering is often an integrated scope of renewables and topside customer contracts. The operating segments have similar commercial risks, they operate in the same economic climate and have the same markets and customers. They also have similar operational characteristics and use the same type of KPI's to monitor the business.

Electrification, Maintenance and Modifications

The Electrification, Maintenance and Modification segment provides optimized field life solutions driven by decarbonization and environmentally sound offerings both for offshore and onshore facilities. The segment provides a full-range offering of maintenance and modification services including electrification projects, digitally enabled asset integrity services, hook-up and installation services as well as late-life and decommissioning activities. The segment has a global presence across regions with main execution in Norway, UK, Canada, Brazil, Brunei and Angola.

Subsea

The Subsea segment provides market-leading intelligent subsea systems, products, services and low-carbon solutions, used in oil and gas production. The segment provides design, engineering, procurement, manufacturing, fabrication, installation, and life-of-field services for subsea systems and field infrastructure. The broad product offering includes, but is not limited to, trees, controls systems, umbilicals, intervention- and workover systems, manifolds, tie-in and connection systems, pumps, and market-leading subsea gas compression and boosting systems. The segment also provides extensive life-of-field services including installation and commissioning, conditional monitoring, inspection, maintenance, repair, upgrades and spares supply, related to subsea equipment and infrastructure. The segment has a global delivery model with service bases across all main offshore oil and gas basins globally, and with main manufacturing hubs for subsea equipment in Brazil, Malaysia, Norway and UK. The subsea umbilicals are being manufactured in Norway and the United States.

Other

The Other segment includes unallocated corporate costs, the recently acquired Rainpower business and the effect of hedges not qualifying for hedge accounting. The Other segment also includes impairments of right-of-use lease assets for certain leases, as certain lease decisions are taken by the corporate center. The number of employees in corporate functions and finance support functions are reported in the Other segment while the related cost is allocated to the segments.

Note 4 continues on next page

Note 4 Segments cont.

Segment Performance 2022

Amounts in NOK million	Notes	Renewables & Field Development	Electrification, Maintenance & Modifications	Subsea	Total operating segments	Other	Intra-group eliminations	Total
Income statement								
Revenue from customer contracts		14,808	12,135	14,005	**40,947**	273	0	**41,220**
Other income		14	0	6	**19**	177	0	**197**
External revenue		14,822	12,135	14,010	**40,967**	450	0	**41,417**
Inter-segment revenue		35	29	45	**109**	7	-116	**0**
Total revenue		**14,857**	**12,164**	**14,055**	**41,076**	**457**	**-116**	**41,417**
Operating income before depreciation, amortization and impairment		487	663	2,305	**3,455**	-520	0	**2,934**
Depreciation and amortization	10, 11	-298	-105	-587	**-991**	-109	0	**-1,100**
Impairment	10, 11, 12, 18	-3	0	-8	**-11**	34	0	**22**
Operating income		**185**	**558**	**1,710**	**2,453**	**-596**	**0**	**1,857**
Assets and Liabilities								
Property, plant and equipment	10	1,424	61	1,837	**3,321**	275	0	**3,596**
Intangible assets	11	1,613	1,311	2,808	**5,732**	217	0	**5,949**
Right-of-use assets	18	378	22	874	**1,274**	1,449	0	**2,723**
Current operating assets		3,011	2,975	4,315	**10,301**	2,656	-358	**12,598**
Operating assets		**6,426**	**4,369**	**9,833**	**20,628**	**4,597**	**-358**	**24,866**
Current operating assets		3,011	2,975	4,315	**10,301**	2,656	-358	**12,598**
Current operating liabilities		5,923	2,730	4,709	**13,361**	3,627	-358	**16,630**
Net current operating assets		**-2,912**	**245**	**-394**	**-3,061**	**-971**	**0**	**-4,032**
Cash flow								
Cash flow from operating activities		2,058	194	2,473	**4,725**	-207	0	**4,518**
Acquisition of property, plant and equipment	10	-305	-17	-162	**-484**	-23	0	**-507**
Capitalized development	11	-26	0	-75	**-100**	-13	0	**-113**
Other key figures								
Order intake		51,398	16,190	20,536	**88,125**	229	-115	**88,238**
Order backlog		50,790	21,617	24,654	**97,061**	286	-30	**97,316**
Own employees		5,484	4,381	4,271	**14,136**	1,259	0	**15,395**

Note 4 continues on next page

Note 4 Segments cont.

Segment Performance 2021

Amounts in NOK million	Notes	Renewables & Field Development	Electrification, Maintenance & Modifications	Subsea	Total operating segments	Other	Intra-group eliminations	Total
Income statement								
Revenue from customer contracts		10,508	8,998	9,667	**29,173**	22	0	**29,195**
Other income		83	-1	18	**100**	178	0	**278**
External revenue		10,590	8,998	9,684	**29,273**	200	0	**29,473**
Inter-segment revenue		35	200	27	**262**	4	-266	**0**
Total revenue		**10,625**	**9,197**	**9,712**	**29,534**	**204**	**-266**	**29,473**
Operating income before depreciation, amortization and impairment		535	402	1,244	**2,181**	-340	0	**1,842**
Depreciation and amortization	10, 11	-255	-129	-615	**-998**	-98	0	**-1,097**
Impairment	10, 11, 12, 18	37	-1	-2	**35**	-87	0	**-52**
Operating income		**317**	**273**	**627**	**1,217**	**-524**	**0**	**693**
Assets and Liabilities								
Property, plant and equipment	10	1,158	66	1,716	**2,940**	290	0	**3,231**
Intangible assets	11	1,483	1,314	2,893	**5,690**	34	0	**5,724**
Right-of-use assets	18	347	30	944	**1,321**	1,482	0	**2,803**
Current operating assets		2,620	2,158	4,044	**8,822**	1,791	-86	**10,527**
Operating assets		**5,608**	**3,568**	**9,597**	**18,773**	**3,597**	**-86**	**22,285**
Current operating assets		2,620	2,158	4,044	**8,822**	1,791	-86	**10,527**
Current operating liabilities		3,415	2,269	4,319	**10,003**	2,393	-86	**12,311**
Net current operating assets		**-795**	**-111**	**-275**	**-1,181**	**-602**	**0**	**-1,784**
Cash flow								
Cash flow from operating activities		-283	209	1,739	**1,665**	1,134	0	**2,799**
Acquisition of property, plant and equipment	10	-83	-12	-102	**-198**	-21	0	**-218**
Capitalized development	11	-12	0	-106	**-118**	-25	0	**-144**
Other key figures								
Order intake		14,028	9,882	16,837	**40,747**	-1	-280	**40,466**
Order backlog		14,058	17,553	17,826	**49,437**	-172	-97	**49,168**
Own employees		4,553	6,085	3,607	**14,245**	767	0	**15,012**

Note 4 continues on next page

Note 4 Segments cont.

Reconciliation of Information on Reporting Segments to IFRS Measures

Amounts in NOK million	2022	2021
Assets		
Total operating assets	24,866	22,285
Deferred tax assets	584	581
Lease receivables	561	634
Investment in companies	128	262
Derivative financial instruments	406	175
Current interest-bearing receivables	146	143
Non-current interest-bearing receivables	201	206
Other non-current assets	26	22
Cash and cash equivalents	6,170	4,560
Total assets	**33,088**	**28,868**
Liabilities		
Total operating liabilities	16,630	12,311
Non-current borrowings	962	925
Non-current lease liabilities	3,679	4,056
Pension obligations	1,031	1,010
Deferred tax liabilities	459	333
Other non-current liabilities	36	4
Current borrowings	60	1,434
Current lease liabilities	734	692
Derivative financial instruments	255	242
Total liabilities	**23,847**	**21,007**

Major Customer

All reporting segments delivered to one major customer which represented 40 percent of total revenue in 2022 (2021: 45 percent). Aker Solutions has long-term contracts with this customer which is a large international oil company.

Geographical Information

External revenue is presented on the basis of geographical location of the selling company. Non-current assets and capital expenditures are based on the geographical location of the company owning the assets.

	Revenue from customer contracts		Non-current operating assets		Capital expenditure PPE	
Amounts in NOK million	2022	2021	2022	2021	2022	2021
Norway	33,142	23,069	9,038	8,511	332	133
USA	2,364	948	286	301	17	6
Brazil	1,292	1,029	1,030	844	79	29
UK	970	1,005	886	1,019	0	4
Malaysia	824	925	374	438	9	3
Angola	777	555	185	199	3	3
Brunei	694	664	18	21	2	2
Canada	692	475	52	52	5	2
Congo	146	104	2	2	1	0
India	95	196	223	198	17	7
Australia	77	125	0	0	0	0
United Arab Emirates	44	63	0	0	0	0
Other countries	104	36	175	174	41	28
Total	**41,220**	**29,195**	**12,268**	**11,758**	**507**	**218**

See note 3 for more information about revenue

Note 5 Personnel Expenses

Financial Reporting Principles

Personnel expenses include wages, salaries, social security contributions, sick leave, parental leave and other employee benefits. The benefits are recognized in the year in which the associated services are rendered by the employees.

Personnel Expenses

Amounts in NOK million	**2022**	**2021**
Salaries and wages including holiday allowance	9,600	8,537
Social security contribution	1,268	1,100
Pension cost	801	620
Other employee benefits	433	375
Personnel expenses	**12,102**	**10,633**
Total number of employees as of December 31	15,395	15,012
Average number of employees	14,922	14,722

Employee Share Purchase Program

In 2022, 1,313 employees participated in the share purchase programs in Aker Solutions. Employees received a 25 percent reduction of cost price limited to a total of NOK 7,500. Employees could sign up for shares up to a maximum amount of NOK 60,000 and management an additional amount of maximum 20 percent of annual salary. Employees that are still working in the company three years after completion of the program will receive one bonus share for every two shares still held by the employee. Costs related to the bonus shares are expensed over the vesting period. Aker Solutions expensed a total of NOK 8 million in 2022 related to share purchase programs (NOK 12 million in 2021). There were no loans to employees as of 31 December, 2022, same as in the previous year.

See note 19 for more information about the pension cost and obligations

Note 6 Other Operating Expenses

Amounts in NOK million	**2022**	**2021**
Rental of equipment, IT systems and support	1,619	1,402
Operating and maintenance expenses for property	922	637
External consultants including audit fees	631	325
Travel expenses	338	193
Insurance	204	134
Other expenses	310	451
Other operating expenses	**4,024**	**3,143**

See note 18 for more information about leasing costs
See note 31 for more information about audit fees

Note 7 Financial Income and Expenses

Financial Reporting Principles

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

Foreign exchange gains and losses arise upon settlement of monetary assets and liabilities that are not hedged. Translation of monetary assets and liabilities denominated in foreign currencies related to operating activities such as trade receivables and payables are included in operating expenses before depreciation, amortization and impairment. However, the currency gains and losses are offset by the effects from hedging derivatives. Translation of operational monetary assets and liabilities in countries with hyperinflationary or non-convertible currencies are presented as financial items. Translation of assets and liabilities related to general financing of the entity are included as financial income and expenses. Foreign exchange gains and losses also include effects from translating monetary assets and liabilities denominated in foreign currencies at the balance sheet date. The profit or loss on foreign exchange forward contracts include effects from derivatives that do not qualify for hedge accounting, embedded derivatives and the ineffective portion of qualifying hedges.

Financial Income and Expenses

Amounts in NOK million	2022	2021
Interest income from lease receivables	29	35
Other interest income	141	208
Interest income	**170**	**242**
Interest expense on lease liability	-195	-204
Interest expense on financial liabilities measured at amortized cost	-130	-169
Interest expense on financial liabilities measured at fair value	-13	-10
Interest expense	**-338**	**-383**
Net foreign exchange gain (loss)	22	30
Profit (loss) on foreign currency forward contracts	16	-11
Other financial income	12	14
Other financial expenses	-24	-65
Net other financial items	**26**	**-32**
Net finance cost	**-142**	**-173**

See note 18 for more information about lease receivables and liabilities
See note 19 for more information about pension obligations
See note 20 for more information about interest income from arbitration process
See note 22 for more information about foreign exchanges gains and losses
See note 24 for more information about derivative financial instruments
See note 25 for more information about financial assets and liabilities
See note 27 for more information about investments in companies

Note 8 Earnings per Share and Dividends

Financial Reporting Principles

The calculation of basic and diluted earnings per share is based on the net income attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding. Treasury shares are not included in the weighted average number of ordinary shares. Weighted average number of diluted and ordinary shares is the same, as the company does not have any dilutive instruments.

Earnings per Share (EPS)

	2022	2021
Income attributable to ordinary shares (NOK million)	1,179	254
Weighted average number of issued ordinary shares for the year adjusted for treasury shares	486,899,547	488,564,065
Basic and diluted earnings per share (NOK)	2.42	0.52

Dividends

Aker Solutions targets to pay annual dividends of 30-50 percent of adjusted net profit over time. Given the company's solid financial position and positive outlook, the Board has proposed a dividend per share of NOK 1.00 for 2022. The proposed dividend amounts to NOK 488 million based on outstanding shares as of December 31, 2022. Aker Solutions had a liquidity buffer of NOK 11.2 billion as of December 31, 2022 compared to NOK 9.6 billion as of December 31, 2021.

For the previous year, Aker Solutions distributed dividends to its shareholders of NOK 0.20 per share with a total amount of NOK 97 million.

See note 16 for more information about share capital and treasury shares

Note 9 Income Tax

Financial Reporting Principles

Income tax in the income statement consists of current tax, effect of change in deferred tax positions and withholding tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current Tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date that will be paid during the next twelve months. Current tax also includes any adjustment of taxes from previous years and taxes on dividends recognized in the year.

Deferred Tax

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for taxation purposes. Deferred tax is measured at the tax rates expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax is not recognized for goodwill identified in business combinations. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority. Deferred tax assets are recognized for unused tax losses, tax credits and deductible temporary differences. The deferred tax asset is only recognized to the extent it is considered probable that future taxable profits will be available to utilize the tax losses and credits.

Withholding Tax

Withholding tax and any related tax credits are presented as income tax if they can be netted against corporate income tax. Such taxes are generally recognized in the period they are incurred. Withholding tax and related tax credits directly related to construction contracts are recognized according to the progress of the construction contract, and follow the same recognition criteria as the underlying construction contract.

Judgments and Estimates

The group is subject to income taxes in numerous jurisdictions, and judgment may be involved when determining the taxable amounts. Tax authorities in different jurisdictions may challenge calculation of taxes payable from prior periods.

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

Deferred tax assets

The deferred tax asset is recognized only to the extent it is considered probable that future taxable profits will be available to utilize the tax losses and credits. The forecasted future taxable profits are based on firm orders in the backlog and identified prospects in addition to expected service revenue. The forecasted taxable profits reflect organic growth only. Other parameters in the assessment are the predicted long-term investment level by companies in the renewable and oil and gas energy sector, mix of projects and services and level of operating expenses.

Note 9 continues on next page

Note 9 Income Tax cont.

Income Tax Expense

Amounts in NOK million	2022	2021
Current income tax		
Current year	261	216
Prior year adjustment	-17	4
Total current income tax	**244**	**220**
Deferred income tax		
Origination and reversal of temporary differences	236	50
Write down of tax loss carry-forwards and deferred tax assets	64	5
Change in tax rates	2	0
Adjustment for prior periods	-1	-4
Total deferred income tax	**301**	**51**
Total income tax	**545**	**271**

Recoverability of deferred tax assets has been subject to assessment following market volatility and outlook in the jurisdictions where we operate. As a result deferred tax assets related to net operating losses and tax credits has been written down by NOK 64 million in 2022.

Taxes in OCI and Equity

Amounts in NOK million	2022	2021
Cash flow hedges, deferred tax	25	-11
Remeasurement of defined benefit pension plans	-31	-11
Income taxes included in OCI	**-6**	**-22**

Note 9 continues on next page

Note 9 Income Tax cont.

Effective Tax Rate

The table below reconciles the tax expense as if the Norwegian tax rate of 22 percent was applied.

Amounts in NOK million	2022		2021	
Income before tax	1,715		520	
Income tax when applying Norwegian tax rate of 22 percent	377	22.0%	114	22.0%
Tax effects of:				
Effect of different tax rates in other jurisdictions	21	1.2%	5	1.0%
Non-deductible expenses	52	3.0%	40	7.7%
Effect of withholding tax	65	3.8%	104	20.0%
Current tax adjustments related to prior years	-17	-1.0%	4	0.8%
Deferred tax adjustments related to prior years	-1	-0.1%	-4	-0.8%
Previously unrecognized tax losses used to reduce payable tax	-34	-2.0%	3	0.6%
Write down of deferred tax assets	64	3.7%	5	1.0%
Impact of change in tax rate	2	0.1%	0	0.0%
Other	15	0.9%	0	0.0%
Income tax and effective tax rate	**545**	**31.8%**	**271**	**52.1%**

Note 9 continues on next page

Note 9 Income Tax cont.

Deferred Tax Assets and Liabilities

	Assets		Liabilities		Net	
Amounts in NOK million	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Property, plant and equipment	32	61	-112	-143	-81	-82
Pensions	195	178	0	-3	195	175
Projects under construction	16	9	-2,114	-2,635	-2,098	-2,626
Tax loss carry-forwards	1,721	2,398	0	0	1,721	2,398
Intangible assets	6	6	-208	-197	-202	-192
Provisions	180	173	0	0	180	173
Derivatives	1	24	-33	-1	-32	23
Tax credits and other	634	577	-191	-198	442	379
Total before offsetting	**2,784**	**3,426**	**-2,659**	**-3,177**	**125**	**248**
Offsetting	-2,201	-2,845	2,201	2,845	0	0
Total	**584**	**581**	**-459**	**-333**	**125**	**248**

Note 9 continues on next page

Note 9 Income Tax cont.

Change in Net Recognized Deferred Tax Assets and Liabilities

Amounts in NOK million	Property, plant and equipment	Pensions	Projects under construction	Tax loss carry-forwards	Intangible assets	Provisions	Derivatives	Tax credits and other	Total
Balance as of January 1, 2021	**-118**	**187**	**-2,025**	**1,892**	**-191**	**221**	**16**	**259**	**242**
Recognized in profit and loss	29	-23	-602	505	0	-29	-5	74	-51
Recognized in other comprehensive income (OCI)	0	11	0	0	0	0	11	0	22
Prepaid withholding tax	0	0	0	0	0	0	0	32	32
Reclassification between categories	6	0	0	0	0	-19	0	13	0
Currency translation differences	1	0	1	1	0	0	1		3
Balance as of December 31, 2021	**-82**	**175**	**-2,626**	**2,398**	**-192**	**173**	**23**	**379**	**248**
Acquisition of subsidiaries	2	4	-13	110	-19	1	0	7	92
Recognized in profit and loss	8	-18	502	-788	1	-5	-26	24	-301
Prior year-adjustments booked in equity	-6	0	0	5	0	0	0	0	-1
Recognized in other comprehensive income (OCI)	0	31	0	0	0	0	-25	0	6
Prepaid withholding tax	0	0	0	0	0	0	0	29	29
Reclassification between categories	0	0	37	-45	7	8	-6	0	0
Currency translation differences	-2	3	1	41	-1	3	1	4	52
Balance as of December 31, 2022	**-81**	**195**	**-2,098**	**1,721**	**-202**	**180**	**-32**	**442**	**125**

Note 9 continues on next page

Note 9 Income Tax cont.

Tax Loss Carry-Forwards and Unrecognized Deferred Tax Assets (gross amount)

Amounts in NOK million	Tax losses carry-forwards						Other tax assets
	Expiry within 5 years	**Expiry 5-20 years**	**Indefinite expiration**	**Total**	**Of which is unrecognized**	**Of which is recognized**	**Unrecognized**
Norway	0	0	6,169	**6,169**	0	6,169	94
Europe excluding Norway	47	3	584	**633**	584	50	11
North America	283	661	668	**1,613**	741	872	0
South America	0	0	482	**482**	225	257	0
Middle East & Africa	25	0	0	**25**	25	0	0
Asia Pacific	15	1,046	175	**1,236**	1,236	0	59
Total	**370**	**1,710**	**8,078**	**10,158**	**2,811**	**7,348**	**164**

The majority of the recognized tax losses carry-forward sits in Norway. The balance must be seen together with deferred taxation on construction contracts and make in total a deferred tax liability. As projects are completed and come to taxation, temporary differences associated with construction contracts and tax losses carry-forward will be reduced.

See note 20 for more information about contingent tax claims

Note 10 Property, Plant and Equipment

The majority of property, plant and equipment relates to subsea manufacturing plants and service bases in Norway, Brazil, Malaysia, the US and the UK. Property, plant and equipment also include furniture and fittings in office buildings.

Financial Reporting Principles

Property, plant and equipment (PPE) are stated at cost less accumulated depreciation and impairment losses. Components of property, plant and equipment with different useful lives are accounted for separately. Assets are normally depreciated on a straight-line basis over their expected economic lives as follows:

- Machinery and equipment: 3-15 years
- Buildings: 8-30 years
- Land: No depreciation

Impairment triggers are assessed quarterly and impairment testing is performed when triggers have been identified. Borrowing costs are capitalized as part of the cost of the asset when significant. The cost of self-constructed assets includes the cost of materials, direct labor, production overheads and borrowing cost.

Judgment and Estimates

Judgment is involved when determining the depreciation period and when assessing impairment or reversal of impairment. Impairment is assessed for individual assets and for cash generating units. The impairment testing involves judgmental assumptions about future market development, cash flows, determination of weighted average cost of capital (WACC), growth rate, and other assumptions that may change over time.

Commitments

Aker Solutions has entered into contractual commitments for the acquisition of property, plant and equipment amounting to NOK 1,552 million as of December 31, 2022, of which NOK 1,185 million expire in 2023 and NOK 367 million expire in 2024. Contractual commitments were NOK 137 million per December 31, 2021.

Property, Plant and Equipment

Amounts in NOK million	Buildings and sites	Machinery and equipment	Under construction	Total
Historical cost				
Balance as of December 31, 2020	2,857	7,610	231	**10,697**
Additions	2	45	171	**218**
Reclassification from assets under construction	11	148	-159	**0**
Reclassification	-20	21	-1	**0**
Disposal and scrapping	-16	-306	0	**-322**
Currency translation differences	-7	-30	-1	**-38**
Balance as of December 31, 2021	**2,827**	**7,488**	**241**	**10,556**
Additions[1]	4	18	567	**589**
Acquisition of subsidiaries[2]	34	4	0	**38**
Reclassification from assets under construction	22	271	-293	**0**
Disposal and scrapping[2]	-34	-122	0	**-156**
Currency translation differences	157	411	15	**583**
Balance as of December 31, 2022	**3,010**	**8,070**	**530**	**11,610**
Accumulated depreciation and impairment				
Balance as of December 31, 2020	-1,111	-6,019	-1	**-7,131**
Depreciation for the year	-90	-400	0	**-490**
Impairment	-25	-13	-1	**-39**
Reversal of impairment	5	5	0	**10**
Disposal and scrapping	16	301	0	**316**
Currency translation differences	-5	14	0	**8**
Balance as of December 31, 2021	**-1,211**	**-6,112**	**-2**	**-7,325**
Depreciation for the year	-92	-353	0	**-446**
Impairment	-3	0	-3	**-6**
Disposal and scrapping	0	117	0	**117**
Currency translation differences	-46	-309	0	**-355**
Balance as of December 31, 2022	**-1,351**	**-6,658**	**-6**	**-8,015**
Book value as of December 31, 2021	**1,617**	**1,375**	**239**	**3,231**
Book value as of December 31, 2022	**1,658**	**1,412**	**526**	**3,596**

1) Includes NOK 82 million unpaid capital expenditure.
2) Includes NOK 34 million related to acquisition of EPE Eigedom which was later partly sold and reclassified to equity accounted investee.

See note 12 for more information about impairment testing
See note 17 for more information about PPE being held as security for borrowings
See note 18 for more information about right-of-use lease assets

Note 11 Intangible Assets and Goodwill

In Aker Solutions, intangible assets mainly relate to capitalized technology development in addition to goodwill. The technology development programs are closely monitored to secure the desired technological achievements in time and at acceptable cost levels. Technology development programs that meet certain criteria are capitalized and amortized over the expected useful lives.

Financial Reporting Principles

Capitalized Development

The technology development at Aker Solutions is graded according to a Technology Readiness Level (TRL) consisting of eight phases. Research and development costs are expensed as incurred until a program has completed the concept phase. Development cost is only capitalized if the product or process is technically and commercially feasible and the business case shows a positive net present value. Capitalized development mainly includes internal labor costs in addition to materials for the development program. Any third-party funding is presented as a reduction of the capitalized amount. The capitalized development is normally amortized over five years on a straight-line basis, but certain programs with a clear differentiating offering and a longer economic benefit may be amortized up to seven years. For development projects in progress, a full impairment test is performed annually or when impairment indicators are identified. Assets are written down to recoverable amount if lower than book value.

Goodwill

Goodwill represents the consideration paid in excess of identifiable assets and liabilities in business combinations. Goodwill has an indefinite useful life and is tested for impairment annually, or when impairment indicators are identified.

Other

Other intangible assets include IT systems and technology development acquired through business combinations.

Judgments and Estimates

The decision to capitalize a development program involves management judgment. There are strict internal rules defining what qualifies for capitalization, and the documentation of the assessment is monitored centrally. Management makes assessment of future market opportunities, ability to successfully achieve the desired technological solution and the time and cost it takes to develop it. These factors may change over time.

Judgment is involved when determining the amortization period and when assessing impairment or reversal of impairment. Impairment indicators are assessed for individual development projects, other intangible assets, and for cash generating units including goodwill. Impairment testing is performed when impairment indicators have been identified. In addition, goodwill and capitalized development programs that have not been completed are subject to an annual impairment test. The impairment testing involves judgmental assumptions about future market development, cash flows, determination of weighted average cost of capital (WACC), growth rate, and other assumptions that may change over time.

Note 11 continues on next page

Note 11 Intangible Assets and Goodwill cont.

Intangible Assets

Amounts in NOK million	Capitalized development	Goodwill	Other	Total
Historical cost				
Balance as of December 31, 2020	3,339	5,390	287	**9,016**
Additions from internal development[1, 2]	144	0	0	**144**
Reclassification between categories	-4	0	4	**0**
Disposal of subsidiaries and assets	-120	0	0	**-120**
Currency translation differences	23	-6	1	**18**
Balance as of December 31, 2021	**3,382**	**5,385**	**292**	**9,058**
Additions from internal development[1]	124	0	1	**125**
Acquisition of subsidiaries	26	196	85	**307**
Disposal of subsidiaries and assets	-15	0	0	**-15**
Currency translation differences	82	17	6	**106**
Balance as of December 31, 2022	**3,599**	**5,598**	**384**	**9,581**

1) Development cost funded by third-party totalled NOK 55 million in 2022 (NOK 54 million in 2021).
2) Includes NOK 12 million of unpaid capital expenditure.

Amounts in NOK million	Capitalized development	Goodwill	Other	Total
Accumulated depreciation and impairment				
Balance as of December 31, 2020	-2,384	-552	-256	**-3,191**
Amortization for the year	-203	0	-19	**-222**
Impairment	-32	0	0	**-32**
Disposal of subsidiaries and assets	120	0	0	**120**
Currency translation differences	-15	6	-1	**-9**
Balance as of December 31, 2021	**-2,512**	**-546**	**-276**	**-3,334**
Amortization for the year	-213	0	-11	**-224**
Impairment	-6	0	0	**-6**
Disposal of subsidiaries and assets	15	0	0	**15**
Currency translation differences	-62	-15	-6	**-83**
Balance as of December 31, 2022	**-2,778**	**-560**	**-293**	**-3,632**
Book value as of December 31, 2021	**869**	**4,840**	**16**	**5,724**
Book value as of December 31, 2022	**820**	**5,037**	**91**	**5,949**

Research and Development Expenses

The research and development expense was NOK 60 million in 2022 compared to NOK 51 million in 2021.

See note 12 for more information about impairment testing

Note 12 Impairment of Assets

The future outlook continues to be positive for Aker Solutions. Major contracts within the renewable energy sector and more traditional oil and gas energy sector were awarded during the year. Aker Solutions has all-time high order backlog and continued high tendering- and FEED activity. Following moderate impairments in the previous year, the company had a net reversal of impairments of NOK 22 million in 2022.

Financial Reporting Principles

Individual Assets

Each property, plant, equipment and right-of-use asset is assessed for impairment triggers every quarter to identify assets that are damaged, no longer in use or will be disposed. Capitalized development is assessed for impairment triggers every quarter to identify development programs where the technological development or commercial outlook for that specific technology no longer justify the book value. Capitalized development programs that have not been completed are subject to annual impairment testing. The impairment testing of capitalized development include an update of the future expected cash flows, assessing status on technical achievements and reviewing cost incurred compared to budget in order to identify if any of the capitalized cost should be expensed. The assets are written down to recoverable amount, if lower than book value. Reversal of impairment is assessed quarterly for assets previously impaired.

Assets in a Cash Generating Unit (CGU)

Impairment indicators are assessed quarterly for all assets (including right-of-use assets) that are part of a cash generating unit (CGU). A CGU represents the lowest level of independent revenue generated by the assets. This is usually the lowest level where a separate external market exists for the output from the CGU. Impairment indicators are reviewed for all assets with assessment of market conditions, technological development, change in order backlog, change in discount rate and other elements that may impact the value of the assets in the CGU. Assets are usually tested using the value-in-use approach determined by discounting expected future cash flows. Various sensitivity analysis for change in future cash flows, growth rate and WACC is performed for CGUs with limited headroom in the impairment testing. Impairment losses are recognized for assets in CGUs where the recoverable amount is lower than book value.

Goodwill

The groups of CGUs that include goodwill are tested for impairment annually or when impairment triggers have been identified. The company does not have other assets than goodwill with indefinite useful lives.

Judgments and Estimates

The impairment testing of assets is by nature highly judgmental as it includes estimates such as future market development, cash flows, determination of CGUs and WACC, growth rate used for calculation of terminal value and other assumptions that may change over time. In particular, future cash flows are uncertain as they are impacted by market developments beyond Aker Solutions' control. The oil price impacts for example the investment levels in capex and maintenance projects by the oil companies. Carbon taxation impacts the investment levels of carbon capture and offshore wind investments. These external factors in turn impact the markets in which Aker Solutions operates.

Cash Flow Assumptions

When estimating future cash flows, five years of cash flows for the period 2023 to 2027 have been used as basis. The forecasted cash flows are based on firm orders in the backlog and identified prospects in addition to expected service revenue. ROU lease assets are included in the impairment test. Management has defined the growth rate, post-tax discount rate and estimated future cash flows as the most sensitive assessment in the value-in-use calculation. The forecasted cash flows used in the impairment tests reflect organic growth only. Other parameters in the assessment are the predicted long-term oil price per barrel, mix of projects and services, level of operating expenses and capital expenditure for maintenance of the asset portfolio.

Discount and Growth Rate

Estimated future cash flows are discounted to their present value using the weighted average cost of capital (WACC), which is a post-tax discount rate. The WACC is based on a risk-free interest rate, a risk premium and average beta values of peers within each market. A separate WACC has been calculated for each of the CGUs taken into consideration country specific risk premiums and long-term risk free interest rates. A growth rate has been applied to calculate terminal value after the five-year period.

Note 12 continues on next page

Note 12 Impairment of Assets cont.

Impairment Testing of Individual Assets and CGUs

The table below summarizes the impairments recognized per group of assets and per segment.

	Renewables & Field Development		Electrification, Maintenance & Modifications		Subsea		Other		Total	
Amounts in NOK million	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Impairment of intangible assets	3	20	0	0	0	3	3	9	6	32
Impairment of property, plant and equipment	0	-9	0	0	3	1	3	37	6	29
Impairment of right-of-use assets	0	-49	0	1	5	-2	-39	41	-34	-9
Total impairment	**3**	**-37**	**0**	**1**	**8**	**2**	**-34**	**87**	**-22**	**52**

The company has not had significant impairments in 2022. Impairment in the previous year mainly related to intangible assets and property, plant and equipment where the technology or commercial outlook no longer justified the value. In both 2022 and 2021, the group reversed previous impairments of right-of-use assets due to more utilization of leased assets and favourable developments with sub-leases.

Note 12 continues on next page

Note 12 Impairment of Assets cont.

Impairment Testing of Goodwill

The groups of CGUs identified when testing goodwill represent the level where synergies are expected and goodwill is monitored. ROU lease assets are included in the impairment testing.

The book value of goodwill for the five groups of CGUs that include goodwill is shown below. In 2022, Aker Solutions acquired Rainpower, Unitech Power Systems and Frontica Engineering and recognized goodwill related to these companies.

Amounts in NOK million	2022	2021
Engineering (Renewables and Field Development)	795	681
Topside yards (Renewables and Field Development)	720	720
Electrification, modifications and maintenance (Electrification, modifications and maintenance)	1,300	1,298
Subsea (Subsea)	2,140	2,140
Rainpower (Other)	82	0
Total goodwill as of December 31	**5,037**	**4,840**

The WACC used in the impairment testing of goodwill is shown below.

	2022		2021	
	Post-tax WACC	Pre-tax WACC	Post-tax WACC	Pre-tax WACC
Engineering	10.6%	13.0%	9.2%	13.7%
Topside yards	10.5%	13.6%	9.2%	12.7%
Electrification, modifications and maintenance	10.7%	13.2%	9.6%	13.1%
Subsea	10.8%	13.9%	9.3%	13.3%
Rainpower	9.7%	11.3%	0.0%	0.0%

Assumptions

A post-tax value-in-use method was used, with pre-tax rates calculated using an iterative method for illustration purposes only. The forecasted cash flows are based on firm orders and an expected share of new contracts. When determining the terminal value, a growth rate between 1.5 percent and 1.6 percent has been used for the CGUs. The annual impairment testing of goodwill did not result in any impairment losses.

Sensitivities

The impairment testing is affected by changes in the long-term oil price as it will impact the expected order intake. The testing is also affected by changes in WACC, growth rates, product mix, cost levels and the ability of Aker Solutions to secure projects as forecasted in the cash flow. Multiple sensitivity tests have been run on the key assumptions in the value-in-use calculation. Sensitivity testing of goodwill includes changing various assumptions to consider other potential alternative market conditions. This includes changing the discount rate and growth rate in addition to reducing the expected cash flows in the future.

Aker Solutions acknowledge that our business will be affected by climate risks. The growth rate embedded in impairment testing is lower than the inflation that is assumed in the WACC calculation, leading to a negative growth rate. This is embedded in the numbers to reflect that the oil and gas activities are not assumed to have infinite lives. When material climate risk effects on operations are identified, impairment assessments will be reassessed. Climate risks are assessed and reported in note 32 and in the Aker Solutions' TCFD report.

The recoverable amounts exceed book value for all scenarios and for all the CGUs in the goodwill impairment testing both in 2022 and 2021.

See note 10 for more information about property, plant and equipment
See note 11 for more information about intangible assets
See note 18 for more information about right-of-use lease assets
See note 28 for more information about acquisition of companies
See note 32 for more information about climate-related risk

Note 13 Inventories

Financial Reporting Principles

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less selling expenses and the estimated cost to complete the inventory. The cost of inventories is based on the weighted average cost.

Judgments and Estimates

The assessment of obsolete and slow-moving inventory in order to determine inventory write-downs is subject to management judgment. The selling price in the market has to be estimated, and there is a risk that the actual selling price may turn out to be different than the amount estimated by management.

Inventories

Amounts in NOK million	2022	2021
Raw materials and semi-finished goods	274	293
Finished goods	1	1
Total	**275**	**293**
Total inventories at cost	384	389
Inventory write-downs to net realizable value	-109	-96
Total	**275**	**293**
Inventory (Net) - Opening balance	293	255
Purchase of inventory	983	877
Recognised as expenses	-1,041	-818
Write down	-14	-51
Reversal of write down	19	33
Currency translation differences	35	-3
Total	**275**	**293**

See note 17 for more information about Inventory being held as security for borrowings

Note 14 Trade and Other Receivables

Financial Reporting Principles

Trade and other receivables are recognized at the original invoiced amount, less impairment losses. The invoiced amount is considered to be approximately equal to the value derived if the amortized cost method would have been used. Impairment losses are estimated based on the expected credit loss method (ECL) for trade receivables, contract assets and other receivables.

Judgments and Estimates

Judgment is involved when determining the impairment losses on receivables and customer contract assets. The impairment is based on individual assessments of each customer and default risk in the industry and the country in which the customer operates. The customers of Aker Solutions are mainly large, international energy companies with low credit risk.

Trade and Other Receivables

Amounts in NOK million	2022	2021
Trade receivables	5,842	4,645
Trade receivables, related parties	84	76
Less bad debt provision	-69	-44
Trade receivables, net	**5,857**	**4,677**
Customer contract assets	4,283	3,606
Other receivables	135	108
Customer contract assets and other receivables	**4,419**	**3,713**

Bad Debt Provision

Amounts in NOK million	2022	2021
Balance as of January 1	-44	-79
Provisions made during the year	-40	-19
Provisions reversed during the year	10	5
Provisions used during the year	8	49
Currency translation differences	-2	0
Balance as of December 31	**-69**	**-44**

Aging of Trade Receivables

Amounts in NOK million	2022	2021
Not due	4,857	4,073
Past due 0-30 days	832	196
Past due 31-90 days	60	250
Past due 91 days to one year	120	158
Past due more than one year	57	45
Total	**5,926**	**4,721**

The war in Ukraine and the COVID-19 pandemic have generally increased the global credit risk. In Aker Solutions, the credit risk has not changed significantly, as the majority of customers are large, international energy companies.

See note 3 for more information about customer contract assets and trade receivables
See note 22 for more information about credit risk and the ECL method
See note 25 for more information about financial assets and liabilities
See note 30 for more information about receivables to related parties

Note 15 Cash and Cash Equivalents

Financial Reporting Principles

Cash and cash equivalents include cash on hand, demand deposits in banks and other short-term highly liquid deposits with original maturity of three months or less.

Cash and Cash Equivalents

Amounts in NOK million	**2022**	**2021**
Cash pool	4,666	3,001
Interest-bearing deposits	1,499	1,549
Non interest-bearing deposits and other	4	9
Total	**6,170**	**4,560**

Available Liquidity

Additional undrawn committed non-current bank revolving credit facilities amounted to NOK 5.0 billion, compared to NOK 5.0 billion in the prior period. Together with cash and cash equivalents, this gives a total liquidity buffer of NOK 11.2 billion, compared to NOK 9.6 billion in prior year.

See note 17 for more information about borrowings
See note 22 for more information about cash restrictions and the cash pool arrangement
See note 23 for more information about capital management

Note 16 Equity

Share Capital

Aker Solutions ASA was founded May 23, 2014, and the share capital was NOK 531,540,456 divided into 492,167,089 shares, each having a nominal value of NOK 1.08 as of December 31, 2022. All issued shares are fully paid. Aker Solutions 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.

Treasury Shares

The group purchases its own shares to meet obligations under employee share purchase programs and variable pay programs for management. Treasury shares are not included in the weighted average number of ordinary shares. Earnings per share have been calculated based on an average of 486,899,547 shares outstanding December 31, 2022. Consideration for treasury shares sold in 2022 was NOK 71 million.

Amounts in NOK million	**Number of shares**
Treasury shares as of December 31, 2021	6,535,594
Sale	-2,696,697
Treasury shares as of December 31, 2022	**3,838,897**

Hedging Reserve

The hedge reserve mainly relates to effects of currency cash flow hedges that are not yet recognized in the income statement. The hedging effects are recognized in the income statement according to the progress of the underlying customer contract.

Translation Reserve

The currency translation reserve includes foreign exchange differences arising from the translation of the subsidiaries into the presentation currency of the consolidated financial statements.

Fair Value Reserve

The fair value reserve includes fair value adjustments of equity securities at fair value through other comprehensive income (FVOCI).

See note 2 for more information about currency translation of subsidiaries
See note 24 for more information about hedging
See note 27 for more information about equity securities in the fair value reserve

Note 17 Borrowings

Financial Reporting Principles

Interest-bearing borrowings are recognized initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

Revolving Credit Facility

The revolving credit facility agreement of NOK 5,000 million with maturity in March 2023 has been refinanced and will be replaced with a five year NOK 3,000 million revolving credit facility, effective January 30, 2023. The facility is provided by a syndicate of high-quality international banks. The revolving credit facility was undrawn as of December 31, 2022. The terms and conditions include restrictions which are customary for these kind of facilities, including inter alia negative pledge provisions, financial covenants and restrictions related to acquisitions, disposals and mergers. There are also certain provisions of change of control included in the agreement. There are no restrictions for dividend payments and the facility is unsecured.

Norwegian Bonds

The group has one bond amounting to NOK 1 billion listed on the Oslo Stock Exchange denominated in Norwegian Kroner. The interest rate for the bond is three months floating interbank rate (NIBOR) plus a predefined margin. Trustee services are provided by Nordic Trustee and the loan documentation is based on Nordic Trustee's standard loan agreement for bond issues. The bonds loan is unsecured on a negative pledge basis and include no dividend restrictions. Aker Solutions' strategy is to have between 30-50 percent of borrowings at fixed interest rates. Parts of the external loans with floating interest rates are swapped to fixed interest rates by means of interest rate derivatives to maintain the desired split between fixed and floating interest rates. In 2022, Aker Solutions re-purchased NOK 20 million in the bond loan maturing 2024. Bond loan amounting to NOK 1.5 billion was settled in 2022.

Note 17 continues on next page

Note 17 Borrowings cont.

Bonds and Borrowings

2022

Amounts in NOK million	Currency	Nominal currency value	Carrying amount	Reference interest rate	Fixed interest margin	Interest coupon	Maturity date (mm/dd/yy)	Interest terms
ISIN NO 0010853286	NOK	914	915	3.5%	3.0%	6.5%	06/03/24	Floating, 3M+fix margin
Total bonds[1]			**915**					
Revolving credit facility (NOK 5,000 million)[2]	NOK	0	0	3.0%	1.1%	4.1%	03/19/23	NIBOR+margin[3]
Facilities, Rainpower	NOK	106	106	1.3-3.3%	2.6-2.9%	3.9-6.2%	03/26/26	Base rates+margins
Other borrowings			2					
Total borrowings			**1,023**					
Current borrowings			60					
Non-current borrowings			962					
Total borrowings			**1,023**					

2021

Amounts in NOK million	Currency	Nominal currency value	Carrying amount	Reference interest rate	Fixed interest margin	Interest coupon	Maturity date (mm/dd/yy)	Interest terms
ISIN NO 0010814213	NOK	1,396	1,404	0.7%	3.2%	3.9%	07/25/22	Floating, 3M+fix margin
ISIN NO 0010853286	NOK	934	931	0.8%	3.0%	3.8%	06/03/24	Floating, 3M+fix margin
Total bonds[1]			**2,335**					
Revolving credit facility (NOK 5,000 million)[2]	NOK	0	-6	0.8%	1.1%	1.9%	03/19/23	NIBOR + Margin[3]
Brazilian Development Bank loans	BRL	18	28	5.8%	0.0%	5.8%	2022-2024	Fixed, periodically
Other borrowings			3					
Total borrowings			**2,360**					
Current borrowings			1,434					
Non-current borrowings			925					
Total borrowings			**2,360**					

1) The carrying amount is calculated by reducing the nominal value of NOK 914 million by total issue costs that are amortized over the duration of the loans. The carrying amount includes NOK -3 million in remaining issue costs and NOK 4 million of accrued interest related to the bonds. Nominal currency value is presented excluding accrued interest.
2) The carrying amount relates to fees for establishing the credit facility which is deferred according to the amortized cost method and accrued fees for the period.
3) The margin applicable to the facility is decided by a price grid based on the gearing ratio. Commitment fee is 35 percent of the margin.

Note 17 continues on next page

Note 17 Borrowings cont.

Maturity of Bonds and Borrowings

2022

Amounts in NOK million	Carrying amount	Total cash flow[1]	6 months and less	6-12 months	1-2 years	2-5 years
ISIN NO 0010853286	915	1,004	30	30	944	0
Total bonds	**915**	**1,004**	**30**	**30**	**944**	**0**
Revolving credit facility (NOK 5,000 million)[2]	0	0	0	0	0	0
Facilities, Rainpower	106	121	3	56	4	58
Other borrowings	2	2	2	0	0	0
Total other borrowings	**108**	**123**	**5**	**56**	**4**	**58**
Total borrowings	**1,023**	**1,127**	**35**	**86**	**948**	**58**

2021

Amounts in NOK million	Carrying amount	Total cash flow[1]	6 months and less	6-12 months	1-2 years	2-5 years
ISIN NO 0010814213	1,404	1,437	27	1,410	0	0
ISIN NO 0010853286	931	1,024	18	18	36	952
Total bonds	**2,335**	**2,461**	**45**	**1,428**	**36**	**952**
Revolving credit facility (NOK 5,000 million)[2]	-6	0	0	0	0	0
Brazilian Development Bank loans	28	29	16	9	4	1
Other borrowings	3	3	3	0	0	0
Total other borrowings	**25**	**32**	**19**	**9**	**4**	**1**
Total borrowings	**2,360**	**2,493**	**64**	**1,437**	**40**	**953**

1) The interest costs are calculated using either the last fixing rate known by year end (plus applicable margin) or the contractual fixed rate (when fixed rate debt).
2) The cash flow is based on the assumption that the nominal drawn amount will remain constant until the maturity of the revolving credit facility.

Note 17 continues on next page

Note 17 Borrowings cont.

Movement of Liabilities[1]

	2022				2021			
Amounts in NOK million	Bonds	Credit facilities	Other borrowings	Total	Bonds	Credit facilities	Other borrowings	Total
Balance as of January 1	**2,335**	**-6**	**31**	**2,360**	**2,497**	**-12**	**230**	**2,715**
Proceeds from loans and borrowings	0	6	0	**6**	0	0	0	**0**
Repayment of borrowings	-1,416	0	-34	**-1,450**	-170	0	-182	**-352**
Total changes from financial cash flows	**-1,416**	**6**	**-34**	**-1,444**	**-170**	**0**	**-182**	**-352**
Accrued interest	-9	0	0	**-9**	1	0	-2	**-1**
Amortization of borrowing cost	5	6	0	**11**	7	6	0	**13**
Acquisition of subsidiaries	0	100	0	**100**	0	0	0	**0**
Currency translation differences	0	0	5	**5**	0	0	-16	**-16**
Balance as of December 31	**915**	**106**	**2**	**1,023**	**2,335**	**-6**	**31**	**2,360**

1) See note 18 for details on lease liabilities.

Mortgages

The company has mortgage liabilities of NOK 76 million at year-end 2022 (nil in 2021) related to its subsidiary Rainpower Holding AS. Trade receivables, shares in subsidiaries, property, plant and equipment and inventory have been pledged as security for the loans.

Interest rate benchmark reform

LIBOR, as an interest rate benchmark in the financial markets, is being phased out. From January 1, 2022, 24 LIBOR settings are no longer available. Certain key USD LIBOR will continue until end of June 2023 to support the rundown of legacy contracts. The market has adopted risk-free reference rates ("RFRs") to replace LIBOR.

Aker Solutions has replaced LIBOR with RFR-derived term reference rates or compounded average rates as applicable interbank benchmark rates for internal loan and overdraft facility pricing in 2022. The group's cash management bank, DNB has adopted RFRs as interest reference rate for major international currencies and Norwegian Overnight Weighted Average ("NOWA") is used for NOK in the cash pool accounts.

See note 18 for more information about lease liabilities
See note 23 for more information about capital management
See note 24 for more information about interest rate derivatives
See note 25 for more information about financial assets and liabilities
See note 33 for more information about refinancing of the revolving credit facility

Note 18 Leases and Investment Property

The company leases a number of office buildings, manufacturing and service sites in addition to some machines and vehicles. Contracts that contain a lease are recognized on the balance sheet as a right-of-use asset and lease liability unless the lease is short-term or low-value. Vacated leased property made available for sub-lease and property with operational sub-leases are classified as investment property.

Financial Reporting Principles

The lease liability represents the net present value of the lease payments to be made over the remaining lease period. The discount rate is calculated for each lease based on a model that includes swap-rates, credit risk and country risk. The right-of-use asset is depreciated over the lease term and is subject to impairment testing. Several property leases contain extension options or cancellation clauses. The non-cancellable lease period is basis for the lease commitment. Periods covered by extension or termination options are included when it is reasonably certain that the lease period will be extended. When management has decided to extend the lease period is typically an event that would trigger an updated assessment of the reasonably certain criteria.

Non-lease components such as electricity, insurance and other property-related expenses paid to the landlord are excluded from the lease commitment for offices and manufacturing sites, but included when renting apartments and vehicles if included in the agreed lease amount. Future index or rate adjustments of lease payments are only included in the lease liability when a minimum adjustment has been contractually agreed and is in-substance fixed.

When a separable part of a leased property has been vacated by Aker Solutions, the right-of-use asset is reclassified as investment property and assessed for impairment. The investment property is measured using the cost model, meaning that the book value and depreciation of the lease term from the ROU asset is the basis for measuring also the investment property. When testing the investment property for impairment, the expected future sub-lease income is discounted to present value and compared to the value of the investment property. The cost model together with impairment assessments is also an estimate of fair value of the right-of-use asset classified as investment property.

The company has a number of sub-leases. Income from operational sub-leases on investment property is recognized as other income. Sub-leases covering the major part of the lease term in the head-lease are classified as financial sub-leases. The portion of the right-of-use asset or investment property subject to financial sub-lease is de-recognized and a sub-lease receivable is recognized in the balance sheet when the sub-lease commences.

Judgments and Estimates

Judgment is involved when determining impairment of the investment property. Impairment is assessed for separable parts of leased buildings that have been or will be vacated in the near future. The impairment is sensitive to changes in estimated future expected sub-lease income and sub-lease period. Further, judgment is involved when determining whether sub-lease contracts are financial or operational, as well as when determining lease term for contracts that has extension or termination options. Determination of the discount rate also include judgment.

Note 18 continues on next page

Note 18 Leases and Investment Property cont.

Right-of-Use (ROU) Assets

The movement in the right-of-use assets is summarized below.

Amounts in NOK million	Land and buildings	Investment property	Machinery, vehicles and other	Total
Historical cost				
Balance at January 1, 2021	4,062	1,074	51	**5,187**
Additions and remeasurement	267	91	4	**363**
De-recognition through financial sublease	-5	-143	0	**-148**
Disposals through early exit of lease contract	-16	0	-11	**-27**
Transfer between categories	-192	192	0	**0**
Currency translation differences	19	14	0	**33**
Balance as of December 31, 2021	**4,135**	**1,229**	**44**	**5,408**
Additions and remeasurement	298	14	18	**330**
Acquisition of subsidiaries	67	0	1	**68**
De-recognition through financial sublease	-1	0	0	**-1**
Disposals through early exit of lease contract	-56	0	-5	**-61**
Transfer between categories	-7	7	0	**0**
Currency translation differences	45	2	1	**48**
Balance as of December 31, 2022	**4,481**	**1,252**	**59**	**5,792**
Accumulated depreciation and impairment				
Balance at January 1, 2021	-1,779	-438	-32	**-2,249**
Depreciation expense	-324	-43	-7	**-374**
Impairments	-19	-41	0	**-61**
Reversal of impairments this period	69	0	0	**69**
De-recognition through financial sublease	0	3	0	**3**
Depreciation and impairment on disposal of ROU, acc.	13	0	10	**23**
Transfer between categories	46	-46	0	**0**
Currency translation difference	-12	-6	0	**-18**
Balance as of December 31, 2021	**-2,005**	**-571**	**-28**	**-2,604**
Depreciation expense	-363	-59	-7	**-430**
Impairments	-15	-42	0	**-56**
Reversal of impairments this period	87	4	0	**90**
De-recognition through financial sublease	-54	0	0	**-54**
Depreciation and impairment on disposal of ROU, acc.	5	0	5	**10**
Currency translation difference	-23	-1	-1	**-25**
Balance as of December 31, 2022	**-2,368**	**-670**	**-31**	**-3,069**
Book value as of December 31, 2021	**2,130**	**658**	**16**	**2,803**
Book value as of December 31, 2022	**2,113**	**582**	**28**	**2,723**

Note 18 continues on next page

Note 18 Leases and Investment Property cont.

Lease liabilities and Lease Receivables

The movement in lease liabilities and lease receivables related to sub-leases are shown in the table below.

	Lease liabilities		Lease receivable (sub-lease)	
Amounts in NOK million	**2022**	**2021**	**2022**	**2021**
Movement of lease liabilities and receivables				
Balance as of January 1	4,748	5,111	767	797
Additions and remeasurement	337	279	62	152
Acquisition of subsidiaries	68	0	0	0
De-recognition	-77	-5	-25	-71
Interest expense/sub-lease interest income	195	204	29	35
Lease payments/sub-lease payments	-889	-876	-139	-155
Currency translation differences	31	35	4	9
Balance as of December 31	**4,413**	**4,748**	**697**	**767**
Of which current	734	692	136	133
Of which non-current	3,679	4,056	561	634
Balance as of December 31	**4,413**	**4,748**	**697**	**767**

The weighted-average discount rate applied to calculate lease liability was 4.3 percent in 2022 (4.3 percent in 2021). The company has not had any material lease concessions as a result of COVID-19 pandemic.

The maturity of lease payments and sub-lease income per December 31 are presented below:

	Lease Payments		Financial sub-lease income		Operational sub-lease income	
Amounts in NOK million	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Maturity within 1 year	905	876	154	160	14	67
Maturity 1-5 years	2,448	2,560	397	407	109	99
Maturity 5-10 years	1,394	1,543	238	232	24	28
Maturity later than 10 years	460	691	64	96		0
Total	**5,207**	**5,670**	**852**	**895**	**146**	**194**
Discounting effect	-794	-922	-155	-128	n/a	n/a
Lease liabilities and lease receivable	**4,413**	**4,748**	**697**	**767**	**n/a**	**n/a**

Amounts Recognized in the Income Statement

The following amounts are recognized in the income statement related to leasing:

Amounts in NOK million	**2022**	**2021**
Income from operational sub-leases presented as other income	162	144
Expenses relating to short-term leases presented as operating costs	-693	-490
Expenses relating to low-value leases presented as operating costs	-21	-28
Depreciation of ROU assets	-430	-374
Impairments of ROU assets	34	9
Interest on lease receivables presented as financial income	29	35
Interest on lease liabilities presented as financial expense	-195	-204
Gain on termination of lease agreements	1	1
Expense relating to variable lease payments not included in lease liabilities	-3	-3
Total effect on profit/(loss) before tax	**-1,116**	**-910**

Short-term leases include storage and accommodation for expats and workers in addition to rental of tools, machinery, cranes, containers and other equipment used in production.

See note 6 for more information about operating expenses for land and buildings
See note 12 for more information about impairment testing of right-of-use assets
See note 20 for more information about onerous lease provisions for operating leases
See note 30 for more information about leasing contracts with related parties

Note 19 Pension Obligations

Aker Solutions operates several pension plans around the world. The most common type of plan is the defined contribution plan, where Aker Solutions makes contributions to the employee's individual pension account. Aker Solutions also has a closed defined benefit plan where the impact is gradually reduced.

Financial Reporting Principles

Defined Contribution Plans

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

Defined Benefit Plans

A defined benefit plan is a type of pension plan where the employer promises an annual pension on retirement based on a percentage of the salary upon retirement and the employee's earnings history, years of service and age. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

The defined benefit obligation is calculated separately for each plan by discounting the estimated amount of future benefit that employees have earned in the current and prior periods and deducting the fair value of any plan assets. The change of the defined benefit obligation as a result of the change of assumptions (actuarial gains and losses) and the return on plan assets are recognized immediately in other comprehensive income. Net interest expense and other expenses related to defined benefit plans are recognized in the income statement. When the benefits of a plan are changed, settled or when a plan is curtailed, the change relating to past service or the gain or loss on curtailment or settlement is recognized immediately in the income statement.

Judgments and Estimates

The present value of the pension obligations depends on a number of factors determined on the basis of actuarial assumptions. These assumptions include financial factors such as the discount rate, expected salary growth, inflation and return on assets as well as demographical factors concerning mortality, employee turnover, disability and early retirement. Assumptions about all these factors are based on the situation at the time the assessment is made. However, it is reasonably certain that such factors will change over long periods for which pension calculations are made. Any changes in these assumptions will affect the calculated pension obligations with immediate recognition in other comprehensive income.

Pension Plans in Norway

The main pension arrangement in Norway is a general pension plan organized by the Norwegian state providing a basic pension entitlement to all taxpayers. The additional pension plans which all Norwegian employers are obliged to provide according to current legislation, represent limited additional pension entitlements. The occupational plans in Aker Solutions in Norway are described below.

Defined Contribution Plans

All employees in Norway are offered participation in a defined contribution plan. The annual contributions, premium and administration cost expensed for the Norwegian plans in 2022 were NOK 407 million, compared to NOK 340 million in 2021. The estimated contribution, premium and administration cost expected to be paid in 2023 is NOK 465 million.

Defined Benefit Plans

The defined benefit plans at the Norwegian companies in Aker Solutions are split between funded and unfunded plans. The plans are organized in Aker Pensjonskasse. Aker Solutions companies in Norway closed the defined benefit plans in 2008. Employees who were 58 years or older in 2008 are still members of the closed defined benefit plan. This is a funded plan and represents the funded pension liability reported in the tables below. Aker Solutions also has various unfunded early retirement plans and executive pension plans that are partially closed for new members. The estimated premium cost expected to be paid during 2023 is NOK 63 million. The liability is calculated using a projected unit credit method.

Note 19 continues on next page

Note 19 Pension Obligations cont.

Compensation Plans

All employees in 2008 who had a calculated loss of more than NOK 1,000 per year upon transition to the defined contribution plan were offered compensation. The compensation amount will be adjusted annually in accordance with the adjustment of the employees' pensionable income, and accrued interest according to market interest. If the employee leaves the company voluntarily before the age of 67 years, the accrued compensation amount will be paid out. The compensation plan is an unfunded plan, and is included in the unfunded pension liability reported in the tables below. The liability is equal to the compensation balance.

Tariff Based Pension Agreement (AFP)

Employees in Norway have a tariff based lifelong retirement arrangement (AFP) organized by the main labor unions and the Norwegian state. The pension can be withdrawn from the age of 62. The information required to estimate the pension obligation from this defined benefit plan is not available from the plan administrator. Aker Solutions therefore currently accounts for the plan as if it was a defined contribution plan. The company will account for it as a defined benefit plan if information becomes available from the plan administrator. The annual contributions expensed in 2022 were NOK 136 million, compared to NOK 116 million in 2021. The estimated contribution expected to be paid in 2023 is NOK 141 million.

Pension Plans Outside Norway

Pension plans outside Norway are mainly defined contribution plans. The annual contributions expensed for plans outside Norway in 2022 were NOK 140 million, compared to NOK 101 million in 2021. The estimated contributions expected to be paid in 2023 is NOK 161 million to the plans outside Norway.

Total Pension Cost

Amounts in NOK million	2022	2021
Defined benefit plans	41	69
Defined contribution plans	766	562
Total	**807**	**630**

Note 19 continues on next page

Note 19 Pension Obligations cont.

Movement in Net Defined Benefit Liability

The table below shows the movement from the opening balance to the closing balance for the net defined benefit liability.

	Present value of obligation		Fair value of plan assets		Impact of asset ceiling		Net defined benefit liability	
Amounts in NOK million	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Balance as of January 1	2,211	2,391	-1,241	-1,324	40	15	1,010	1,082
Current service and administration cost	32	55	3	4	0	0	35	59
Interest cost (income)	28	29	-23	-19	1	0	6	10
Included in income statement	**61**	**84**	**-20**	**-15**	**1**	**0**	**41**	**69**
Actuarial loss (gain) arising from financial assumptions	24	-44	0	0	0	0	24	-44
Return on plan assets	0	0	108	45	0	0	108	45
Changes in asset ceiling	0	0	0	0	-28	25	-28	25
Actuarial loss (gain) arising from experience adjustments	39	25	0	0	0	0	39	25
Remeasurements loss (gain) included in OCI	**63**	**-19**	**108**	**45**	**-28**	**25**	**143**	**51**
Contributions paid into the plan	0	0	-77	-85	0	0	-77	-85
Benefits paid by the plan	-230	-245	134	138	0	0	-96	-107
Other events due to effect of any business combinations / divestitures / transfers	23	0	0	0	-13	0	10	0
Other	**-207**	**-245**	**57**	**53**	**-13**	**0**	**-163**	**-192**
Balance as of December 31	**2,128**	**2,211**	**-1,096**	**-1,241**	**0**	**40**	**1,031**	**1,010**

The net liability disclosed above relates to funded and unfunded plans as follows:

	Present value of obligation		Fair value of plan assets		Asset ceiling		Net defined benefit liability	
Amounts in NOK million	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Net defined benefit liability funded plan	1,096	1,201	-1,096	-1,242	0	40	0	0
Net defined benefit liability unfunded plans	1,031	1,010	0	0	0	0	1,031	1,010
Balance as of December 31	**2,128**	**2,211**	**-1,096**	**-1,242**	**0**	**40**	**1,031**	**1,010**

Note 19 continues on next page

Note 19 Pension Obligations cont.

Assets in the Defined Benefit Plan

Amounts in NOK million	2022	2021
Bonds	501	618
Income and equity funds	595	624
Total plan assets at fair value	**1,096**	**1,242**

The majority of the bond investment is in Norwegian municipalities and is assumed to have a rating equal to AA, but there are few official ratings for these investments. The remaining bond investment is primarily in the Norwegian market within bonds assumed to be of “Investment Grade” quality. The majority of these investments do not, however, have an official rating. The fund investments consist of fixed income funds and equity funds with listed securities where the value is based on quoted prices. The equity securities are invested globally, and the value is based on quoted price at the reporting date without any deduction for estimated future selling cost.

Actuarial Assumptions

The information below relates only to Norwegian plans as these represent the majority of the plans. The following were the principal actuarial assumptions at the reporting date:

	2022	2021
Discount rate	3.00%	1.90%
Asset return	3.00%	1.90%
Salary progression	3.50%	2.75%
Pension indexation funded plans[1]	0-4 %	0-4 %
Mortality table	K2013	K2013
Remaining life expectancy at age 65 for pensioners, males	22.7	22.6
Remaining life expectancy at age 65 for pensioners, females	26.0	25.9

1) Pension indexation for unfunded plans is agreed individually (0-4 percent).

The discount rate is based on high-quality corporate bonds (OMF) with maturities consistent with the terms of the obligations. The assumptions used are in line with recommendations from the Norwegian Accounting Standards Board.

Sensitivity Analysis

Changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have changed the defined benefit obligation as of December 31 by the amounts shown below.

	2022	2021
Discount rate increase by 1 percent	-102	-102
Discount rate decrease by 1 percent	123	119
Expected rate of salary increase by 1 percent	1	1
Expected rate of salary decrease by 1 percent	-1	-1
Expected rate of pension increase by 1 percent	116	112
Expected rate of pension decrease by 1 percent	-97	-8

For Aker Solutions, a one percent increase of discount rate decreases the benefit obligation by only 8 percent. This is because the benefit obligation in Aker Solutions consists mainly of pensioners and employees over 60 years of age, hence limiting the discounting effect.

See note 5 for more information about personnel expenses

Note 20 Provisions and Contingent Liabilities

Financial Reporting Principles

A provision is a liability with uncertain timing and amount. Provisions are recognized when cash outflow is considered probable, the amount can be reliably estimated and the obligation is a result of a past event. All provisions are presented as short-term as they are part of the operating cycle.

A contingent liability is a possible obligation that arises from past events that typically depends on a future event outside of the company's control, for example a court decision. A provision is made when it is considered as probable that cash outflow will take place, and the obligation can be measured reliably.

Judgments and Estimates

The provisions are estimated based on a number of assumptions and are highly judgmental in nature. The various provisions with assumptions and estimation uncertainties are discussed in the table to the right.

Provisions

Amounts in NOK million	Warranties	Onerous contracts	Other	Total
Balance as of December 31, 2020	**322**	**63**	**205**	**590**
Provisions made during the year	150	116	256	**523**
Provisions used during the year	-64	-33	-89	**-186**
Provisions reversed during the year	-9	-68	-66	**-143**
Reclassifications	0	0	-2	**-2**
Currency translation differences	1	1	1	**3**
Balance as of December 31, 2021	**399**	**79**	**306**	**784**
Provisions made during the year	177	1,104	181	**1,462**
Provisions used during the year	-45	-293	-72	**-411**
Provisions reversed during the year	-83	-60	-8	**-151**
Acquisition of subsidiaries	9	8	0	**17**
Reclassifications	0	0	-1	**-1**
Currency translation differences	7	3	9	**19**
Balance as of December 31, 2022	**464**	**841**	**415**	**1,719**

Amounts in NOK million	Warranties	Onerous contracts	Other	Total
Expected timing of payments				
Payment within one year	119	74	141	**334**
Payment after one year	280	5	165	**450**
Total as of December 31, 2021	**399**	**79**	**306**	**784**
Payment within one year	104	456	238	**798**
Payment after one year	360	384	176	**921**
Total as of December 31, 2022	**464**	**841**	**415**	**1,719**

Note 20 continues on next page

Note 20 Provisions and Contingent Liabilities cont.

Warranties

The provision for warranties relates to expected re-work for products and services delivered to customers. The warranty period is normally two to five years. The provision is based on the historical average warranty expense for each type of equipment and an assessment of the value of delivered products and services currently in the warranty period. The provision can also be a higher or lower amount following a specific evaluation of the actual circumstances for each contract. The final warranty cost may differ from the estimated warranty provision.

Onerous Contracts

The provision includes onerous customer contracts with expected losses upon completion. In 2022, the provision was mainly driven by a loss provision on a renewables project due to changes in design increasing overall weight, increased commodity prices and supply chain constraints, impacted by the war in Ukraine.

Other

Other provisions relate to other liabilities with uncertain timing or amount. This includes provisions for claims, leasehold dilapidations, tax and National Insurance Contributions (NICs), restructuring provision and certain employee benefits. Changes in status for hired-ins in the UK makes Aker Solutions liable to withhold and pay NIC (NOK 100 million).

Contingent Liabilities

Disputes with customers are normally settled during the final negotiations with the customer upon delivery and provided for in the project's accounts. However, given the scope of the group's worldwide operations there is a risk that legal claims may arise in the future for deliveries where revenue has been recognized in the past. Legal and tax claims are assessed on a regular basis.

Tax Claim in Brazil

The tax authorities in the state of Parana in Brazil claimed in 2015 Aker Solutions Brazil stating that the conditions for the export exemption from ICMS are not fulfilled. ICMS is a value added tax on sales and services related to the movement of goods. The claim amount including penalties and interest was approximately BRL 295 million (NOK 552 million) as of December 31, 2022 compared to BRL 276 million (NOK 436 million) in the prior year. Management has the opinion that a successful outcome in the administrative appeal system or in a judicial process is likely based on current law and practice. The claim is regarded as a contingent liability since the possible outcome will be confirmed by the occurrence of an uncertain future event (a potential court decision). No provision has been made for this contingent liability since a cash outflow is not considered probable.

Nordsee Ost Arbitration

In March 2021, Aker Solutions received a favourable outcome in the Nordsee Ost arbitration process, and NOK 698 million (EUR 67 million) was paid to Aker Solutions in 2021. Aker Solutions recognized NOK 125 million as revenue, NOK 147 million as interest income and remaining NOK 426 million as settlement of accounts receivable in 2021. Counterparty RWE has submitted an application for annulment of the arbitration award to the German Courts, and Aker Solutions has submitted its defence. No provision has been made for this contingent liability as the probability for a cash outflow is considered remote.

See note 3 for more information about revenue from customer contracts and other income
See note 7 for more information about financial income and expense
See note 14 for more information about trade receivables
See note 28 for more information about investments in subsidiaries

Note 21 Trade and Other Payables

Financial Reporting Principles

Trade and other payables are recognized at the original invoiced amount. The invoiced amount is considered to be approximately equal to the value derived if the amortized cost method would have been used. Aker Solutions has established factoring arrangements where payments are received from financial institutions for customer contract assets (prior to issuance of the customer invoice), so-called "sale of unbilled receivables". The payments from financial institutions are based on the progress of the customer contract. Some creditors have entered into factoring agreements for the sale of their receivables on Aker Solutions to financial institutions, so-called "reverse factoring". The amounts related to "reverse factoring" and "sale of unbilled receivables" are included in trade and other payables in the balance sheet as they relate to operational activities. The amounts are also disclosed individually below.

Trade and Other Payables

Amounts in NOK million	2022	2021
Trade creditors	2,620	1,429
Trade creditors, related parties	25	0
Trade payables	**2,645**	**1,429**
Accrued operating costs	6,892	5,700
Public duties and taxes	956	728
Other current liabilities	1,219	944
Other payables	**9,066**	**7,372**
Total	**11,711**	**8,802**

Trade creditors include an amount of NOK 99 million as of December 31, 2022, (NOK 154 million in 2021) subject to reverse factoring. Other payables did not include any payments received from sale of unbilled receivables as of December 31, 2022 (NOK 0 million in 2021). Trade creditors include NOK 0 million as of December 31, 2022 (NOK 5 million in 2021) due after one year.

See note 3 for more information about customer contract liabilities
See note 30 for more information about payables to related parties

Note 22 Financial Risk Management and Exposures

The objective of financial risk management is to manage and control financial risk exposures to increase the predictability of earnings and minimize potential adverse effects on the company's financial performance. Last year the financial risks generally increased as a result of the COVID-19 pandemic. In 2022, societies have re-opened and the situation is perceived as stable. The energy landscape has evolved significantly during the year, as energy markets were strongly impacted by the war in Ukraine. Aker Solutions uses derivatives to hedge currency risk exposures and aims to apply hedge accounting whenever possible in order to reduce the volatility resulting from the periodic market-to-market revaluation of financial instruments in the income statement. The company is also exposed to interest rate risk, credit risk, liquidity risk and price risk.

Risk Management

Risk management of financial risks is performed in every project and is the responsibility of the project manager. They cooperate with local finance managers and corporate treasury to identify, evaluate and hedge financial risks under policies approved by the Board of Directors. The company has well-established procedures for overall risk management, as well as policies for the use of derivatives and financial investments.

War in Ukraine and COVID-19 Pandemic

The tragic war in Ukraine has amplified several trends, including increased commodity prices, broad-based inflation and global supply chain constraints. The COVID-19 has generally increased several financial risks. During 2021, the impact on the financial risks started to decline and in 2022 the situation is perceived as stable. However, there is a risk that a new and virulent virus could increase the risks again. The unstable situation generally increase financial risk.

- **Currency risk:** The war in Ukraine and the COVID-19 pandemic increased the volatility in the currency market and there is a risk that the contingency buffer included in tender prices may be insufficient to cover currency losses when market fluctuations are significant. Currency variation clauses, escalation mechanisms and currency options are used to mitigate contingent currency exposures in tenders.
- **Credit risk:** Operational challenges due to restrictions on mobility, volatile commodity prices and an increasing transition towards greener energy has increased credit risk more in the oil and gas industry than in other industries. Due to a predominance of large international oil companies with a relatively low credit risk in its customer base, the exposure of Aker Solutions to this increased credit risk is limited.
- **Liquidity risk:** The current market uncertainty as a result of the war has increased the liquidity risk. However, solid order intake and strong cash generation from operations have contributed to an improved balance sheet and visibility.

Currency Risk

Aker Solutions has international operations and is exposed to currency risk on commercial transactions, assets and liabilities when payments and revenues are denominated in a currency other than the functional currency of the respective entity. The company's exposure to currency risk is primarily related to USD, EUR, GBP, BRL and AOA (Angolan Kwanza). The company's primary translation risk is related to USD, EUR, GBP and BRL.

Use of Currency Derivatives

The Aker Solutions' policy requires that all entities mitigate currency exposure in all contracts. Aker Solutions manages the currency risk in the tender period by including currency clauses in the tender, by entering into currency options or by adding a contingency in the tender price to cover for potential currency fluctuations. Each entity identify and hedge their exposure with the corporate treasury department and the corporate treasury department manages the overall currency exposures by entering into currency derivative instruments in the foreign exchange market. The Aker Solutions group has a large number of contracts related to hedging of foreign currency exposures and the currency risk policy has been well established.

Note 22 continues on next page

Note 22 Financial Risk Management and Exposures cont.

Each business unit designates all foreign currency hedge contracts with corporate treasury as cash flow hedges or as hedges of separate embedded derivatives. Corporate treasury enters into external foreign exchange contracts separately for revenue and cost exposure. More than 80 percent of the value of the hedging instruments either qualify for hedge accounting or are hedges of separate embedded derivatives. Corporate treasury monitors hedges not qualifying for hedge accounting and non-qualifying hedges are reported in the "other" segment. Currency exposure from long-term investments in foreign currencies is only hedged when specifically instructed by management.

Non-Convertible Currencies

Aker Solutions operates in some jurisdictions where regulations and requirements may limit the convertibility of local currency and restrict free flow of cash. Mitigating actions are taken to minimize the currency exposure. However, Aker Solutions has historically experienced currency exposures in such jurisdictions where no means of hedging has been available.

Exposure to Currency Risk

Corporate treasury is allowed to hold positions within an approved trading mandate. The net exposure as of December 31 is shown in the following table. A bank deposit in a currency different than the functional currency of the entity represent an exposure for the group. A negative amount on bank deposits represent an overdraft for the entities. Estimated forecasted cash flows in the table are calculated based on the entity's hedge transactions through corporate treasury, as these are considered to be the best estimate of future revenue and cost in foreign currencies. The net exposure is closely monitored by corporate treasury and reported on a daily basis to management.

	2022				2021			
Amounts in million	USD	EUR	GBP	AOA	USD	EUR	GBP	AOA
Bank deposits	9	-34	-106	3,902	7	-12	-86	4,788
Intercompany deposits (+) and loan (-)	3	-1	-1	0	51	-1	-1	0
Balance sheet exposure	**12**	**-35**	**-107**	**3,902**	**57**	**-14**	**-87**	**4,788**
Forecasted receipts from customers	224	138	137	4,958	350	114	188	7,624
Forecasted payments to vendors	-263	-152	-140	-465	-321	-144	-188	-2,717
Cash flow exposure	**-39**	**-14**	**-3**	**4,492**	**30**	**-30**	**0**	**4,907**
Forward exchange contracts	27	48	110	0	-86	43	88	0
Tri-party agreements	0	0	0	0	0	0	0	0
Net exposure in currency	**0**	**0**	**0**	**8,394**	**1**	**-1**	**0**	**9,695**
Net exposure in NOK	**3**	**-4**	**3**	**163**	**12**	**-9**	**-2**	**151**

The currency exposures in USD, EUR and GBP per December 31, 2022 and 2021, were within the trading mandate. The currency exposure of NOK 163 million in Angolan Kwanza (AOA) represent the amount that has not been possible to hedge. Angolan Kwanza and other non-convertible currencies are not included in the trading mandate.

Note 22 continues on next page

Note 22 Financial Risk Management and Exposures cont.

Sensitivity Analysis - Fair Value of Financial Instruments

The impact on income and equity from a 15 percent strengthening of EUR, USD, GBP and AOA against other currencies is shown below. A 15 percent weakening would have had the equal, but opposite effect. This sensitivity analysis shows the impact on financial instruments denominated in a foreign currency per December 31 and assumes that all other variables, in particular interest rates, remain constant. The analysis does not include the effect on future transactions (not invoiced as of December 31) or any effect from translation of subsidiaries.

	2022		2021	
Amounts in NOK million	Income (loss) before tax	Equity increase (decrease)	Income (loss) before tax	Equity increase (decrease)
USD - 15 percent strengthening	81	66	41	-33
EUR - 15 percent strengthening	178	199	149	195
GBP - 15 percent strengthening	147	197	185	246
AOA - 15 percent strengthening	24	24	23	23

The competitiveness of Aker Solutions is influenced by currency exchange rate fluctuations, choices of locations, suppliers and other strategic decisions. Such effects are not systematically hedged and are not included in the sensitivity analysis.

Sensitivity Analysis - Currency Translation of Subsidiaries

A change in foreign currency rates will also impact the income and balance sheet when translating the Aker Solutions companies into the presentation currency which is NOK. The effect of change in the various currencies will impact the consolidated financial statements in the following manner:

	2022			
Amounts in NOK million	Revenue increase (decrease)	EBIT increase (decrease)	Profit (loss) before tax	Equity increase (decrease)
USD - 15 percent strengthening	530	58	47	155
EUR - 15 percent strengthening	4	4	6	94
GBP - 15 percent strengthening	122	5	-4	158
BRL - 15 percent strengthening	195	13	17	236

Interest Rate Risk

Borrowings issued at variable rates expose the company to cash flow interest rate risk. Borrowings issued at fixed rates do not affect profit and loss when held to maturity, as these borrowings are measured at amortized cost.

The company's interest exposure mainly arises from external funding in bank and debt capital markets. Currently all external borrowings in Aker Solutions are at floating interest rates. The company's risk management strategy is that 30-50 percent of the interest exposure shall be fixed interest rate for the duration of the debt. The company uses interest rate swaps to achieve the desired fixed / floating ratio of the external debt.

As the company has no significant interest-bearing operating assets, operating income and operating cash flow are substantially independent of changes in market interest rates. At year-end, 55 percent of NOK 914 million in bonds was fixed for the duration of the bonds through interest rate swaps.

Note 22 continues on next page

Note 22 Financial Risk Management and Exposures cont.

Interest Rates Sensitivity

An increase of 100 basis points in interest rates during 2020 would have increased (decreased) equity and profit and loss by the amounts shown on the table below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	2022		2021	
Amounts in NOK million	Income (loss) before tax	Equity increase (decrease)[1]	Income (loss) before tax	Equity increase (decrease)[1]
Interest on cash and cash equivalents	52	0	38	0
Interest on borrowings	-16	7	-25	16
Effect of interest rate swap	6	0	13	0
Cash flow sensitivity (net)	**42**	**7**	**25**	**16**

1) Not including tax effect on hedge reserve or effects to equity that follow directly from the effects to profit and loss.

A decrease of 100 basis points in interest rates would have had the equal but opposite effect on the amounts, on the basis that all other variables remain constant.

Credit Risk

Credit risk is the risk of financial losses if a customer or counterparty to financial receivables and financial instruments fails to meet contractual obligations.

Investment Instruments and Derivatives

Investment instruments, loans, credit facilities and derivatives are only conducted with approved counterparties and governed by standard agreements (ISDA, Nordic Trustee and LMA documentation). All approved banks are participants in the Aker Solutions loan syndicate and have investment grade ratings. Credit risk related to investment securities and derivatives is therefore considered to be low.

Trade Receivables and Contract Assets

Assessment of credit risk related to customers and subcontractors is an important requirement in the bid phase and throughout the contract period. Such assessments are based on credit ratings, income statement and balance sheet reviews and using credit assessment tools available (e.g. BvD Procurement Catalyst). Revenues are mainly related to large and long-term projects closely followed up in terms of payments in accordance with agreed milestones. Normally, lack of payment is due to disagreements related to project deliveries and is solved together with the customer.

Aker Solutions's major customers are highly rated energy companies where the credit risk is considered to be limited. Risk related to lower rated companies is monitored closely. The maximum exposure to credit risk at the reporting date equals the book value of each category of financial assets. The company does not hold collateral as security.

Measurement of Expected Credit Losses (ECLs)

Impairment is assessed using the expected credit loss (ECL) method for financial assets. The company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligation to the company in full. ECLs are estimated probability-weighted net present value of future expected credit losses. ECLs are discounted at the effective interest rate of the financial asset. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime ECLs. Twelve month ECLs are used for interest-bearing receivables and bank balances for which credit risk has not increased significantly since initial recognition.

At each reporting date, the company assesses whether any financial assets are credit-impaired. Evidence that a financial asset is credit-impaired includes when invoices are more than 90 days past due without agreed postponement, knowledge of significant financial difficulty of the customer or debtor or other forward-looking information. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to write-off.

Note 22 continues on next page

Note 22 Financial Risk Management and Exposures cont.

Liquidity Risk

Liquidity risk is the risk that the company is unable to meet the obligations associated with its financial liabilities. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity reserves to meet its liabilities when due.

Prudent liquidity risk management includes maintaining sufficient cash, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. Management monitors rolling weekly and monthly forecasts of the company's liquidity reserve on the basis of expected cash flow. Due to the dynamic nature of the underlying businesses, corporate treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Financial Liabilities and the Period in which they Mature

2022

Amounts in NOK million	Book value	Total cash flow[1]	6 months and less	6-12 months	1-2 years	2-5 years	More than 5 years
Borrowings	1,023	1,127	35	86	948	58	0
Net derivative financial instruments	150	150	-10	147	15	6	0
Trade and other payables	11,711	11,711	11,686	24	0	0	0
Lease liabilities	4,413	5,207	464	442	758	1,690	1,854
Total liabilities	**17,297**	**18,195**	**12,175**	**699**	**1,722**	**1,754**	**1,854**

2021

Amounts in NOK million	Book value	Total cash flow[1]	6 months and less	6-12 months	1-2 years	2-5 years	More than 5 years
Borrowings	2,360	2,493	64	1,437	40	953	0
Net derivative financial instruments	-67	-67	-19	-20	-15	-12	0
Trade and other payables	8,802	8,802	8,796	1	4	1	0
Lease liabilities	4,748	5,670	443	433	827	1,733	2,234
Total liabilities	**15,843**	**16,898**	**9,284**	**1,851**	**855**	**2,675**	**2,234**

1) Nominal currency value including interest.

Note 22 continues on next page

Cash Pool Arrangements

The company policy for the purpose of optimizing availability and flexibility of cash within the company is to operate centrally managed cash pooling arrangements. Such arrangements are either organized with a bank as a service provider, or as a part of the operation of corporate treasury. An important condition for the participants (business units) in such cash pooling arrangements is that Aker Solutions as an owner of such pools is financially viable and is able to prove its capability to service its obligations concerning repayment of any net deposits made by business units. The company policy is not applied in countries where local laws prohibit international cash pool arrangements, such as Brazil, Angola and India.

Price Risk

The company is exposed to fluctuations in market prices both in the investment portfolio and in the operating businesses related to individual contracts. The units are exposed to changes in market price for raw materials, equipment and development in wages. This is managed in the bid process by locking in committed prices from key vendors as basis for offers to customers or through escalation clauses with customers.

Guarantees

The company has provided the following guarantees on behalf of wholly owned subsidiaries as of December 31 (all obligations are per date of issue):

- Non-financial parent company guarantees related to project performance on behalf of group companies
- Financial parent company indemnity guarantees for fulfilment of lease obligations, credits and loans were NOK 10.3 billion (NOK 10.8 billion in 2021)
- Financial guarantees including counter guarantees for bank/surety bonds and guarantees for pension obligations to employees were NOK 8.2 billion (NOK 7.8 billion in 2021)

Guarantee on Behalf of Akastor

Aker Solutions was demerged from Akastor in 2014, and parties in a demerger have joint liability according to Norwegian law. If an obligation that arose prior to the completion of the demerger is not met by either party, the other party will have secondary joint liability for such obligation. The remaining value of the financial guarantees where Aker Solutions has a secondary joint liability was NOK 1.9 billion per December 31, 2022, compared to NOK 2.5 billion per December 31, 2021. There are no provisions related to the guarantee as the likelihood of any payments related to the joint liability is considered to be low.

See note 14 for more information about trade and other receivables
See note 15 for more information about cash and available credit facility
See note 17 for more information about borrowings
See note 18 for more information about lease liabilities
See note 21 for more information about trade and other payables
See note 24 for more information about derivatives
See note 25 for more information about financial assets and liabilities

Note 23 Capital Management

The objective of Aker Solutions' capital management policy is to optimize the capital structure to ensure sufficient and timely funding over time to finance its activities at the lowest cost, in addition to investing in projects and businesses which will increase the company's return on capital employed over time.

Investment Policy

Aker Solutions' capital management is based on a rigorous investment selection process which considers not only Aker Solutions' weighted average cost of capital and strategic orientation, but also external factors such as market expectations and extrinsic risk factors. This selection process is coupled with a centralized approval process for all capital expenditures to be incurred by the group.

Funding Policy

Liquidity Planning

Aker Solutions has a strong focus on liquidity in order to meet its working capital needs short-term and to ensure solvency for its financial obligations long-term. The group's internal guideline is to have a minimum liquidity reserve of NOK 3 billion, including cash and undrawn committed credit facilities. As per December 31, 2022 the liquidity reserve amounted to NOK 11.2 billion compared to NOK 9.6 billion in the prior year. It was composed of an undrawn committed credit facility, cash in bank accounts and bank deposits.

Funding of Operations

Aker Solutions' funding policy states that all operating units will be funded through corporate treasury. This ensures optimal availability and transfer of cash within the group, better control of the group's overall debt as well as discounted funding for its operations. The group policy is not applied in countries where local laws prohibit international cash pool arrangements, such as Brazil, Angola and India.

Aker Solutions emphasizes financial flexibility and steers its capital structure accordingly to ensure a balance between liquidity risk and refinancing risk. In this perspective, loans and other external borrowings are to be renegotiated well in advance of their due date.

Aker Solutions aims to have diversified mix of funding sources in order to obtain an optimal cost of capital. These funding sources include:

- The use of banks based on syndicated credit facilities or bilateral agreements
- The issue of debt instruments in the Norwegian capital market
- The issue of debt instruments in foreign capital markets

Debt Covenants

The majority of drawn debt in Aker Solutions was from bonds issued in the Norwegian market in 2022 (89.5 percent as of December 31, 2022 and 99.0 percent in 2021). The remaining debt is bank facilities related to the acquired subsidiary Rainpower. The group monitors capital on the basis of gearing and interest cover ratios. All debt covenants are based on IFRS excluding the impact of IFRS 16. At year-end, all ratios are within the requirements in the loan agreements.

Aker Solutions has the following debt covenants for the revolving facility:

- The company's gearing ratio shall not exceed 3.5, calculated from the net debt to the adjusted EBITDA
- The company's interest cover ratio shall not be less than 3.5, calculated from the adjusted EBITDA to net finance cost

Aker Solutions has the following debt covenant for the bond ISIN NO 0010853286 (expire in 2024):

- The company's gearing ratio shall not exceed 3.5, calculated from the net debt to the adjusted EBITDA

These guidelines aim to maintain a strong financial position for Aker Solutions, which enable the company to comply with its covenants on existing debt and to maintain satisfactory external credit rating to ensure reliable access to capital over time.

Note 23 continues on next page

Note 23 Capital Management cont.

Gearing and Interest Cover Ratios at December 31

Amounts in NOK million	2022	2021
Gearing ratios		
Non-current interest-bearing borrowings	962	925
Current interest-bearing borrowings	60	1,434
Gross interest-bearing debt	**1,023**	**2,360**
Cash and cash equivalents	6,170	4,560
Net debt	**-5,147**	**-2,200**
EBITDA excl. IFRS 16[1]	2,341	1,378
Restructuring and other special items as defined in the loan agreement	28	-50
Adjusted EBITDA	**2,369**	**1,328**
Gross interest-bearing debt/adjusted EBITDA	**0.4**	**1.8**
Net debt/adjusted EBITDA	**-2.2**	**-1.7**
Interest cover		
Adjusted EBITDA excl. IFRS 16[1]	2,369	1,328
Net interest expense as defined in the loan agreement	11	38
Adjusted EBITDA/Net finance cost	**216.6**	**34.6**

1) Excluding IFRS 16 means that leasing cost is reported as part of operating cost and included in EBITDA.

See note 17 for more information about borrowings
See note 22 for more information about financial risk management
See note 24 for more information about interest rate derivatives
See note 25 for more information about financial assets and liabilities

Note 24 Derivative Financial Instruments

Aker Solutions has future cash flows to be settled in foreign currencies, and forward contracts are the most commonly used derivative to hedge such exposures. The risk management policy states that all foreign exchange exposure shall be hedged, of which at least 80 percent shall qualify for hedge accounting or be hedges of separated embedded derivatives. Aker Solutions also has interest rate exposure from its external funding. Interest rate swaps are used to achieve the risk management strategy of having 30-50 percent at fixed interest rates.

Financial Reporting Principles

Cash Flow Hedges of Foreign Currency

Forward contracts are the most commonly used derivative to hedge foreign currency exposure. In addition, currency options are sometimes used to hedge exposures. In case of changes in the expected maturity dates, currencies or amounts of the hedged items corresponding derivatives are routinely adjusted (pre-matured or rolled over), usually by means of currency swaps.

The hedged transactions in foreign currency subject to cash flow hedge accounting are highly probable future transactions expected to occur at various dates during the next one to four years, depending on progress of the projects and firm commitments. The derivatives are recognized initially and subsequently at fair value in the balance sheet, and the effective portion of changes in the fair value is recognized in other comprehensive income as a hedge reserve.

Aker Solutions designates the full forward foreign exchange contracts to hedge its currency risk and applies a hedge ratio of 1:1. The policy covers critical terms such as currency pair, amount and timing of the forward exchange contracts to align with the hedged item. The existence of an economic relationship between the hedging instrument and hedged item is determined based on matching critical terms of their respective cash flows. In addition, an assessment is made to determine whether the derivative designated in each hedging relationship is expected to be, and has been, effective in offsetting changes in cash flows of the hedged item by the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

- any sequential change of timing of the hedged item;
- change in the total amount of the hedge item; and
- significant change in the counterparty's and Aker Solutions' credit risk

Aker Solutions does not designate any net positions in a hedging relationship. Some hedged transactions are not accounted for by applying hedge accounting, primarily because internal hedged transactions are grouped and netted before external hedge transactions are established. Changes in the fair value of derivatives will be reported as financial income or expenses. Remaining derivatives not applying hedge accounting include derivatives used by corporate treasury to hedge the residual exposure of the company as part of its risk mandate. As of December 31, 2022, these hedging instruments include currency forwards, interest swaps and foreign exchange swaps.

Hedge accounting is discontinued with immediate recognition in finance income and expenses in the income statement when the hedge no longer qualifies for hedge accounting, for example upon sale, expiration, termination or when a forecasted transaction is no longer probable. The derivative financial instruments are classified as current assets or liabilities as they are part of the operating cycle.

Note 24 continues on next page

Note 24 Derivative Financial Instruments cont.

Foreign Currency as Embedded Derivatives

Embedded derivatives may exist in contracts with a currency other than the currency of the contracting partners. The embedded derivative will under certain circumstances be separated and recognized at fair value in the balance sheet and changes recognized in the income statement. These entries will result in corresponding and opposite effects compared to the hedging instrument.

Aker Solutions applies the following separation criteria for embedded derivatives:

- The embedded derivative needs to be separated if the agreed payment is in a currency different from any of the major contract parties' own functional currency, or
- that the contract currency is not considered to be commonly used for the relevant economic environment defined as the countries involved in the cross-border transaction.

Cash Flow Hedges of Interest Rates

Aker Solutions' interest exposure mainly arises from external funding from bank and debt capital markets. Most of the external debt in Aker Solutions is at floating interest rates. The risk management strategy is that 30-50 percent of the interest exposure shall be fixed interest rate for the duration of the debt. Interest rate swaps are used to achieve the desired fixed/floating ratio of the external debt.

Hedge accounting is applied using the cash flow model for interest rate swaps which means that gains and losses from floating to fixed interest rates are recognized in the hedging reserve in equity and will be continuously released to the income statement until the bank borrowings are repaid. This is done based on the periodic market-to-market revaluation of the interest rate swaps whose fair value tends to reach zero upon maturity.

Note 24 continues on next page

Note 24 Derivative Financial Instruments cont.

Fair Values and Maturity

The following table presents the fair value of the derivatives and a maturity analysis of the derivatives undiscounted cash flows. Given Aker Solutions hedging policy and the assumption that projects are cash neutral, this table also indicates when the cash flows related to project expenses are expected to impact profit and loss. Project revenues are recognized over time according to the progress of the project. This may result in differences between cash flow and revenue recognition.

	2022						2021					
Amounts in NOK million	Instruments at fair value[1]	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years	Instruments at fair value[1]	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
Assets												
Cash flow hedging instruments	247	112	93	37	5	0	96	47	22	22	5	0
Fair value adjustments to hedged instruments[2]	-109	-53	-38	-15	-3	0	-45	-25	-11	-8	-1	0
Currency options[3]	130	0	130	0	0	0	0	0	0	0	0	0
Embedded derivatives in ordinary commercial contracts	105	83	15	8	8	0	72	22	7	39	5	0
Financial instruments not hedge accounted	21	11	6	3	0	0	52	28	13	9	2	0
Total forward foreign exchange contracts	**394**	**153**	**207**	**32**	**11**	**0**	**175**	**72**	**31**	**62**	**12**	**0**
Cash flow hedges interest rate assets	11	1	0	11	0	0	0	0	0	0	0	0
Total financial instrument assets	**406**	**154**	**207**	**43**	**11**	**0**	**175**	**72**	**31**	**62**	**12**	**0**
Liabilities												
Cash flow hedging instruments	-278	-188	-59	-28	-4	0	-283	-117	-63	-83	-19	0
Fair value adjustments to hedged instruments	102	79	15	7	1	0	120	65	31	20	4	0
Embedded derivatives in ordinary commercial contracts	-45	-26	-11	-6	-2	0	-71	-36	-16	-14	-6	0
Financial instruments not hedge accounted	-34	-29	-5	-1	0	0	-1	-1	0	0	0	0
Total forward foreign exchange contracts	**-255**	**-164**	**-59**	**-28**	**-5**	**0**	**-235**	**-89**	**-49**	**-77**	**-21**	**0**
Cash flow hedges interest rate liability	0	0	0	0	0	0	-7	-2	-3	0	-3	0
Total financial instrument liabilities	**-255**	**-164**	**-59**	**-28**	**-5**	**0**	**-242**	**-91**	**-51**	**-77**	**-24**	**0**
Net financial instruments	**150**	**-10**	**147**	**15**	**6**	**0**	**-67**	**-19**	**-20**	**-15**	**-12**	**0**

1) Cash flows from matured derivatives are translated to NOK using the exchange rates on the balance sheet date.
2) Fair value of settled derivatives not yet booked in the income statement are recognized in balance sheet and will be reclassified to the income statement over the next years as the projects progress.
3) The proceeds from a possible sale of Subsea represent a significant currency exposure, and Aker Solutions has therefore entered into FX put option contracts of USD 175 million to hedge for a part of the exposed proceeds as of December 31, 2022.

Note 24 continues on next page

Note 24 Derivative Financial Instruments cont.

Unsettled Hedges

The table below shows the impact from the unsettled cash flow hedges on profit and loss and equity (not adjusted for tax).

	2022			2021		
Amounts in NOK million	**Fair value of all hedging instruments**	**Recognized in profit and loss**	**Deferred in equity (the hedge reserve)**	**Fair value of all hedging instruments**	**Recognized in profit and loss**	**Deferred in equity (the hedge reserve)**
Forward exchange contracts (cash flow hedges)	-32	-33	2	-186	-110	-76
Interest rate swaps	11	1	11	-7	-2	-5
Total	**-20**	**-33**	**12**	**-193**	**-112**	**-81**

The purpose of the hedging instrument is to secure a situation where the hedged item and the hedging instrument together represent a predetermined value independent of fluctuations of exchange rates. Revenue and expenses on the underlying customer contracts are recognized in the income statement in accordance with progress. Consequently, NOK -33 million (NOK -110 million in 2021) of the value of the forward contracts have already impacted the income statement. The NOK 2 million (NOK -76 million in 2021) that are currently recorded in the hedge reserve, will be reclassified to the income statement over the next years.

The value of the interest swaps is attributable to changes in the interest swap curve for Norwegian Kroner during the period from inception of the hedge to the balance sheet date, excluding accrued interest rates of the swaps, tax and deferred settlements related to matured instruments.

Note 24 continues on next page

Note 24 Derivative Financial Instruments cont.

Hedge Reserve Movement

The table below shows the movement in the hedge reserve from changes in the cash flow hedges.

Amounts in NOK million	**Hedge reserve**
Balance as of January 1, 2021	-59
Forward currency	-182
Interest rate swaps	29
Total changes in fair value	**-153**
Forward currency contracts	144
Interest rate swaps	-1
Total amount reclassified to profit or loss	**143**
Tax on movements on reserves during the year	11
Balance as of December 31, 2021	**-58**
Forward currency contracts	156
Interest rate swaps	18
Total changes in fair value	**175**
Forward currency contracts	-79
Interest rate swaps	-2
Total amount reclassified to profit or loss	**-81**
Tax on movements on reserves during the year	-25
Balance as of December 31, 2022	**10**

Interest Rate Swaps

Aker Solutions currently has one outstanding bond of NOK 914 million at floating interest maturing June 3, 2024. NOK 500 million has been swapped to fixed interest rate. Floating interest rates are tied to inter-bank offered rates (NIBOR for NOK).

See note 17 for more information about borrowings
See note 25 for more information about financial assets and liabilities

Note 25 Financial Assets and Liabilities

The fair value hierarchy defines a framework for categorizing financial assets and liabilities based on fair value valuation techniques. Fair value of assets and liabilities in level one is based on quoted prices in an active market, whereas level three fair values are based on assumptions made by the company in the absence of quoted prices.

The Fair Value Hierarchy

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

For financial instruments measured at fair value, the levels in the fair value hierarchy are:

- Level 1: Fair values are based on prices quoted in an active market for identical assets or liabilities.
- Level 2: Fair values are based on price input other than quoted prices. Such prices are derived from observable market transactions in an active market for identical assets or liabilities. Level 2 includes currency or interest derivatives and interest bonds, typically when the group uses forward prices on foreign exchange rates or interest rates as inputs to valuation models.
- Level 3: Fair values are based on unobservable input, mainly based on internal assumptions used in the absence of quoted prices from an active market or other observable price inputs.

Note 25 continues on next page

Note 25 Financial Assets and Liabilities cont.

Financial Instruments as of December 31, 2022

	Carrying value					Fair value			
Amounts in NOK million	**Fair value - hedging instruments**	**Amortized cost**	**Equity investments at FVOCI[1]**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Other investments[2]	0	0	25	0	**25**	11	0	14	**25**
Non-current receivables	0	788	0	0	**788**	0	0	0	**0**
Trade and other receivables	0	5,992	0	0	**5,992**	0	0	0	**0**
Forward foreign exchange contracts	289	0	0	0	**289**	0	289	0	**289**
Fair value embedded derivatives	105	0	0	0	**105**	0	105	0	**105**
Interest rate instruments	11	0	0	0	**11**	0	11	0	**11**
Current interest-bearing receivables	0	146	0	0	**146**	0	0	0	**0**
Cash and cash equivalents	0	6,170	0	0	**6,170**	0	0	0	**0**
Financial assets	**406**	**13,096**	**25**	**0**	**13,527**	**11**	**406**	**14**	**431**
Non-current borrowings[3]	0	0	0	-962	**-962**	-914	0	-48	**-962**
Current borrowings[3]	0	0	0	-60	**-60**	0	0	-60	**-60**
Trade and other payables[4]	0	0	0	-5,099	**-5,099**	0	0	0	**0**
Lease liabilities	0	0	0	-4,413	**-4,413**	0	0	0	**0**
Forward foreign exchange contracts	-211	0	0	0	**-211**	0	-211	0	**-211**
Fair value embedded derivatives	-45	0	0	0	**-45**	0	-45	0	**-45**
Financial liabilities	**-255**	**0**	**0**	**-10,535**	**-10,790**	**-914**	**-255**	**-108**	**-1,277**

1) FVOCI is short for fair value through other comprehensive income.
2) Investments in level 1 consist of listed shared with quoted market prices, and investments in level 3 are shares where fair value cannot be measured reliably as the financial instrument is not traded in an active market. The best estimate of fair value is initial purchase price.
3) Fair value is quoted prices for the bonds noted on the Oslo Stock Exchange.
4) Trade and other payables that are not financial liabilities at negative NOK 6,612 million in 2022 are not included.

Note 25 continues on next page

Note 25 Financial Assets and Liabilities cont.

Financial Instruments as of December 31, 2021

	Carrying value					Fair value			
Amounts in NOK million	Fair value - hedging instruments	Amortized cost	Equity investments at FVOCI[1]	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Other investments[2]	0	0	203	0	**203**	29	0	174	**203**
Non-current receivables	0	862	0	0	**862**	0	0	0	**0**
Trade and other receivables	0	4,785	0	0	**4,785**	0	0	0	**0**
Forward foreign exchange contracts	103	0	0	0	**103**		103		**103**
Fair value embedded derivatives	72	0	0	0	**72**	0	72	0	**72**
Current interest-bearing receivables	0	143	0	0	**143**	0	0	0	**0**
Cash and cash equivalents		4,560	0	0	**4,560**	0	0	0	**0**
Financial assets	**175**	**10,349**	**0**	**0**	**10,728**	**29**	**175**	**174**	**379**
Non-current borrowings[3]	0	0	0	-925	**-925**	-932	0	3	**-929**
Current borrowings[3]	0	0	0	-1,434	**-1,434**	-1,410	0	-28	**-1,438**
Trade and other payables[4]	0	0	0	-4,296	**-4,296**	0	0	0	**0**
Lease liabilities	0	0	0	-4,748	**-4,748**	0	0	0	**0**
Forward foreign exchange contracts	-164	0	0	0	**-164**	0	-164	0	**-164**
Fair value embedded derivatives	-71	0	0	0	**-71**	0	-71	0	**-71**
Interest rate instruments	-7	0	0	0	**-7**	0	-7	0	**-7**
Financial liabilities	**-242**	**0**	**0**	**-11,403**	**-11,645**	**-2,342**	**-242**	**-24**	**-2,609**

1) FVOCI is short for fair value through other comprehensive income.
2) Investments in level 1 consist of listed shared with quoted market prices, and investments in level 3 are shares where fair value cannot be measured reliably as the financial instrument is not traded in an active market. The best estimate of fair value is initial purchase price.
3) Fair value is quoted prices for the bonds noted on the Oslo Stock Exchange.
4) Trade and other payables that are not financial liabilities at negative NOK 4,506 million in 2021 are not included.

See note 14 for more information about trade and other receivables
See note 17 for more information about borrowings
See note 21 for more information about trade and other payables
See note 22 for more information about financial risk management
See note 24 for more information about derivatives
See note 27 for more information about other investments

Note 26 Subsidiaries and NCIs

Financial Reporting Principles

The consolidated statements include all entities controlled by Aker Solutions ASA. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. Non-controlling interests (NCIs) are measured on initial recognition at their portion of fair values, and yearly earnings are allocated to the NCI according to their ownership interest.

Subsidiaries

Aker Solutions has 72 subsidiaries in 30 countries at the reporting date. The number of countries where Aker Solutions had employees was about 20. The group holds the majority of the shares in all subsidiaries except three, see description below. If not stated otherwise, ownership equals the percentage of voting shares.

Company	Location	Country	Percent
Aker Solutions Enterprises, LDA	Luanda	Angola	49
Aker Solutions Pty Ltd	Perth	Australia	100
Aker Solutions Azerbaijan LLC	Baku	Azerbaijan	100
Aker Solutions do Brasil Ltda	Curitiba	Brazil	100
C.S.E. Mecânica e Instrumentaçâo Ltda	Curitiba	Brazil	100
Aker Solutions Sdn Bhd	Kuala Belait	Brunei	100
Aker Solutions Asset Integrity and Management Canada Inc.	Newfoundland	Canada	100
Aker Solutions Canada Inc	Vancouver	Canada	100
Aker Solutions Marine Contractors Limited	St John's	Canada	100
Aker Solutions (Shenzhen) Co. Ltd	Shenzhen	China	100
Kvaerner Engineering & Technology (Beijing) Co Ltd	Beijing	China	100
Rainpower Hangzhou Co Ltd	Hangzhou	China	100
Aker Solutions Congo SA	Point-Noire	Congo	70
Aker Solutions Cyprus Limited	Limassol	Cyprus	100
Aker Solutions Finland Oy	Ulvila	Finland	100
Aker Solutions SAS	Paris	France	100
Aker Solutions Ghana Ltd	Accra	Ghana	90
Aker Solutions Ghana Holding Ltd	Accra	Ghana	100
Aker Solutions Deepwater Ghana Ltd	Accra	Ghana	80
Aker Powergas Pvt Ltd	Mumbai	India	100
Aker Engineering International Sdn Bhd	Kuala Lumpur	Malaysia	100
Aker Engineering Malaysia Sdn Bhd	Kuala Lumpur	Malaysia	100
Aker Solutions APAC Sdn Bhd	Kuala Lumpur	Malaysia	48
Aker Solutions India Sdn Bhd	Kuala Lumpur	Malaysia	100
Aker Solutions Malaysia Sdn Bhd	Kuala Lumpur	Malaysia	100
Aker Solutions Umbilical Asia Pacific Sdn Bhd	Kuala Lumpur	Malaysia	100
Aker Solutions de Mexico	Mexico City	Mexico	100
Aker Solutions Mocambique Ltda	Maputo	Mozambique	100
Aker Solutions BV	Zoetemer	Netherlands	100

Company	Location	Country	Percent
Aker Solutions Nigeria Ltd	Ikoyi-Lagos	Nigeria	100
AH Åtte AS	Fornebu	Norway	100
Aker Installation FP AS	Fornebu	Norway	100
Aker Insurance Services AS	Fornebu	Norway	100
Aker Solutions AS	Fornebu	Norway	100
Aker Solutions Contracting AS	Fornebu	Norway	100
Aker Solutions Holding AS	Fornebu	Norway	100
Aker Solutions Middle East AS	Fornebu	Norway	100
Aker Solutions Subsea AS	Fornebu	Norway	100
ASK JV AS	Stavanger	Norway	100
Benestad Solutions AS	Lierskogen	Norway	100
Kværner Resources AS	Fornebu	Norway	100
Norwegian Contractors AS	Lysaker	Norway	100
Rainpower Holding AS	Tranby	Norway	100
Unitech Power Systems AS	Stavanger	Norway	100
Rainpower Peru S.A.C.	Lima	Peru	100
Aker Solutions Gulf Services WLL	Doha	Qatar	49
Kvaerner LLC[1]	Moscow	Russia	100
Aker Solutions Saudi Arabia Co. Ltd.	Al-Khobar	Saudi Arabia	100
Aker Solutions Korea Co. Ltd	Geoje	South Korea	100
Aker Solutions AB	Gothenborg	Sweden	100
K Water AB	Örnsköldsvik	Sweden	100
Rainpower Kristinehamn AB	Kristinehamn	Sweden	100
Rainpower Switzerland AG	Vaud	Switzerland	100
Aker Solutions Tanzania Ltd	Dar es Salaam	Tanzania	100
Rainpower Hydro Enerji ve Ticaret Ltd	Istanbul	Turkey	100
Aker Engineering and Technology Ltd	London	UK	100
Aker Engineering Malaysia Ltd	Leeds	UK	100
Aker Offshore Partner Ltd	Aberdeen	UK	100
Aker Solutions Angola Ltd	Maidenhead	UK	100
Aker Solutions DC Trustees Ltd	London	UK	100
Aker Solutions EAME Limited	Aberdeen	UK	100

Company	Location	Country	Percent
Aker Solutions Enterprises International (UK) Limited	London	UK	100
Aker Solutions Holding Limited	Aberdeen	UK	100
Aker Solutions IP Limited	Aberdeen	UK	100
Aker Solutions Ltd	Maidenhead	UK	100
Enovate Systems Limited	Aberdeen	UK	100
Kvaerner Contracting Ltd	London	UK	100
Kvaerner Resources Ltd	London	UK	100
Aker Solutions Inc.	Houston	USA	100
Aker Solutions USA Corporation	Houston	USA	100
Kvaerner Americas Holdings Inc	Canonsburg	USA	100
Kvaerner Renewables US LLC	Canonsburg	USA	100

1) Kvaerner LLC is under liquidation.

Subsidiaries where Aker Solutions does not have the Majority of Shares

Aker Solutions has less than 50 percent of the shares in three subsidiaries as shown in the table. Aker Solutions has control over relevant activities through shareholders agreements. The subsidiaries are fully consolidated and the non-controlling interest share of profit and equity is presented in the income statement and in the balance sheet.

Non-Controlling Interests

Aker Solutions acquired the 51 percent minority share in Aker Solutions Enterprises Ltd in 2022.

Note 27 Investments in Companies

Financial Reporting Principles

Joint ventures are those entities where the company has joint control and rights to net assets. Associates are those entities where the company has significant influence, but not control or joint control (usually between twenty and fifty percent of the voting power). Interests in joint ventures and associates are accounted for using the equity method. The investments are initially recognized at cost (including transaction costs) and subsequently increased or decreased to recognize the share of the profit or loss. The profit or loss for the equity-accounted investees is presented as other income when the operations are closely linked to the current operations of Aker Solutions, otherwise they are presented as financial income.

Other investments are those entities in which the company does not have significant influence. These are usually entities where the company holds less than twenty percent of the voting power. Such investments are designated as equity securities at fair value through other comprehensive income (FVOCI) as they represent long-term strategic investments. When the investments are sold, the accumulated gain or loss in equity is not reclassified to the income statement.

Investments in Companies

The company has recognized the following balances for its investment in other companies:

Amounts in NOK million	2022	2021
Joint Ventures and Associates	103	58
Other investments	25	203
Total investment in companies	**128**	**262**

Joint Ventures and Associates (Equity Accounted Investees)

The company had twelve equity-accounted investments as of December 31, 2022. Ownership percentage equals the percentage of voting shares.

Name of company	Office	Percent	Type
Kiewit-Kvaerner Contractors (KKC)	Newfoundland, Canada	50.0%	Joint venture
K2JV ANS	Stord, Norway	51.0%	Joint venture
KDS JV AS	Fornebu, Norway	50.0%	Joint venture
Fast Subsea AS	Tranby, Norway	50.0%	Joint venture
EPE Eigedom AS	Stord, Norway	50.0%	Joint venture
Concrete Structures AS	Fornebu, Norway	50.0%	Associate
Eldøyane Næringspark AS	Stord, Norway	21.3%	Associate
Siva Verdal Eiendom AS	Trondheim, Norway	46.0%	Associate
Vitec AS	Verdal, Norway	34.0%	Associate
Bemlotek AS	Fornebu, Norway	24.6%	Associate
Kværnhuset Industri-inkubator AS	Egersund, Norway	33.0%	Associate
Windstaller Alliance AS	Fornebu, Norway	33.3%	Associate

Amounts in NOK million	2022	2021
Equity accounted investees per January 1	58	61
Acquisition	24	0
Sale	0	-1
Share of profits included in other income	33	5
Dividends received	-13	-7
Currency translation differences	1	1
Equity accounted investees per December 31	**103**	**58**

Note 27 continues on next page

Note 27 Investment in Companies cont.

Other Investments

Amounts in NOK million	2022	2021
Shares in Aker Horizons AS	10	29
Shares in Aker Carbon Capture ASA	1	160
Shares in unlisted companies	14	14
Total other investments	**25**	**203**

Other investments relate to shares in listed and unlisted companies where ownership is below 20 percent. The ownership in these companies are measured at their market value with changes over OCI as they are long-term strategic investments. Aker Solutions purchased 100 percent of the shares in the Norwegian company Rainpower in 2022, and the transaction was settled with shares in Aker Carbon Capture valued at NOK 100 million. The loss recognized in OCI in 2022 was NOK 78 million (loss of NOK 53 million in 2021). One investment was written down with NOK 78 million in 2021. Unlisted shares are usually measured at cost less impairment, as this is assumed to be the best estimate of fair value.

See note 3 for more information about other income
See note 7 for more information about financial income and expense

Note 28 Business Combinations

Financial Reporting Principles

Business combinations are transactions where Aker Solutions obtains control of one or more businesses. Business combinations are accounted for using the acquisition method 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. Goodwill is allocated to the cash generating unit that is expected to benefit from synergies from the acquisition. In some business combinations goodwill will arise due to the requirement to recognize deferred tax on the difference between the assigned fair values and the related tax bases. This is referred to as technical goodwill. Transactions costs are expenses as incurred, except if related to the issue of debt or equity securities incurred in connection with a business combination.

Judgments and Estimates

Judgment has been applied when assessing the fair value of the acquired assets and liabilities, including weighted average cost of capital, and when determining the amortization period for excess values. Various valuation techniques have been used in the purchase price allocation, including a cost replacement approach for assembled workforce and excess earnings method for customer relationships. Management judgment is also applied when valuing contingent considerations which are based on estimated future profits.

Unitech Power Systems

On February 28, 2022, Aker Solutions acquired 100 percent of the shares and voting rights of the Norwegian company Unitech Power Systems. The acquired company is a leading electrical power systems consultancy business. The acquisition will significantly enhance Aker Solutions' capabilities related to high-voltage electrical power systems. By leveraging Unitech Power Systems' strong expertise and track record with Aker Solutions' existing front end, engineering and project management capabilities, the acquisition will drive growth in markets supported by the energy transition.

Revenue and net profit from Unitech in Aker Solutions' consolidated income statement were NOK 69 million and NOK 7 million, respectively. If the acquisition had taken place at the beginning of the year, the group's revenue would have increased by NOK 15 million and net profit would have increased by NOK 4 million.

Consideration transferred and contingent consideration

NOK 104 million was paid in cash to the selling shareholders at the acquisition date. Aker Solutions has included a liability of NOK 33 million as deferred consideration to be paid in cash in first half year 2024. The total consideration of NOK 137 million represents the fair value at the acquisition date. The liability of NOK 33 million follows a contingent consideration arrangement based on future EBITDA performance of Unitech. The range of this element is NOK 24 million to NOK 44 million. Updated forecast as per year-end 2022 has been used to estimate the contingent consideration. Transaction costs related to the acquisition were insignificant.

Measurement of fair value

Customer relationships have been identified as intangible assets assumed in the acquisition. They are valued at NOK 31 million based on a multi-period excess earnings method. NOK 96 million has been allocated to goodwill. Goodwill resulting from the transaction is mainly attributable to value of assembled workforce and expected synergies from Unitech being part of a global company.

Rainpower

On May 10, 2022, Aker Solutions acquired 100 percent of the shares and voting rights of the Norwegian company Rainpower from related party Aker Horizons. The company is a leading technology provider to the hydropower industry. The acquisition builds on Aker Solutions' growth strategy and will further strengthen its offering within renewables. Aker Solutions sees strong industrial synergies in further developing Rainpower into an innovative hydropower technology company to optimize hydropower developments and operations.

The company has a subordinated perpetual equity linked loan of NOK 113 million 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 fair value of the hybrid loan is estimated to NOK 12 million and has been classified as non-controlling interests within equity.

Revenue and net loss from Rainpower in Aker Solutions' consolidated income statement were NOK 218 million and NOK 105 million, respectively. If the acquisition had taken place at the beginning of the year, the group's revenue would have increased by NOK 113 million and net profit would have decreased by NOK 44 million.

Note 28 continues on next page

Consideration transferred

The purchase price of NOK 100 million was settled in financial instruments, being shares in Aker Carbon Capture. Aker Solutions took over Rainpower's cash and debt. In addition there is a discretionary element which may bring the purchase price to NOK 150 million. The share purchase agreement does not contain trigger elements for the discretionary element, but future material strengthening of the company's equity may lead to a payment. Transaction costs related to the acquisition were insignificant. Transaction with related party Aker Horizons was based on negotiations between the parties, and management believes that the agreed prices is a fair approximation to arms length prices.

Measurement of fair value

Customer relationships have been identified as intangible assets and are valued at NOK 50 million based on a multi-period excess earnings method. NOK 82 million has been allocated to goodwill, which mainly is attributable to value of assembled workforce and expected synergies from Rainpower being part of a larger organization with extensive project execution experience.

Frontica Engineering

On June 30, 2022, Aker Solutions acquired 100 percent of the shares and voting rights of the Norwegian company Frontica Engineering to secure engineering capacity. The company is serving the offshore energy sector in the domestic and international markets and has a multidisciplinary staff of around 50 individuals. NOK 16 million was paid in cash for the company. A provisional purchase price allocation shows excess values of NOK 18 million that are allocated to goodwill and represent value of assembled workforce. Revenue and net loss from Frontica Engineering in Aker Solutions' consolidated income statement were NOK 7 million and NOK 2 million, respectively. If the acquisition had taken place at the beginning of the year, the group's revenue would have increased by NOK 20 million and net profit would have decreased by NOK 4 million. In December 2022, Frontica Engineering was merged with Aker Solutions AS.

Consideration transferred

Amounts in NOK million	Unitech Power Systems	Rainpower	Frontica Engineering
Total consideration	137	100	16
Contingent consideration	33	0	0
Consideration transferred	104	100	16
Of which non-cash consideration	0	-100	0
Cash acquired	13	11	11
Net cash outflow	**91**	**-11**	**5**

Identifiable assets acquired and liabilities assumed

Amounts in NOK million	Unitech Power Systems	Rainpower	Frontica Engineering
Intangible assets	34	77	0
Property, plant and equipment	0	4	0
Right-of-use assets	6	62	0
Deferred tax assets	0	90	9
Trade and other receivables	20	131	13
Cash and cash equivalents	13	11	11
Borrowings	0	-100	0
Lease liabilities	-6	-62	0
Pension obligations	0	-4	-18
Deferred tax liabilities	-7	0	0
Other non-current liabilities	0	0	-2
Trade and other payables	-19	-178	-15
Net identifiable assets	**41**	**30**	**-2**

Goodwill arising from the acquisitions has been recognized as follows:

Amounts in NOK million	Unitech Power Systems	Rainpower	Frontica Engineering
Consideration transferred	104	100	16
Contingent consideration	33	0	0
Total consideration	137	100	16
Non-controlling interests	0	12	0
Fair value of identifiable net asset	41	30	-2
Goodwill	**96**	**82**	**18**

Of the total goodwill of NOK 196 million NOK 9 million related to Rainpower is expected to be deductible for tax purposes.

In 2022, Aker Solutions also acquired the 51 percent minority share in Aker Solutions Enterprises Limited and a 50 percent ownership in EPE Eigedom for a total cash consideration of NOK 83 million. Aker Solutions first purchased 100 percent of EPE Eigedom, and later sold 50 percent making the company an equity accounted investee.

Note 29 Subsea JV Transaction

In 2022 Aker Solutions entered into agreements with SLB (formerly Schlumberger) and Subsea 7 to form a joint venture to deliver a step change in subsea production economics by helping unlock reserves, reduce time to first oil and lower development costs while simultaneously delivering on their decarbonization objectives.

Aker Solutions and SLB will contribute their subsea business into the joint venture with respectively 40 and 60 percent of the values, and the transactions are expected to close during the second half of 2023. Following the establishment of the Joint Venture Aker Solutions will sell 10 percent of the shares to SLB and 10 percent to Subsea 7. The Joint Venture will be owned by SLB (70 percent), Aker Solutions (20 percent) and Subsea 7 (10 percent) once the transactions are completed. Aker Solutions will receive USD 700 million in consideration for the sale of the 20 percent ownership in the Joint Venture as follows:

- USD 306.5 million in proceeds from SLB which will be settled in the form of shares in SLB. The shares will be settled based on the volume weighted average price for the ten trading days ending on the fifth trading day preceding closing of the transaction and is subject to a lock-up period of minimum 180 days
- USD 306.5 million in proceeds from 10 percent divestment to Subsea 7 which will be settled in cash. USD 153 million of these will be settled at closing and the remaining USD 153.5 million will be settled, with interest, at the latest on June 30, 2024
- USD 87.5 million in proceeds from a vendor note from the JV to be paid, with interest, to Aker Solutions with minimum 50 percent one year from closing and the remainder within two years from closing

These proceeds represent a significant currency exposure, and Aker Solutions has therefore entered into a FX put option contract of USD 175 million to hedge for a part of the exposed proceeds as of December 31, 2022. Aker Solutions gets the right, but not the obligation, to sell USD at a pre-defined exchange rate. This will provide full protection for a falling USD, but gives full upside potential from a rising USD for the hedged share of the expected proceeds.

The Subsea business that will be contributed into the Joint Venture will largely correspond to the Subsea Segment in Aker Solutions. This segment made up 34 percent of revenues and 79 percent of EBITDA in 2022. The transactions to establish the Joint Venture is subject to approval by regulatory authorities in a number of jurisdictions. Until such clearances are obtained, Aker Solutions and SLB will continue to operate their respective subsea businesses completely independent and autonomous of each other. Aker Solutions expects to retain an estimated USD 300 million of cash generation from the business in the time period between the agreement was signed and the expected closing.

Aker Solutions has assessed the effects of the transactions on the 2022 financial statements and has concluded that the subsea business will not be classified as held for sale while pending regulatory approvals. The transactions will therefore not have any effects on presentation of the 2022 financial statements. Costs related to the transactions are expensed as incurred. Following the closing of the transactions, the Joint Venture will be presented as an equity accounted investee in the financial statement for Aker Solutions. The transactions are expected to close during the second half of 2023 if approved by regulatory bodies.

Note 30 Related Parties and Key Management Compensation

Financial Reporting Principles

Related party relationships are defined to be entities under joint control or significant influence by Aker Solutions, and companies outside the Aker Solutions group that are under control (either directly or indirectly) or joint control by the owners having significant influence over Aker Solutions. The management and the Board of Aker Solutions are also related parties.

Related Parties of Aker Solutions

The largest shareholder of Aker Solutions is Aker Holdings AS (previously Aker Kværner Holding AS), which is wholly-owned by Aker ASA. Aker Solutions is an associate of Aker ASA, and entities controlled by Aker ASA and entities which Kjell Inge Røkke and his close family controls through The Resource Group TRG AS are considered related parties to Aker Solutions. These entities include companies like Aker Carbon Capture, Aker Offshore Wind and Cognite and are referred to as Aker entities in this note. Companies that are associates of Aker ASA or The Resource Group TRG AS are not considered related parties of Aker Solutions, such as Akastor and Aker BP.

Related party relationships also include entities under joint control or significant influence by Aker Solutions. Non-controlling interests with significant influence are also considered as related parties of Aker Solutions.

Related parties are in a position to enter into transactions with the company that would potentially not be undertaken between unrelated parties. Transactions with related parties are based on negotiations between the parties, and management believes that the agreed prices is a fair approximation to arms length prices.

Note 30 continues on next page

Note 30 Related Parties cont.

Transactions and Balances with Related Parties

	2022			2021		
Amounts in NOK million	**Aker and TRG companies**	**Joint ventures and associates**	**Total**	**Aker and TRG companies**	**Joint ventures and associates**	**Total**
Income statement						
Operating revenues	368	36	**404**	358	15	**373**
Operating costs	-634	-434	**-1,068**	-552	-105	**-657**
Depreciation and impairment of ROU assets	-44	-8	**-52**	7	-4	**3**
Net financial items	9	0	**9**	13	0	**13**
Balance sheet						
Right-of-use (ROU) assets	519	10	**530**	576	16	**593**
Trade receivables	82	2	**84**	71	5	**76**
Non-current interest-bearing receivables	199	0	**199**	202	0	**202**
Current interest-bearing receivables	10	0	**10**	10	0	**10**
Non-current leasing liabilities	-591	-5	**-596**	-667	-11	**-678**
Trade payables	0	-25	**-25**	0	0	**0**
Current leasing liabilities	-43	-6	**-49**	-43	-6	**-50**

Note 30 continues on next page

Note 30 Related Parties cont.

Significant Related Parties Transactions

Aker Solutions has transactions with related parties on a recurring basis as part of normal business. Aker Solutions also leases industrial properties owned by Kjell Inge Røkke through TRG AS which amounted to NOK 65 million in 2022 (NOK 68 million in 2021). In addition, Aker Solutions supported the group's union representative function with NOK 740,000 in 2022 (NOK 765,000 in 2021).

Compensation to Key Management

The key management personnel of Aker Solutions include the Board of Directors and the executive management team. Refer to further description about management compensation in the Management Remuneration Report available at www.akersolutions.com/corporate-governance.

Amounts in NOK million	**2022**	**2021**
Salaries and wages including holiday allowance	74	69
Social security contributions	11	10
Pension cost	2	1
Termination benefits	0	0
Share-based payments	3	3
Other employee benefits	1	3
Total compensation to key management personnel	**92**	**86**

See note 14 for more information about customer contract assets and receivables
See note 18 for more information about leasing contracts
See note 21 for more information about trade and other payables
See note 26 for more information about subsidiaries
See note 27 for more information about joint arrangements and associates

Note 31 Audit Fees

On April 27, 2022, the general meeting of shareholders appointed PwC as Aker Solution's auditor. The table below presents expenses for audit and other services to the auditor.

	Aker Solutions ASA		**Subsidiaries**		**Total**	
Amounts in NOK million (excl. VAT)	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Audit	3.1	4.2	13.9	17.4	17.0	21.5
Other assurance services	0.1	0.3	0.7	0.9	0.8	1.2
Tax services	0.0	0.0	0.2	0.3	0.2	0.3
Other non-audit services	0.0	0.0	1.8	0.8	1.8	0.8
Total	**3.2**	**4.5**	**16.6**	**19.3**	**19.8**	**23.7**

Note 32 Climate Risk

Aker Solutions delivers integrated solutions, products, and services to the global energy industry. We enable low-carbon oil and gas production and develop renewable solutions to meet future energy needs. The oil and gas industry has been identified as high risk by the Task Force on Climate-Related Financial Disclosures (TCFD), and Aker Solutions has conducted a climate-related scenario analysis in order to improve company strategy resilience.

Scenario analysis

Together with an external consulting partner, Aker Solutions has developed three customized climate scenarios tailored to consider our full value chain, titled Net Zero 2050 (1.5°C), Delayed Transition (2°C), and Hot House World (+3°C). The Net Zero scenario tests for immediate transition risk and low physical risk, the Delayed Transition scenario tests for delayed and high transition risk, and the Hot House World scenario tests for severe physical risk. As a part of the scenario analysis, short term, medium term, and long term was defined as 2025, 2030, and 2050 respectively. A workshop was held with key personnel in order to assess the climate scenarios with risks and opportunities, including financial materiality and potential impact on our business model and strategy. Aker Solutions identified three material climate-related risks and two climate-related opportunities as a result of the scenario analysis:

- Risk 1: Declining investment in upstream oil and gas in core markets
- Risk 2: Attraction and retention of talent
- Risk 3: Impact on supply chain and facilities due to extreme weather
- Opportunity 1: Increase competitiveness in oil and gas through decarbonization solutions and services
- Opportunity 2: Revenue diversification into markets supported by the energy transition

Environmental objectives

Aker Solutions has an ambition that projects within renewable and transitional energy solutions will represent one third of our total revenues in 2025, and two thirds of total revenue by 2030. Furthermore, we are committed to reducing our emissions with 50 percent by 2030[1]. Our goal is to be net zero by 2050.

1) Scope 1 and 2 emissions with 2019 as a baseline.

Effects on Aker Solutions' Financial Statements

In the net zero 2050 scenario, demand for oil and gas falls to levels that do not necessitate new oil and gas field developments beyond those already approved. However, investment in existing fields remains. In all three scenarios, the demand for North Sea oil and gas supply decreases. The energy transition may curtail the expected useful lives of oil and gas related assets thereby accelerating depreciation charges. Our assets related to oil and gas are likely to be fully depreciated within the next 10-15 years and projects related to oil and gas will be a part of Aker Solutions' business activities over this period. Aker Solutions will be engaged in traditional oil and gas projects and will also be engaged in projects relating to decarbonization solutions and services for existing platforms. Therefore, Aker Solutions does not expect any changes to the useful lives of our property, plant, and equipment. Assessment of effect on useful lives is not considered to be a significant accounting judgment or estimate. We note that assessment of useful lives of future capital expenditure may be different, and local climate changes in the future may affect useful lives of certain assets.

Following the climate-related scenario analysis and workshop, both risks and opportunities related to the energy transition are identified. The different scenarios and risks that are assessed are not considered to entail significant changes in the market or regulatory environment in which Aker Solutions operates in the short or medium term. There are no significant changes to our plans for our assets following our emission or revenue transition targets. We have currently not identified any risk factors related to climate-change that will lead to material reductions in recoverable amounts of assets.

Under all three climate scenarios we expect an increase in the frequency and intensity of extreme weather events. This expectation is not assessed to lead to any effects on expected useful economic life of property, plant and equipment per 2022, and no assets have been affected by extreme weather events during the year.

There has not been identified any material impacts on judgments and estimates in the 2022 financial report. Aker Solutions has considered the impact of climate change on going concern and capital expenditure commitments. While there are no identified immediate or short-term impacts from climate change, Aker Solutions is aware of the ever-changing risks and opportunities related to climate change. We will regularly assess these risks against judgments and estimates made in preparation of the group's financial statements.

Note 33 Subsequent Events

Financing and liquidity

Bond buyback
On February 14, 2023, the issuer Aker Solutions ASA invited holders of its outstanding NOK 1,000 million senior unsecured floating rate bonds due June 2024 (ISIN NO0010853286) to tender any and all of their bonds for purchase by the issuer for cash at a purchase price of 102 percent.

Valid tenders in an aggregate nominal amount of NOK 477 million was accepted. Following completion of the buy-back, the Issuer holds bonds for a total nominal amount of NOK 563 million corresponding to 56 percent of the total outstanding nominal amount.

Revolving Credit Facility
Aker Solutions ASA has signed a new five year NOK 3,000 million multi-currency Revolving Credit Facility (RCF) dated January 30, 2023, with a syndicate of 10 banks. The new facility replaces the NOK 5,000 million RCF dated March 13, 2018, with maturity March 13, 2023.

Changes in ownership

Aker Solutions has entered into an agreement to acquire all minority shareholdings (10 percent) in Aker Solutions Ghana Ltd in February 2023. The transaction is expected to be completed by December 31, 2023. The transaction is completed as a preparation for the contribution of the subsea business into the Joint Venture with SLB and Subsea 7.

Parent Company Financial Statements

Aker Solutions ASA
December 31, 2022

Income Statement

For the year ended December 31

Amounts in NOK million	Note	2022	2021
Operating revenues	2	33	35
Operating expenses	2	-80	-62
Operating loss		**-47**	**-27**
Income from subsidiaries		0	941
Net financial income	3	-31	-134
Earnings before tax		**-79**	**780**
Income tax	4	-28	30
Net earnings		**-107**	**810**
Net earnings (loss) for the period distributed as follows:			
Proposed dividends		488	97
Other equity		-595	713
Net earnings		**-107**	**810**

Balance Sheet

Statement as of December 31

Amounts in NOK million	Note	2022	2021
Assets			
Deferred tax asset	4	322	347
Investments in group companies	5	16,357	16,357
Non-current interest-bearing receivables from group companies	6	532	845
Other non-current interest-bearing receivables		10	21
Total non-current assets		**17,221**	**17,570**
Current interest-bearing receivables from group companies	6	0	7
Non interest-bearing receivables from group companies	6	32	24
Financial instruments	7	456	322
Cash and cash equivalents	6	4,916	3,214
Total current assets		**5,404**	**3,567**
Total assets		**22,625**	**21,137**

Amounts in NOK million	Note	2022	2021
Equity and liabilities			
Issued capital		532	532
Other equity		6,469	6,981
Total equity	8, 9	**7,001**	**7,512**
Non-current borrowings	10	909	921
Total non-current liabilities		**909**	**921**
Current borrowings	10	5	1,408
Current borrowings from group companies	6	13,780	10,784
Non interest-bearing liabilities from group companies	6	22	18
Financial instruments	7	322	322
Provisions for dividend	8	488	97
Other current liabilities		97	75
Total current liabilities		**14,715**	**12,704**
Total liabilities		**15,624**	**13,624**
Total equity and liabilities		**22,625**	**21,137**

Fornebu, March 21, 2023
Board of Directors of Aker Solutions ASA

Leif-Arne Langøy
Chairman

Øyvind Eriksen
Deputy Chairman

Kjell Inge Røkke
Director

Birgit Aagaard-Svendsen
Director

Hilde Karlsen
Director

Jan Arve Haugan
Director

Elisabeth Heggelund Tørstad
Director

Lone Fønss Schrøder
Director

Tommy Angeltveit
Director

Sigurd Sævareid
Director

Line Småge Breidablikk
Director

Kjetel Digre
Chief Executive Officer

Cash Flow

Statement for the year ended December 31

Amounts in NOK million	2022	2021
Earnings (loss) before tax	-79	780
Profit (loss) on foreign currency forward contracts	-134	-25
Changes in other operating assets and liabilities	-1,474	-1,139
Net cash from operating activities	**-1,687**	**-384**
Increase in investments in subsidiaries	0	0
Net cash used in investing activities	**0**	**0**
Changes in borrowings from group companies	3,308	1,922
Shares issued to employees through share purchase program	68	-89
Repurchase of treasury shares	3	0
Cash flow hedge	12	0
Net cash from financing activities	**3,391**	**1,833**
Net increase (decrease) in cash and cash equivalents	**1,704**	**1,449**
Cash and cash equivalents at the beginning of the period	3,214	1,766
Cash and cash equivalents at the end of the period[1]	**4,916**	**3,214**

1) Unused credit facilities amounted to NOK 5,000 million as of December 31, 2022 (NOK 5,000 million as of December 31, 2021).

The cash flow statement has been prepared using the indirect method.

Notes to the Parent Company Financial Statements

For the year ended December 31

Note 1 Company Information

Aker Solutions ASA is the parent company and owner of Aker Solutions Holding AS. Aker Solutions ASA is domiciled in Norway and listed on the Oslo Stock Exchange. The financial statements of the parent company are prepared in accordance with Norwegian legislation and Norwegian Generally Accepted Accounting Principles.

Note 2 Operating Revenue and Expenses

Revenue

Operating revenue consists of NOK 33 million in income from Parent Company Guarantees (PCG), compared to NOK 35 million in the previous year. The PCGs are invoiced annually over the lifetime of the guarantee.

Expenses

There are no employees in Aker Solutions ASA and hence no personnel expenses. Executive management and corporate staff are employed by other Aker Solutions companies. Costs for their services as well as other parent company costs are recharged proportionally to Aker Solutions ASA and presented as operating expenses. For further description about management compensation to the Board of Directors and the executive management team, refer to the Management Remuneration Report available at www.akersolutions.com/corporate-governance.

Audit fees

On April 27, 2022, the general meeting of shareholders appointed PwC as Aker Solution's auditor. The table below presents expenses for audit and other services to the auditor.

Amounts in NOK million	**2022**	**2021**
Audit KPMG	1.7	4.2
Audit PwC	1.3	0.0
Other assurance services	0.2	0.3
Total	**3.2**	**4.5**

See note 11 for more information about guarantees

Note 3 Financial Income and Expenses

Financial Reporting Principles

Foreign Currency
Transactions in foreign currencies are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to NOK at the exchange rate on that date.

Foreign currency derivatives
Subsidiaries have entered into internal financial derivative contracts with the parent company to hedge their currency exposure. The parent company uses foreign exchange contracts with external banks to mitigate the currency exposure from the internal derivative contracts with the subsidiaries. Treasury has in 2022 been mandated to hedge parts of the USD denominated proceeds from the Subsea JV formation together with SLB and Subsea 7. Aker Solutions ASA does not apply hedge accounting and financial assets and liabilities related to foreign currency contracts are measured at fair value with changes recognized in the income statement.

Interest rate derivatives
Aker Solutions enters into interest rate derivatives (interest rate swaps) to avoid unbalanced exposure to fluctuations in short term interest rates. Parts of the external loans with floating interest rates are swapped to fixed interest rates to maintain the preferred split between fixed and floating interest rates. The swaps are classified as cash flow hedges and market values are accounted for against equity.

Financial Income and Expenses

Amounts in NOK million	2022	2021
Interest income from group companies	70	92
Interest expense to group companies	-89	-15
Net interest income from group companies	**-19**	**77**
External interest income	3	0
External interest expenses	-121	-140
Net external interest expense	**-118**	**-139**
Income from investments in subsidaries	90	0
Loss on loans to group companies	-23	-65
Other financial expenses	-3	-4
Foreign exchange loss	-2,176	-1,364
Foreign exchange gain	2,217	1,360
Net other financial items	**105**	**-72**
Net financial income	**-31**	**-134**

See note 10 for more information about borrowings
See note 7 for more information about financial risk management and financial instruments

Note 4 Tax

Financial Reporting Principles

Tax expenses in the income statement comprise current tax and changes in deferred tax. Deferred tax is calculated as 22 percent of temporary differences between accounting and tax values as well as any tax losses carried forward at the year-end. Net deferred tax assets are recognized only to the extent that it is probable they will be utilized against future taxable profits.

Deferred Tax Asset and Tax Expenses

Amounts in NOK million	**2022**	**2021**
Calculation of taxable income		
Earnings (loss) before tax	-79	780
Permanent differences	48	-946
Change in timing differences	-99	68
Taxable income	**-129**	**-98**
Positive (and negative) temporary differences		
Unrealized gain on forward exchange contracts	-8	8
Currency options	130	0
Interest rate swaps	11	-5
Impairment on internal receivables	0	-115
Tax loss carried forward	-1,594	-1,464
Basis for deferred tax	**-1,461**	**-1,576**
Deferred tax in income statement	324	346
Deferred tax in equity	-2	1
Deferred tax asset	**322**	**347**

The company has a temporary difference per December 31, 2022 related to the limitation of the deductibility of interest of NOK 389 million (NOK 252 million in 2021) which is not recognized in the balance sheet.

The deferred tax asset is recognized only to the extent it is considered probable that future taxable profits will be available to utilize the tax losses and credits. The forecasted future taxable profits in Aker Solutions ASA mainly consist of expected taxable group contributions from the subsidiaries.

Amounts in NOK million	**2022**	**2021**
Income tax benefit		
Origination and reversal of temporary differences	-22	37
Withholding tax	-6	-6
Total tax income	**-28**	**30**

Effective Tax Rate

Amounts in NOK million	**2022**	**2021**
Income tax 22 percent	17	-172
Tax on permanent differences	-39	208
Withholding tax	-6	-6
Total tax income	**-28**	**30**

Note 5 Investments in Group Companies

Financial Reporting Principles

Investments in subsidiaries are measured at cost. The investments are written down to fair value when the impairment is not considered to be temporary. Impairment losses are reversed if the basis for the impairment is no longer present.

Dividends and other distributions from subsidiaries are recognized in the same year as they are recognized in the financial statement of the provider. If the distributed dividend in the subsidiary exceeds accumulated profits in the ownership period, the payment is treated as a reduction of the carrying value of the investment.

Investment in Group Companies

Amounts in NOK million	Registered office	Share capital	Number of shares held	Percentage owner- / voting share	Book value
Aker Solutions Holding AS	Fornebu, Norway	3,600	30	100%	16,357
Total investments in group companies					**16,357**

Note 6 Receivables and Borrowings from Group Companies

Financial Reporting Principles

Assets and liabilities are presented as current when they are due within one year or if they are part of the operating cycle. Other assets and liabilities are classified as non-current. Current assets are valued at the lowest of cost and fair value. Current liabilities are valued at nominal value at the time of recognition.

Non-current receivables are measured at cost less impairment losses that are not considered to be temporary. Non-current liabilities are initially valued at transaction value less attributable transaction cost. Subsequent to initial recognition, interest-bearing non-current borrowings are measured at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowing on an effective interest basis.

Trade and other receivables are recognized at the original invoiced amount less allowances for expected losses. Provisions for expected losses is considered on an individual basis.

Aker Solutions ASA has a centralized cash concentration arrangement (cash pools) with DNB where balances are consolidated and netted across legal entities and countries. The participants in the cash pools are jointly and severally liable and it is therefore important that Aker Solutions as a group is financially viable. In addition cash management arrangements are set up with local banks in Malaysia, Brazil and India where cash concentration is prohibited. The cash pools and cash management arrangements cover a majority of the group's geographical footprint and ensure control of and access to the majority of the group's cash. Participation in the cash pool is vested in the group policy and decided by each company's board of directors and confirmed by a statement of participation.

The cash pool systems were showing a net balance of NOK 4,666 million per December 31, 2022 (NOK 3,013 million per December 31, 2021). This amount is reported in Aker Solutions ASA's accounts as short-term borrowings from group companies and as cash in the cash pool system.

Aker Solutions ASA is the group's central treasury function and enters into borrowings and deposit agreements with group companies. Deposits and borrowings are agreed at market terms and in accordance with transfer pricing principles and are dependent on the group companies' credit quality, country risk and the duration of the borrowings.

Receivables and Borrowings with Group Companies

Amounts in NOK million	2022	2021
Group companies interest-bearing deposits in the cash pool system	13,128	9,915
Aker Solutions ASAs net borrowings in the cash pool system	-8,462	-6,901
Cash in cash pool system	**4,666**	**3,013**
Current interest-bearing receivables from group companies	0	7
Non-current interest-bearing receivables from group companies	532	845
Current interest-bearing borrowings from group companies	-13,780	-10,784
Net interest-bearing borrowings from group companies	**-13,248**	**-9,932**
Current non interest-bearing receivables from group companies	32	24
Current non interest-bearing borrowings from group companies	510	115
Net non interest-bearing receivables from group companies	**543**	**139**
Total net borrowings from group companies	**-8,040**	**-6,780**

Note 7 Financial Risk Management and Financial Instruments

Currency Risk

As of December 31, 2022, Aker Solutions ASA has outstanding foreign exchange contracts with other entities in the group with a gross total value of approximately NOK 11.2 billion (NOK 11.9 billion in 2021). Large contracts are hedged back-to-back with external banks, while minor contracts are hedged based on internal matching principles. Contracts hedged back to back with external banks represent more than 80 percent of the total group exposure. Aker Solutions ASA does not apply hedge accounting to any of the currency derivatives. All financial assets and liabilities related to foreign exchange contracts are revalued at fair value in respect to exchange rate movements each period.

The treasury function within Aker Solutions ASA also has a mandate to hold limited positions in the currency and interest markets. The mandate has limits that are strictly defined and is operated under a strict stop-loss regime. In addition to the general mandate, in 2022 Treasury was mandated to hedge parts of the USD denominated proceeds from the Subsea JV formation together with SLB and Subsea 7. Open positions are continuously monitored on a mark to market basis.

The fair value of foreign exchange forward contracts and options is presented in the table below.

	2022		2021	
Amounts in NOK million	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Forward exchange contracts with group companies	178	-183	199	-174
Forward exchange contracts with external counterparts	137	-139	124	-141
Currency options contract with external counterparts	130	0	0	0
Total	**445**	**-322**	**322**	**-315**

All instruments are booked at fair value as per December 31.

Note 7 continues on next page

Note 7 Financial Risk Management and Financial Instruments cont.

Interest Rate Risk

Interest rate swaps are applied to achieve the internal policy that 30-50 percent of the company's gross external borrowing shall be at fixed interest rates, with duration matching the remaining duration of the borrowing. At year-end, approximately 55 percent of NOK 914 million in bonds was fixed for the duration of the bonds through interest rate swaps. The revolving credit facility was undrawn at the year-end. Per December 31, 2021, 54 percent of the total external loan of NOK 2,330 million was at fixed interest rates.

Hedge accounting is applied using the cash flow hedge accounting model. That means gains and losses on interest rate swaps from floating to fixed interest rates are recognized in the hedging reserve in equity. As of December 31, 2022 a net gain of NOK 8 million (NOK 11 million before tax) is recognized in equity and will be continuously released to the income statement until the repayment of the borrowings via the mark to market revaluation process.

The fair value of interest rate swaps is presented in the table below.

	2022		2021	
Amounts in NOK million	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Interest rate swaps - cash flow hedge (against equity)	11	0	0	-5
Total	**0**	**0**	**0**	**-5**

Credit Risk

Credit risk relates to loans to subsidiaries, overdraft in the group cash pool, hedging contracts, guarantees to subsidiaries and deposits with external banks. Loans to subsidiaries are subject to loan applications approved by the relevant SVP. Loss provisions are made in situations where the company is not expected to be able to fulfill its loan obligations from future earnings. External deposits and forward contracts are placed with reputable relationship banks, primarily where the company also has a borrowing relation. The existence of netting agreements between Aker Solutions ASA and the relationship banks reduces the credit risk.

Liquidity Risk

Liquidity risk relates to the risk that the company will not be able to meet its debt and guarantee obligations and is managed through maintaining sufficient cash and available credit facilities. The development in the group's and thereby Aker Solutions ASA's available liquidity is continuously monitored through weekly and monthly cash forecasts, financial strategy plans and long-term business forecast.

See note 3 for more information about financial income and expenses
See note 10 for more information about borrowings

Note 8 Shareholders' Equity

Financial Reporting Principles

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

Shareholders' Equity

Amounts in NOK million	Share capital	Share Premium	Treasury Shares	Hedging reserve	Retained earnings	Total
Equity as of December 31, 2021	532	3,687	-7	-4	3,305	**7,513**
Repurchase of treasury shares	0	0	3	0	0	**3**
Shares issued to employees through share purchase program	0	0	0	0	68	**68**
Earnings for the period	0	0	0	0	-107	**-107**
Proposed dividends	0	0	0	0	-488	**-488**
Cash flow hedge[1]	0	0	0	12	0	**12**
Equity as of December 31, 2022	**532**	**3,687**	**-4**	**8**	**2,778**	**7,001**

1) The value of interest swap agreements changing interest from floating to fixed is recognized directly in equity and will be released to income together with the corresponding interest expenses.

Share Capital

Aker Solutions ASA was founded May 23, 2014, and has a nominal share capital of NOK 531,540,456.12 with a total number of outstanding shares of 492,167,089 at par value NOK 1.08 per share as of December 31, 2022.

All issued shares are fully paid. Aker Solutions 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.

The number of own shares (treasury shares) was 3,838,897 per December 31, 2022 (6,535,594 per December 31, 2021). The consideration for the shares owned per December 31, 2022 was NOK 145 million.

See note 3 and 7 for more information about the hedging reserve for interest rate swap agreements

Note 9 Shareholders

Shareholders with more than 1 percent shareholding per December 31 are listed below.

2022

Company	Nominee	Numbers of shares held	Ownership
Aker Holding AS		193,950,894	39.41%
Nærings- og fiskeridepartementet		30,092,943	6.11%
Folketrygdfondet		23,266,445	4.73%
J.P Morgan SE		8,580,145	1.74%
State Street Bank and Trust Comp	NOM	8,402,142	1.71%
The Bank of New York Mellon SA/NV	NOM	7,535,442	1.53%
UBS Europe SE		6,176,696	1.26%
JPMorgan Chase Bank, N.A., London	NOM	5,211,790	1.06%

2021

Company	Nominee	Numbers of shares held	Ownership
Aker Holding AS		164,090,489	33.34%
Nærings- og fiskeridepartementet		60,185,885	12.23%
North Sea Strategic Investments AS		34,970,405	7.11%
Folketrygdfondet		21,617,051	4.39%
Euroclear Bank S.A./N.V.		8,080,055	1.64%
The Bank of New York Mellon SA/NV		6,450,000	1.31%
Verdipapirfondet DNB SMB		5,749,435	1.17%

Note 10 Borrowings

Financial Reporting Principles

Interest-bearing borrowings are recognized initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

Revolving Credit Facility

The revolving credit facility agreement of NOK 5,000 million with maturity in March 2023 has been refinanced and will be replaced with a five year NOK 3,000 million revolving credit facility, effective January 30, 2023. The facility is provided by a syndicate of high-quality international banks. The revolving credit facility was undrawn as of December 31, 2022. The terms and conditions include restrictions which are customary for these kind of facilities, including inter alia negative pledge provisions, financial covenants and restrictions related to acquisitions, disposals and mergers. There are also certain provisions of change of control included in the agreement. There are no restrictions for dividend payments, and the facility is unsecured.

Norwegian Bonds

The group has one bond amounting to NOK 1,000 million listed on the Oslo Stock Exchange denominated in Norwegian Kroner. The interest rate for the bond is three months floating interbank rates (NIBOR) plus a predefined margin. Trustee services are provided by Nordic Trustee and the loan documentation is based on Nordic Trustee's standard loan agreement for bond issues. The bond loan is unsecured on a negative pledge basis and include no dividend restrictions. Aker Solutions' strategy is to have between 30-50 percent of borrowings at fixed interest rates. Parts of the external loans with floating interest rates are swapped to fixed interest rates by means of interest rate derivatives to maintain the desired split between fixed and floating interest rates. In 2022, Aker Solutions re-purchased NOK 20 million in the bond loan maturing 2024. Bond loan amounting to NOK 1,500 million was settled in 2022.

Note 10 continues on next page

Note 10 Borrowings cont.

Bonds and Borrowings

2022

Amounts in NOK million	Currency	Nominal currency value	Carrying amount (NOK)	Reference interest rate	Fixed interest margin	Interest coupon	Maturity date (mm/dd/yy)	Interest terms
ISIN NO 0010853286	NOK	914	915	3.5%	3.0%	6.5%	03/06/24	Floating, 3M+fix margin
Total bonds[1]			**915**					
Revolving credit facility (NOK 5,000 million)[2]	NOK	0	0	3.0%	1.1%	4.1%	03/19/23	NIBOR + Margin[3]
Total borrowings			**915**					
Current borrowings			5					
Non-current borrowings			909					
Total			**915**					

2021

Amounts in NOK million	Currency	Nominal currency value	Carrying amount (NOK)	Reference interest rate	Fixed interest margin	Interest coupon	Maturity date (mm/dd/yy)	Interest terms
ISIN NO 0010814213	NOK	1,396	1,404	0.7%	3.2%	3.9%	07/25/22	Floating, 3M+fix margin
ISIN NO 0010853286	NOK	934	931	0.8%	3.0%	3.8%	03/06/24	Floating, 3M+fix margin
Total bonds[1]			**2,335**					
Revolving credit facility (NOK 5,000 million)[2]	NOK	0	-6	0.8%	1.1%	1.9%	03/19/23	NIBOR + Margin[3]
Total borrowings			**2,329**					
Current borrowings			1,408					
Non-current borrowings			921					
Total			**2,329**					

1) The carrying amount is calculated by reducing the nominal value of NOK 914 million (NOK 2,330 million in 2021) by total issue costs related to the new financing of NOK 3.3 million (NOK 8 million in 2021). Amount includes NOK 4.4 million of accrued interest related to the bonds (NOK 13 million in 2021).
2) The carrying amount includes fees for establishing the credit facility which is deferred according to the amortized cost method.
3) The margin applicable to the facility is decided by a price grid based on the gearing ratio. Commitment fee is 35 percent of the margin.

Note 10 continues on next page

Note 10 Borrowings cont.

Maturity of Bonds and Borrowings

2022

Amounts in NOK million	Carrying amount	Total cash flow[1]	6 months and less	6-12 months	1-2 years	2-5 years
ISIN NO 0010853286	915	1,004	30	30	944	0
Total	**915**	**1,004**	**30**	**30**	**944**	**0**
Revolving credit facility (NOK 5,000 million)[2]	0	0	0	0	0	0
Total borrowings	915	**1,004**	**30**	**30**	**944**	**0**

2021

Amounts in NOK million	Carrying amount	Total cash flow[1]	6 months and less	6-12 months	1-2 years	2-5 years
ISIN NO 0010814213	1,404	1,437	27	1,410	0	0
ISIN NO 0010853286	931	1,024	18	18	36	952
Total	**2,335**	**2,461**	**45**	**1,428**	**36**	**952**
Revolving credit facility (NOK 5,000 million)[2]	-6	0	0	0	0	0
Total borrowings	**2,329**	**2,461**	**45**	**1,428**	**36**	**952**

1) The interest costs are calculated using either the last fixing rate known by year-end (plus applicable margin) or the contractual fixed rate (when fixed rate debt).
2) The cash flow is based on the assumption that the nominal drawn amount will remain constant until the maturity of the revolving credit facility.

See note 3 for more information about financial income and expenses
See note 7 for more information about the company's exposure to interest rates and liquidity risk

Note 11 Guarantees

Amounts in NOK million	2022	2021
Parent company guarantees to group companies	95,628	83,377
Counter guarantees for bank/surety bonds	8,214	7,844
Total guarantee liabilities	**103,842**	**91,221**

Parent company guarantees are issued on behalf of subsidiaries in contractual obligations towards customers. The amounts disclosed above represent the total contractual value of the customer contracts.

Bank guarantees and surety bonds are issued on behalf of Aker Solutions subsidiaries, and counter indemnified by Aker Solutions ASA.

See note 2 for more information about revenue from guarantees

Note 12 Related Parties

Transactions with subsidiaries and related parties are described in the following notes:

Operating Revenue and Expenses	Note 2
Financial items	Note 3
Investments	Note 5
Cash pool	Note 6
Receivables and borrowings	Note 6
Foreign exchange contracts	Note 7
Guarantees	Note 11

Transactions with related parties are based on negotiations between the parties, and management believes that the agreed prices are a fair approximation to arm's length terms.

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Independent Auditor's Report

To the General Meeting of Aker Solutions ASA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aker Solutions ASA, which comprise:

- the financial statements of the parent company Aker Solutions ASA (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow for the year then ended, and notes to the parent company financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Aker Solutions ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the income statement, other comprehensive income, consolidated statement of changes in equity and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for one year from the election by the general meeting of the shareholders on 7 April 2022 for the accounting year 2022.

Key audit matters

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

Recognition of revenue from construction contracts

Revenue from construction contracts amounts to NOK 41 220 million in 2022. For calculation of revenue from construction contracts, the cost progress method is based on expected contract revenue and incurred cost, relative to estimated total contract cost. The construction contracts may be complex, include multiple performance obligations, executed over a long period of time and involve significant uncertainty. The estimation of total revenue and cost involves the use of judgement, which impacts expected profit margin, stage of contract completion, variable compensation and the outcome of potential disputes.

Accounting for revenue from construction contracts is a key audit matter as the company has many construction contracts which are all affected by management's judgement. Use of the cost progress method and its inherent use of judgement, has a pervasive effect on the financial statements and affects several line items such as revenue and customer contract assets and liabilities.

More information on the Group's accounting for construction contracts, how the percentage of completion is calculated, and management's application of judgement is given in note 3 Revenue and note 4 Segments.

How our Audit addressed the Key Audit Matter

We reviewed a sample of construction contracts and compared the way they were accounted for to the Group's accounting principles. We compared the Group's accounting principles for accounting of revenue to the requirements in IFRS 15. We found that the accounting principles were in accordance with relevant requirements in IFRS 15 and applied consistently over a sample of contracts.

To ensure a qualitative and consistent processing of risk and estimates in the projects, the Group has implemented internal controls over the project revenue recognition process. The controls are primarily directed at identifying performance obligations, ensuring appropriate assessments of total expected costs and stage of completion, and total expected revenues, including variable compensation and revenue that is uncertain due to disputes. The controls are established in several organisational levels and include formalised periodic reviews of the project portfolio. We tested those internal controls that we found relevant to our audit, for operating effectiveness. Our testing included reviewing relevant supporting documentation for a sample of contracts.

We obtained and read the terms and conditions of a sample of significant contracts and variation orders and compared these to the basis for the respective estimates. Further, we obtained supporting evidence for cost estimates and costs incurred, and allocation to the individual construction contracts. For a sample of construction contracts, we also tested if only hours and costs pertaining to those projects were allocated to these projects.

Furthermore, we performed procedures to test if the construction contract summary completely reflects costs incurred for contracts in progress.

Our testing did not identify material exceptions.

We challenged Management's use of judgement in the estimates, by amongst other, interviewing Management and challenging the most important assumptions applied. We evaluated adequacy and appropriateness of the disclosures in notes 3 and 4 to the consolidated financial statements, and found them to be in accordance with relevant IFRS requirements.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements

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

Opinion

As part of the audit of the financial statements of Aker Solutions ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name “AKSO-31-12-22-EN”, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management’s Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor’s Responsibilities

For a description of the auditor’s responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Oslo, March 21, 2023
PricewaterhouseCoopers AS

Thomas Whyte Gaardsø
State Authorised Public Accountant

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Alternative Performance Measures

Aker Solutions 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.

Profit Measures

EBITDA and EBIT terms are presented as they are used by financial analysts and investors. Special items are excluded from EBITDA and EBIT as alternative measures to provide enhanced insight into the financial development of the business operations and to improve comparability between different periods.

EBITDA is short for earnings before interest, taxes, depreciation and amortization. EBITDA corresponds to the “operating income before depreciation, amortization and impairment” in the consolidated income statement in the annual report.

EBIT is short for earnings before interest and taxes. EBIT corresponds to “operating income” in the consolidated income statement in the annual report.

Margins such as EBITDA margin and EBIT margin are used to compare relative profit between periods. EBITDA margin and EBIT margin are calculated as EBITDA or EBIT divided by revenue.

Special items may not be indicative of the recurring operating results or cash flows of the company. Profit measures excluding special items are presented as alternative measures to improve comparability of the underlying business performance between the periods.

Profit Measures continues on next page

Profit Measures cont.

	Renewables & Field Development		**Electrification, Maintenance & Modifications**		**Subsea**		**Other**		**Aker Solutions**	
Amounts in NOK million	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Revenue	14,857	10,625	12,164	9,197	14,055	9,712	341	-62	41,417	29,473
Non-qualifying hedges	0	0	0	0	0	0	-39	-9	-39	-9
Sum of special items excluded from revenue	0	0	0	0	0	0	-39	-9	-39	-9
Revenue ex. special items	**14,857**	**10,625**	**12,164**	**9,197**	**14,055**	**9,712**	**302**	**-71**	**41,378**	**29,464**
EBITDA	487	535	663	402	2,305	1,244	-520	-340	2,934	1,842
Restructuring cost	1	5	0	18	2	1	0	2	3	25
Non-qualifying hedges	0	0	0	0	0	0	12	-7	12	-7
Other special items	0	0	0	0	0	0	73	12	73	12
Sum of special items excluded from EBITDA	1	5	0	18	2	1	85	6	88	29
EBITDA ex. special items	**488**	**540**	**663**	**420**	**2,307**	**1,244**	**-435**	**-333**	**3,022**	**1,871**
EBITDA margin	3.3%	5.0%	5.5%	4.4%	16.4%	12.8%			7.1%	6.2%
EBITDA margin ex. special items	3.3%	5.1%	5.5%	4.6%	16.4%	12.8%			7.3%	6.4%
EBIT	185	317	558	273	1,710	627	-596	-524	1,857	693
Sum of special items excluded from EBITDA	1	5	0	18	2	1	85	6	88	29
Impairments	3	-37	0	1	8	2	-34	87	-22	52
Sum of special items excluded from EBIT	4	-32	0	18	10	2	52	93	65	81
EBIT ex. special items	**189**	**285**	**558**	**291**	**1,720**	**630**	**-544**	**-431**	**1,923**	**775**
EBIT margin	1.2%	3.0%	4.6%	3.0%	12.2%	6.5%			4.5%	2.4%
EBIT margin ex. special items	1.3%	2.7%	4.6%	3.2%	12.2%	6.5%			4.6%	2.6%

Profit Measures continues on next page

Profit Measures cont.

	Aker Solutions	
Amounts in NOK million	**2022**	**2021**
Net income	1,170	249
Sum of special items excluded from EBIT	65	81
Non-qualifying hedges	-19	0
Tax effects on special items	9	-18
Net income ex. special items	**1,225**	**313**
Net income to non-controlling interests	8	5
Net income ex. non-controlling interests	**1,234**	**317**
Average number of shares (in '000)	486,900	488,564
Earnings per share[1]	2.42	0.52
Earnings per share ex. special items[2]	**2.53**	**0.65**

1) Earnings per share is calculated using Net income, adjusted for non-controlling interests, divided by average number of shares.
2) Earnings per share ex. special items is calculated using Net income ex. special items, adjusted for non-controlling interests, divided by average number of shares.

Order Intake Measures

Order intake, order backlog and book-to-bill ratios are presented as alternative performance measures, as they are indicators of the company's revenues and operations in the future.

Order intake includes new agreed customer contracts in the period in addition to expansion of existing contracts. For construction contracts, the order intake includes the value of agreed contracts and options, and value of agreed change orders and options. It does not include potential options and change orders. For service contracts, the order intake is based on estimated customer revenue in periods that are firm in the contracts.

Order backlog represents the estimated value of remaining work on agreed customer contracts. The order backlog does not include parts of the Services segment, which is short-cycled or book-and-turn in nature. The order backlog does also not include potential growth or value of options in existing contracts.

Book-to-bill ratio is calculated as order intake divided by revenue in the period. A book-to-bill ratio higher than 1 means that the company has secured more contracts in the period than what has been executed in the same period.

	2022			2021		
Amounts in NOK million	**Order intake**	**Revenue from customer contracts**	**Book-to-bill**	**Order intake**	**Revenue from customer contracts**	**Book-to-bill**
Renewables & Field Development	51,398	14,843	3.5x	14,028	10,543	1.3x
Electrification, Maintenance & Modifications	16,190	12,164	1.3x	9,882	9,198	1.1x
Subsea	20,536	14,050	1.5x	16,837	9,694	1.7x
Other/eliminations	114	164		-281	-240	
Aker Solutions	**88,238**	**41,220**	**2.1x**	**40,466**	**29,195**	**1.4x**

Financing Measures

Alternative financing and equity measures are presented as they are indicators of the company's ability to obtain financing and service its debts.

Liquidity buffer (liquidity reserve) is a measure of available cash and is calculated by adding together the cash and cash equivalents and the unused credit facility.

Amounts in NOK million	2022	2021
Cash and cash equivalents	6,170	4,560
Credit facility (unused)	5,000	5,000
Liquidity buffer/reserve	**11,170**	**9,560**

Net current operating assets (NCOA) or working capital is a measure of the current capital necessary to maintain operations. Working capital includes trade receivables, trade payables, accruals, provisions and current tax assets and liabilities.

Amounts in NOK million	2022	2021
Current tax assets	67	69
Inventory	275	293
Customer contract assets and other receivables	4,419	3,713
Trade receivables	5,857	4,677
Prepayments	1,981	1,774
Current tax liabilities	-65	-69
Provisions	-1,719	-784
Trade payables	-2,645	-1,429
Other payables	-9,066	-7,372
Customer contract liabilities	-3,134	-2,656
Net current operating assets (NCOA)	**-4,032**	**-1,784**

Net interest-bearing debt is a measure that shows the overall debt situation. Net interest bearing debt is calculated by netting the value of a company's liabilities and debts with its cash and cash equivalents.

Amounts in NOK million	2022	2021
Non-current borrowings	962	925
Current borrowings	60	1,434
Cash and cash equivalents	-6,170	-4,560
Net interest-bearing debt	**-5,147**	**-2,200**

Equity ratio is a financial ratio indicating the relative proportion of equity used to finance a company's assets and is a measure of the level of leverage used by a company.

Amounts in NOK million	2022	2021
Equity	9,240	7,861
Total assets	33,088	28,868
Equity ratio	27.9%	27.2%

EU Taxonomy for Sustainable Activities

About the EU Taxonomy

With effect for 2022, Aker Solutions implemented the EU Taxonomy in accordance with EU Regulation that require disclosure about the environmental performance of the company's assets and economic activities. The regulation has established screening criteria to determine whether an economic activity can be classified as environmentally sustainable.

The regulation will be enacted in Norwegian legislation for 2023 reporting, and Aker Solutions' reporting is voluntary for 2022.

Economic activities are eligible under the Taxonomy regulation if they are included in the list of economic activities under the Taxonomy. Economic activities qualify as environmentally sustainable if the activity complies with the established performance thresholds (technical screening criteria). The technical screening criteria are used to determine whether the economic activity substantially contributes to one or more of the Taxonomy's environmental objectives.

In order to be Taxonomy-eligible, the economic activities must fall under one of the following categories:

- Economic activities directly contributing to the environmental objectives
- Economic activities that enable other activities to make a substantial contribution
- Economic activities that support the transition to a climate neutral economy

The EU Taxonomy has defined the following environmental objectives:

- Climate change mitigation
- Climate change adaptation
- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and ecosystems

Economic activities qualify as environmentally sustainable under the EU Taxonomy if the activities:

- Contribute substantially to one or more of the objectives listed
- Do no significant harm to any of the other objectives
- Are carried out in accordance with specific minimum safeguards
- Comply with technical screening criteria set out in delegated acts developed under the Regulation

Key performance indicators as defined in the EU Taxonomy regulation

Sales revenue, capital expenditure and operating expenditure are defined as the key performance indicators that must be reported on under the EU Taxonomy.

Sales Revenue: Total turnover corresponds with the amount reported as revenue from customer contracts in the consolidated financial statement.

Capital expenditure: Total capital expenditures for the purposes of EU Taxonomy consists of additions to the following items in Aker Solutions' financial statements: property, plant and equipment, intangible assets (excluding goodwill), lease assets and investment property. These are reported in the notes to the financial statements in note 10 Property, Plant and Equipment, note 11 Intangible Assets and Goodwill, and note 18 Leases and Investment Property . Capitalized expenditure related to oil and gas projects are by interpretation of the Taxonomy regulation considered to be included in the KPI denominator as this is a part of Aker Solutions' ongoing activity. Additions to capital expenditure from business combinations related to the acquisition of Rainpower, Unitech Power Systems, and Frontica Engineering are included.

Taxonomy aligned share of capex in 2022 relates to investments that is part of a plan to expand Taxonomy-aligned activities.These investments are following our ambition of making Renewable and Field Development activities represent two thirds of our revenue in 2030. Aker Solutions has made investments in 2022 that are not eligible or aligned under the EU Taxonomy even though they will be used to generate economic benefits for Taxonomy relevant projects.

Operating expenditure: Total operating expenditures related to the EU Taxonomy consist of direct non-capitalized costs that are necessary to ensure the continued and effective functioning of assets. This definition is limited to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment.

The definition of operating expenditures deviates from the definition that is used in traditional financial reporting. Relevant operating expenses would be included in numbers specified in note 6 Other Operating Expenses. The taxonomy-relevant amount of operating expenditure according to the EU taxonomy is immaterial for Aker Solutions and is omitted from reporting.

Economic activities of the Aker Solutions group

Eligible and aligned activities disclosed for 2022 are limited to climate change mitigation and climate change adaptation. Delegated acts for the four remaining objectives have not been published in 2022. A large part of Aker Solutions' activities are related to the production of oil and gas. These activities, as well as aquaculture activities, are excluded from the EU taxonomy and deemed non-eligible.

Aker Solutions has three reporting segments: Renewable and Field Development, Subsea and Electrification, Maintenance and Modifications. The Renewables and Field Development segment is working to accelerate the transition to renewables and carbon capture, in addition to improving efficiency and reducing carbon footprint in oil and gas deliveries. Some of our projects under this segment are not within the EU Taxonomy scope. This relates to studies and decommissioning, which are not economic activities under the current published Delegated Acts.

Below are Aker Solutions' significant eligible activities and the relevant EU taxonomy classifications.

Carbon Capture and storage: In the carbon capture and storage (CCS) industry, Aker Solutions is engaged in projects across the value chain. The company is delivering onshore receiving facilities and subsea systems for injection of CO2 into permanent storage reservoirs. These activities are classified under 5.11 Transport of CO2 and 3.6 Manufacture of other low carbon technologies.

Converter Platforms and Substations for Offshore Wind: Aker Solutions is delivering on several offshore wind projects where the company is in consortium with Siemens Energy to supply high-voltage, direct current (HVDC) converter platforms in different parts of the world. These activities are classified under the activities 3.1 Manufacture of renewable energy technologies. Aker Solutions has included one project that will provide electricity to oil and gas platforms.

Hydropower: Aker Solutions has several projects delivering on excitation, turbine governing and turbine technology towards new hydropower plants and rehabilitation and upgrades on existing hydropower plants. These activities are classified under 3.1 Manufacture of renewable energy technologies.

Key Performance Indicators 2022

Social safeguards: The criteria related to social safeguards are assessed at a company level. Aker Solutions has a continuous focus on human and labour rights, bribery, taxation and fair competition and has guidelines related to these areas in our code of conduct, business integrity policy, business integrity procedure, human rights policy, and sustainability policy. Aker Solutions assessed that the group is in compliance with all relevant requirements under this area.

Do No Significant Harm (DNSH): The DNSH-criteria have been assessed for all eligible projects as a part of the alignment-screening. Regarding water and marine resources, the EU's Marine Strategy Framework Directive is not implemented in Norwegian legislation. An assessment has been made and the projects are considered to not do significant harm.

Aker Solutions has identified activities contribution to climate change mitigation. Proportion of Taxonomy-eligible and Taxonomy-aligned economic activities in total turnover and capex are as follows for 2022:

Sales revenue	NOK million	Eligible	Aligned
3.1 Manufacture of renewable energy technologies	2,571	6.2%	6.2%
3.6 Manufacture of other low carbon technologies	166	0.4%	0.4%
5.11 Transport of CO2	616	1.5%	1.5%
A. Taxonomy-eligible activities	**3,353**	**8.1%**	**8.1%**
B. Taxonomy non-eligible activities	38,064	91.9%	91.9%
Total (A + B)	**41,417**	**100.0%**	**100.0%**

Capital expenditure	NOK million	Eligible	Aligned
A. Taxonomy-eligible activities	80	7.0%	7.0%
B. Taxonomy non-eligible activities	1,059	93.0%	93.0%
Total (A + B)	**1,139**	**100.0%**	**100.0%**

Board of Directors

Leif-Arne Langøy
CHAIRMAN

Leif-Arne Langøy (born 1956) has gained senior executive experience from several companies, including as President and CEO of Aker Yards and Aker ASA. Langøy has extensive experience as the chairman of non-executive boards from a number of different industrial companies. He is currently chairman of the board for Sparebanken Møre and deputy chairman of both The Resource Group TRG AS and TRG Holding AS, as well as member of the nomination committee in Aker ASA. Langøy also holds several positions associated with Molde FK, including chairman of the board for Molde Fotball AS. From 2011 to 2020 he was chairman of the board for DNV GL Group AS. Langøy holds an MSc in economics from the Norwegian School of Economics in Bergen, Norway. As of December 31, 2022, he holds 159,426 shares in the company through a privately owned company and has no share options. Langøy is a Norwegian citizen. He has been elected for the period 2021-2023.

Øyvind Eriksen
DEPUTY CHAIRMAN

Øyvind Eriksen (born 1964) is President and CEO of Aker ASA, which is the main shareholder of Aker Solutions. Eriksen holds a law degree from the University of Oslo. He is a former Partner, Director, and Chairman of the law firm BA-HR. Eriksen currently chairs the boards of several of the Aker Group's main industrial and financial business. In addition, he is on the board of a number of non-profit organizations, including the Norwegian Cancer Society, Accenture Global Energy Board, and the World Economic Forum C4IR Global Network Advisory Board.

While Erikson holds no shares or share options in Aker Solutions directly, he has an ownership interest by holding 219,072 shares in Aker ASA and 2.0 per cent of the shares in TRG Holding AS through Erøy AS, a privately owner company. Eriksen is a Norwegian citizen. He has been elected for period 2021-2023.

Kjell Inge Røkke
DIRECTOR

Kjell Inge Røkke (born 1958) has been a driving force in the development of Aker since the 1990s. Røkke launched his business career with the purchase of a 69-foot trawler in the United States in 1982, and gradually built a leading worldwide fisheries business. In 1996, the Røkke-controlled company, RGI, purchased enough Aker shares to become Aker's largest shareholder, and later merged RGI with Aker. Røkke is a chairman of the board in Aker ASA, The Resource Group TRG AS and TRG Holding AS. He is also a board member of several companies in which Aker ASA holds a significant ownership stake, including Aker BP, Aker BioMarine ASA, Aker Property Group AS, Aker Energy AS, Aker Horizons AS, Aize Holding, Cognite AS, Seetee Topco AS and REV Ocean AS.
While Røkke holds not shares or stock options directly in Aker Solutions, he has an indirect ownership interest in the company through his investment company The Resource Group TRG AS and subsidiaries, and which holds approximately 68 percent of the shares in Aker Asa, Aker Solutions' main owner. Røkke is a Norwegian citizen. He has been elected for the period 2021-2023.

Birgit Aagaard-Svendsen
DIRECTOR

Birgit Aagaard-Svendsen (born 1956) has more than 35 years of international business experience including several years within the shipping and offshore industries. She served as Chief Financial Officer of J. Lauritzen shipping company for 18 years and has been the chairperson of the Danish committee on corporate governance. She has a Bachelor of Science in engineering from the Technical University of Denmark and a Graduate Diploma in Business Administration from the Copenhagen Business School.

Aagaard-Svendsen is a board professional with extensive board experience. Her current directorship include the boards of DNV GL, Prosafe and KommuneKredit (Denmark), for all of which she serves as the chairperson of the audit committee. As of December 31, 2022, she holds 90,000 shares in the company and has no share options. Aagaard-Svendsen is a Danish citizen. She has been elected for the period 2021-2023.

Aagaard-Svendsen is an independent board member.

Lone Fønss Schrøder
DIRECTOR

Lone Føns Schrøder (born 1960) is CEO of Concordium AG, a global provider of blockchain technologies and founder of Caseworks, a Swiss-based bank fintech provider. She is vice-chair of Volvo Cars AB and chair of the audit committee, director of and chair of the audit committee in Akastor ASA, and director of Geely Sweden Holdings AB and director of Ingka Holding B.V. She has held several senior management and CEO positions in the A.P. Møller-Maersk group and became CEO and president of Wallenius Lines AB in 2005. Fønss Schrøder has board experience from Kværner ASA, Eukor Inc, Vattenfall AB, Yara ASA, Valmet OY and others. Fønss Schrøder holds an MSc in law from the University of Copenhagen and Msc in economics from Copenhagen Business School in Denmark. As of December 31, 2022, she holds no shares in the company and has no share options. Fønss Schrøder is a Danish citizen. She has been elected for the period 2021-2023.

Fønss Schrøder is an independent board member.

Elisabeth Tørstad
DIRECTOR

Elisabeth Tørstad (born 1965) is CEO of Asplan Viak AS since March 2019. Prior to this she has more than 15 years of experience from leadership positions in DNV, where she also was part of the Executive Board and Council in DNV from 2010 to 2019. Tørstad holds a cand.scient. degree in structural physics from the University of Oslo, and also degrees in civil engineering from Oslo Ingeniørhøgskole and business administration from the Norwegian School of Management (BI). She has served on several boards and committees, including in Hexagon Composites, SINTEF and DitigalNorway. Tørstad is currently member of the board of trustees of Underwriters Laboratories Inc. As of December 31, 2022, she holds 2,000 shares in Aker Solutions ASA and has no stock options. Tørstad is a Norwegian citizen. She has been elected for the period 2022-2024.

Tørstad is an independent board member.

Jan Arve Haugan
DIRECTOR

Jan Arve Haugan (born 1957) started his professional career in the Norwegian construction company F. Selmer (now Skanska) and worked as project consultant in Terra Mar Project Management before he joined the Norwegian industrial conglomerate Norsk Hydro as a chief engineer in 1991. He served in several leading positions in Hydro's oil and gas projects and operations as well as in Hydro's aluminum business. Haugan was President and CEO of Kvaerner ASA from 2011 to 2018, when he stepped down to assume the role as CEO of Aker Energy AS. Haugan holds an MSc in construction management from the University of Colorado at Boulder, USA. As of December 31, 2022, Haugan and related parties hold 159,439 shares in the company and have no share options. Haugan is a Norwegian citizen. He has been elected for the period 2022-2024.

Haugan is an independent board member.

Hilde Karlsen
DIRECTOR

Hilde Karlsen (born 1967) was elected by the employees of Aker Solutions to the board of directors in March 2011. She is a group union representative for Aker Solutions on a full-time basis and has been employed by Aker Solutions since 1992. Karlsen has held various positions at Aker Solutions and is now a specialist engineer in the projects center. She was the employees representative of the Kværner Oil and Gas Board form 1993-2003. Karlsen has a Bachelor of Science in mechanical engineering from Norway's Narvik University College. As of December 31, 2022, Karlsen and related parties hold 31,294 shares in the company and have no share options. Karlsen is a Norwegian citizen. She has been elected for the period 2021-2023.

Tommy Angeltveit
DIRECTOR

Tommy Angeltveit (born 1965) was elected by the employees of Aker solutions to the board of directors in April 2021. He has worked as a service technician at Aker Solutions' subsea lifecycle services (SLS) business in Norway since 2003. Angeltveit is a deputy group union representative for Aker solutions on a full-time basis. He was previously manager for Industry Energy section 47 and has served as employee representative on the boards of Aker ASA and Aker Subsea AS. Angeltveit has occupational education as a service electronics engineer. As of December 31, 2022, he holds 5,754 shares in Aker Solutions ASA and has no stock options. Angeltveit is a Norwegian citizen. He has been elected for the period 2021-2023.

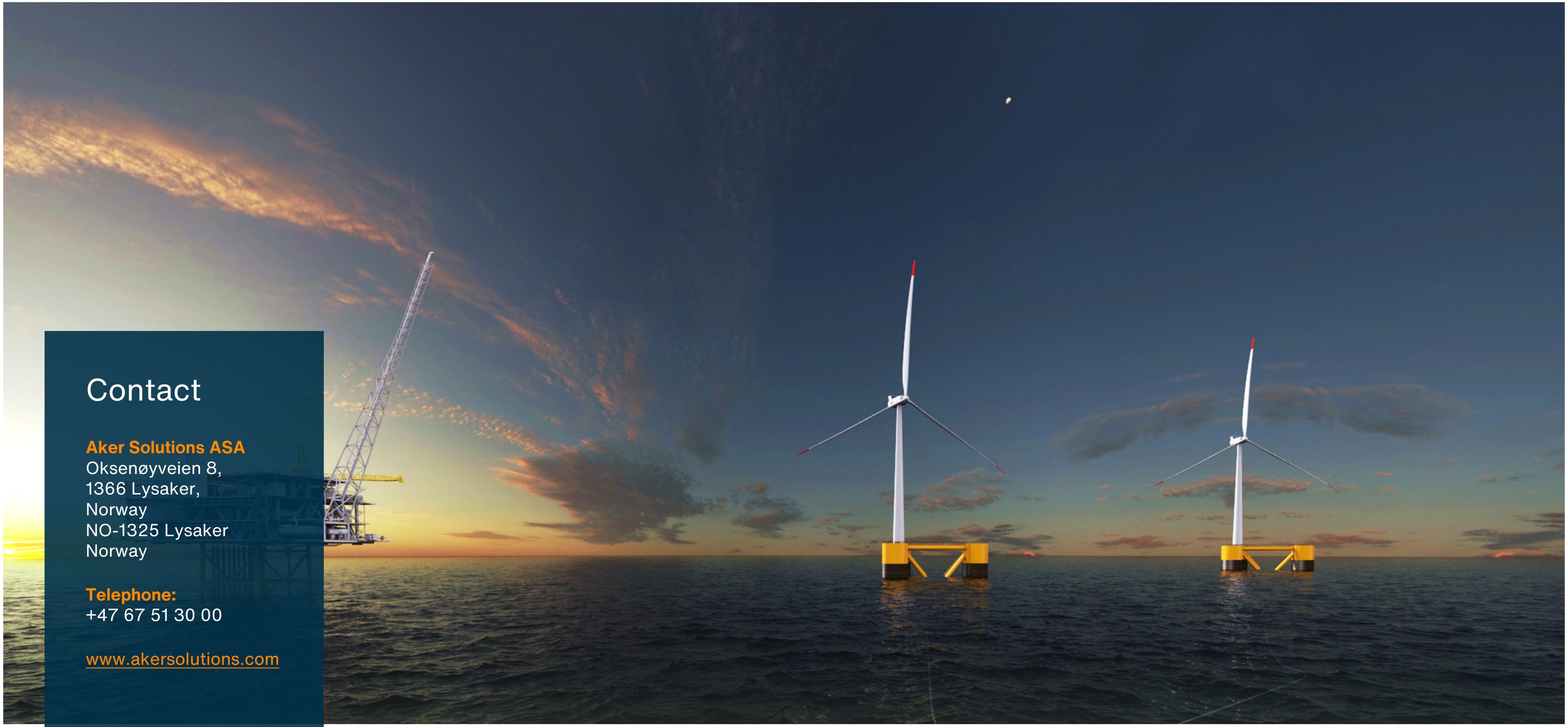
Line Småge Breidablikk
DIRECTOR

Line Småge Breidablikk (born 1985) was elected by the employees of Aker Solutions to the board of directors in April 2021. She has been employed by Aker Solutions and Kvaerner since 2012. Breidablikk has worked in various projects and is currently as senior engineer. On a part-time basis she has served as local union representative at Kværner Stord from 2013, as local union representative chair since 2013 and group union representative from 2019 to 2021. Breidablikk holds an MSc in marine technology from the Norwegian University of Science and Technology (NTNU) in Trondheim, Norway. As of December 31, 2022, she holds 1,755 shares in Aker Solutions ASA and has no share options. Breidablikk is a Norwegian citizen. She has been elected for the period 2021-2023.

Sigurd Sævareid
DIRECTOR

Sigurd Sævareid (born 1983) was elected as a deputy board director in 2021 and replaced Rune Rafdal as an employee elected board director in August 2022. He has worked as an electrician in Aker Solutions since 2008. Sævareid was elected as a full-time union representative in 2012 for the EIT operators in the Stord yard. Sævareid has an occupational education and was certificated as an electrician in 2004. As of December 31, 2022, he holds no shares in Aker Solutions ASA and has no share options. Sævareid is a Norwegian citizen. He has been elected for the period 2021-2023.

AkerSolutions



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