

The background image shows an offshore wind farm in the ocean at sunset. A network of white lines and nodes is overlaid on the scene, connecting various points across the sky and the sea. The lines form a complex web, with some nodes highlighted in white squares. The overall color palette is dominated by the blues of the sea and sky, and the oranges and yellows of the sunset.

# A New Era for an Industry in Transition

Akerkvartalet, Fornebu, Norway

July 17, 2020

**KVERNER**<sup>™</sup>

 **AkerSolutions**

# Agenda



## Introduction

**Øyvind Eriksen**

President & CEO, Aker ASA  
Chairman, Aker Solutions



## **Aker Offshore Wind**

**Astrid Onsum**

CEO  
Aker Offshore Wind



## **Aker Carbon Capture**

**Valborg Lundegaard**

CEO  
Aker Carbon Capture



## **The Merger**

**Kjetel Digre**

Onboarding CEO  
Aker Solutions



## **Way Forward**

**Leif-Arne Langøy**

Chairman, Kvaerner ASA  
Proposed chairman merged company



# Nearly Two Centuries of Change and Industrial Pioneering



1841 ————— Ability to continuously adapt is in our DNA ————— 2020 —————>



# Unlocking Shareholder Value in a New Era for Oil Service



Merging to Form Optimized  
**Supplier Company**



Spin Off





# New CEOs of Spin-Offs



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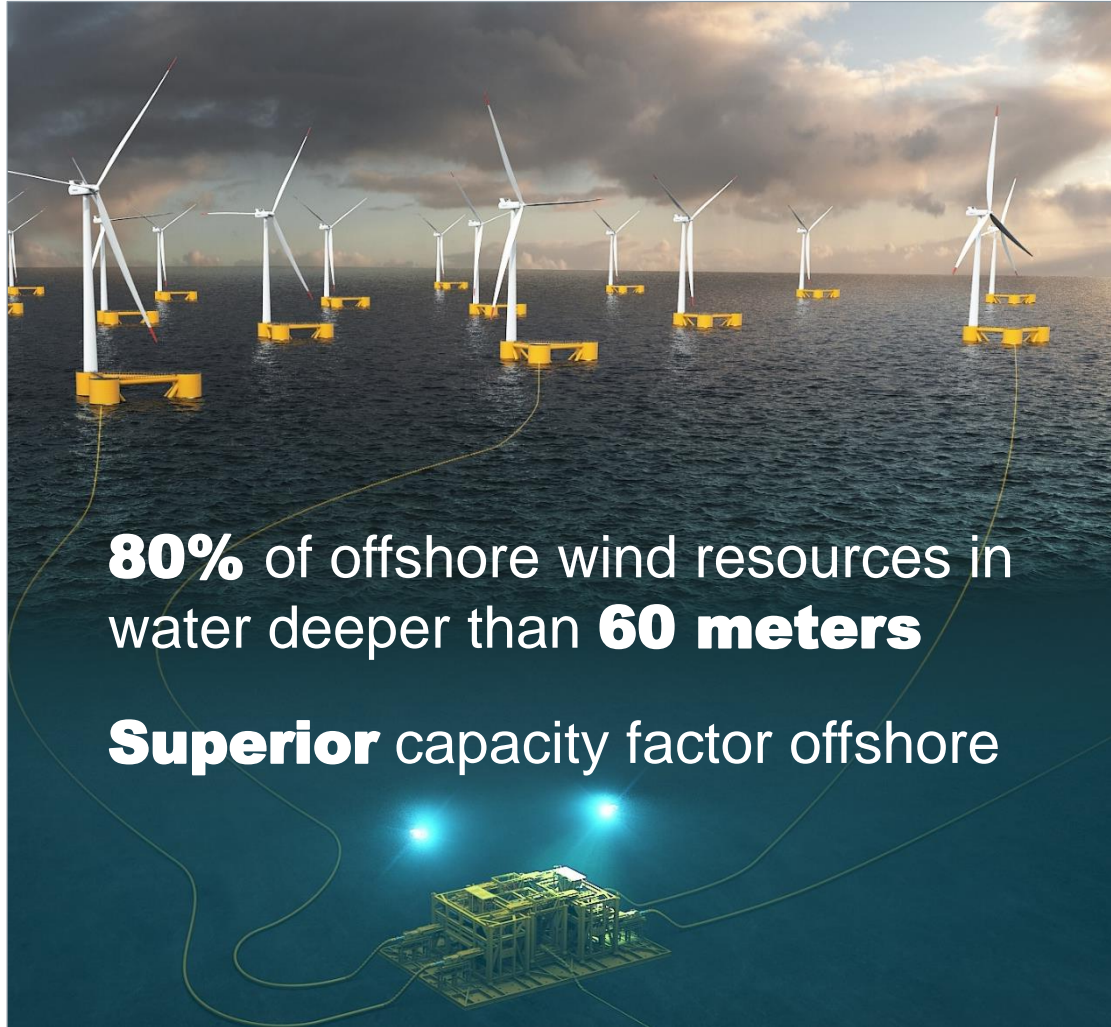
# Spin-Off | Offshore Wind Development Business

- **Separate** developer and operator role from role as supplier
- Draw on the **offshore development expertise** of the Aker sphere
  - Floating design and jacket design, project execution, maintenance
- **Supplier alliance** with merged Aker Solutions/Kvaerner
- Significant market opportunity requiring **investments and dedicated focus**
- Unlocking **shareholder value** and creating access to growth funding



**Aker Offshore Wind**

# Aker Offshore Wind | Uniquely Positioned



## Market Differentiators

- World-class deepwater capabilities
- Proven floating foundation technology
- Utilize digital platforms to drive down costs
- Leveraging Aker BP's position on the NCS

## Attractive acreage, project portfolio and pipeline

	United States	South Korea	Norway	United Kingdom
Project	Redwood	KF Wind	TBC	Scotwind
Capacity	150 MW	1.5 GW	500MW /1.2GW	700 MW
Timeline	2025	2026-29	2026 / 2029	2030
Consortium	EDPR	EDPR	TBC	TBC



# Spin-Off | Aker Carbon Capture



## Aker Carbon Capture

- Key enabler to meet **ambitious climate goals**
- Sales pipeline up from NOK **5 billion to NOK 16 billion** in last 12 months
- **Wide range** of customers
- **Unique** technology
- **> 50,000 hours** of operational experience
- **Major contracts** awarded; Norcem and Twence
- Strong **project execution model** with Aker Solutions



# Aker Carbon Capture | Pure Play Carbon Capture Company

- Market-leading position, entering **commercial phase**
- **Strong** management and technical team
- Unlocking **shareholder value** and creates access to growth funding
- **Significant investments** and dedicated focus required to accelerate development
- Admission to trading of the shares on **Merkur Market** during August 2020





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# New CEO of Aker Solutions

## Kjetel Digre (50)

- Appointed from **August 1, 2020**
- Previous roles
  - SVP Operation & Asset Development, Aker BP
  - SVP, Equinor
- Proven track-record of **strong leadership** and building great collaboration models
- **Extensive experience** in Field development and projects execution
- Key roles in **digitalization** to transform efficiency in operations and in large and complex projects





# Complementary Supplier Capabilities Create Stronger Offering

Creating a leading **execution partner** to deliver low-carbon oil and gas and renewables projects

**KVERNER™**

A leading provider of engineering, procurement and construction (EPC) services to the energy industry

**AkerSolutions**

A leading global provider of products, front-end, engineering, project management and services to the energy industry

# A **Supplier** Accelerating the Transition to **Sustainable Energy Production**



Enable **low-carbon oil and gas production**, building on alliances with customers and partners



Drive differentiation and efficiency in our industries through **technologies and digital solutions**



Provide integrated solutions for **renewable energy** industries





# Decarbonizing Offshore Oil and Gas

■ Low-Carbon Solutions

■ Electrification

■ Energy Optimization

# Johan Sverdrup

## Showcasing Our Capabilities

**Living Quarters**

**Production Platform 1**

**Drilling Platform**

**Riser Platform**

**Production Platform 2**

	Feasibility Optimize	FEED	Engineering	Procurement	Construction	Transportation	Hook Up	Commissioning
Field EPMA	Aker Solutions	Aker Solutions	Aker Solutions				Aker Solutions	
Living Quarters			Kvaerner / KBR				Other	Kvaerner
Production Platform 1			Aker Solutions		Other	Aker Solutions & Kvaerner		
Riser Platform						Other	Aker Solutions & Kvaerner	
Drilling Platform			Other			Other	Other	
Production Platform 2			Other			Other	Other	
Jacket structures*			Kvaerner				Other	Kvaerner
SURF 1		Aker Solutions		Other	Other			
SURF 2		Other		Other	Other			
Subsea Production System			Other				Other	
Riser Platform Modification	Aker Solutions & Kvaerner							



# Selected Ongoing Oil and Gas Projects



## Johan Sverdrup RP Module

**Customer:** Equinor

**Country:** Norway

**Supplier:** Aker Solutions / Kvaerner



## Njord Upgrade

**Customer:** Equinor

**Country:** Norway

**Supplier:** Aker Solutions / Kvaerner

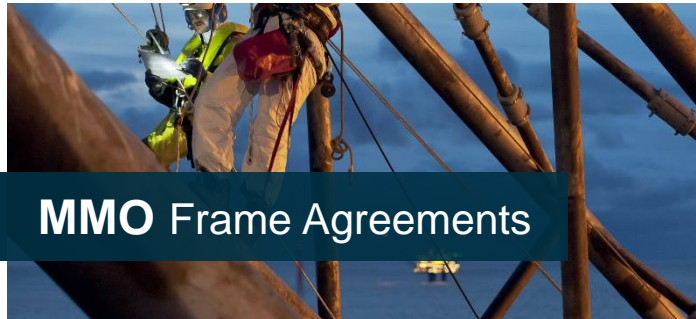


## Hod UWHP

**Customer:** Aker BP

**Country:** Norway

**Supplier:** Aker Solutions / Kvaerner



## MMO Frame Agreements

**Customer:** Several

**Country:** Norway, Canada, Brunei

**Supplier:** Aker Solutions

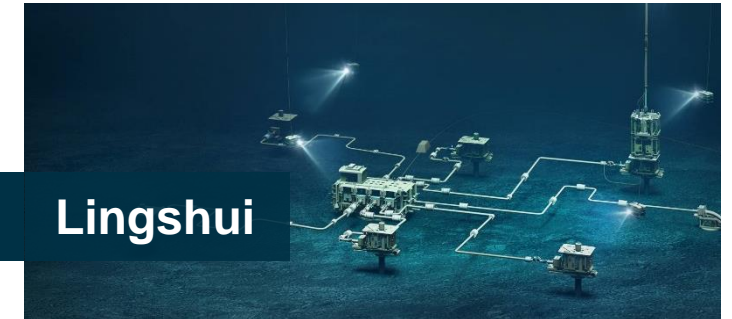


## Breidablikk

**Customer:** Equinor

**Country:** Norway

**Supplier:** Aker Solutions



## Lingshui

**Customer:** CNOOC

**Country:** China

**Supplier:** Aker Solutions

# Transition to **Renewable Energy**

Our **Core Capabilities** Are Also Needed in **Emerging Industries**





# Complementary Capabilities Within Renewables





# Digital Solutions

to Reshape the Industry



73%

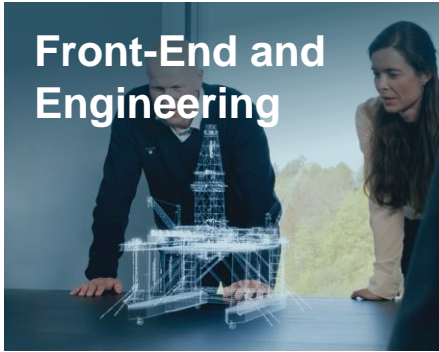


17%  
12%  
32%  
15%  
24%





# A Stronger Supplier Company With an Optimized Portfolio



## Global Presence

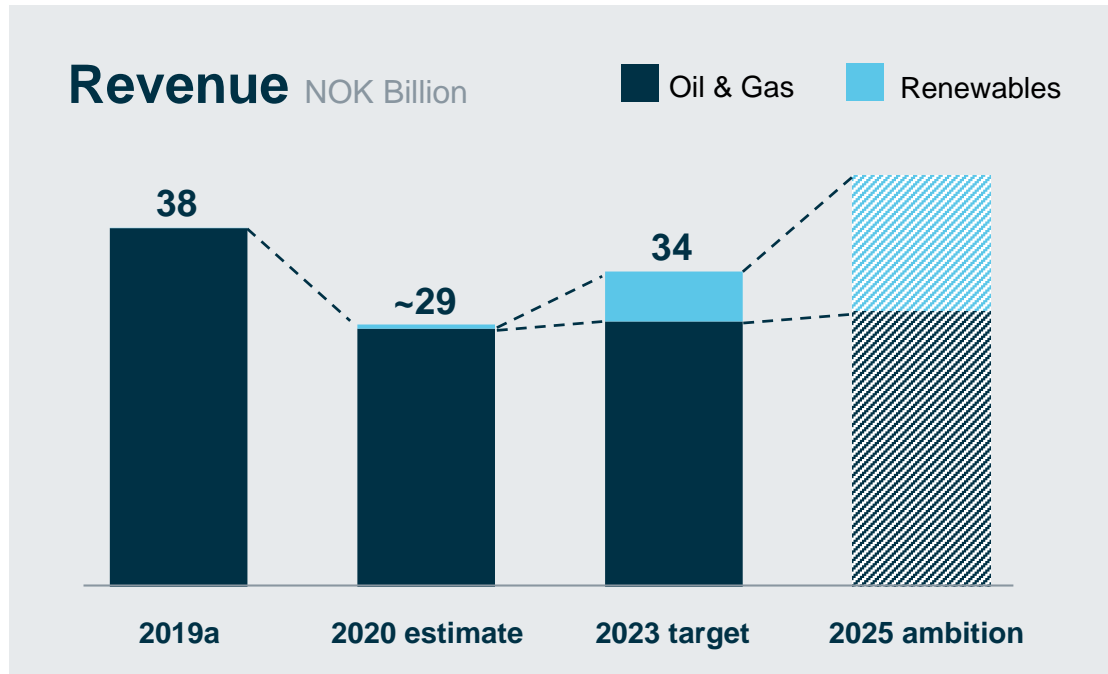
**15,000**  
EMPLOYEES

**25**  
COUNTRIES

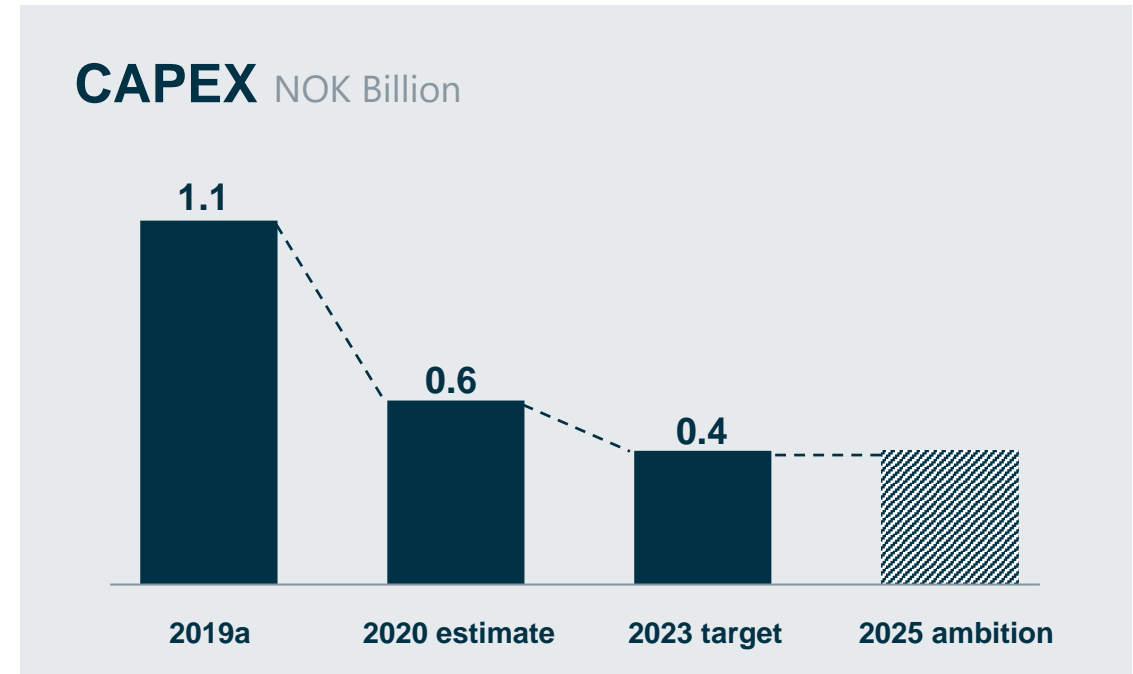
**50+**  
LOCATIONS



# Solid Financial Performance and Value Creation



- Ambition to grow revenue base by approximately 10% annually towards 2025
- Stable oil and gas aftermarket business
- NOK 36 billion in backlog per Q2 2020
- Strong position for transition into renewables



- CAPEX expected to decline by 60% from 2019 to 2023
- Leverage on historical capital investments for future growth
- Partnerships for technology development
- Spin-off of capital intensive business units
- Strong CAPEX discipline

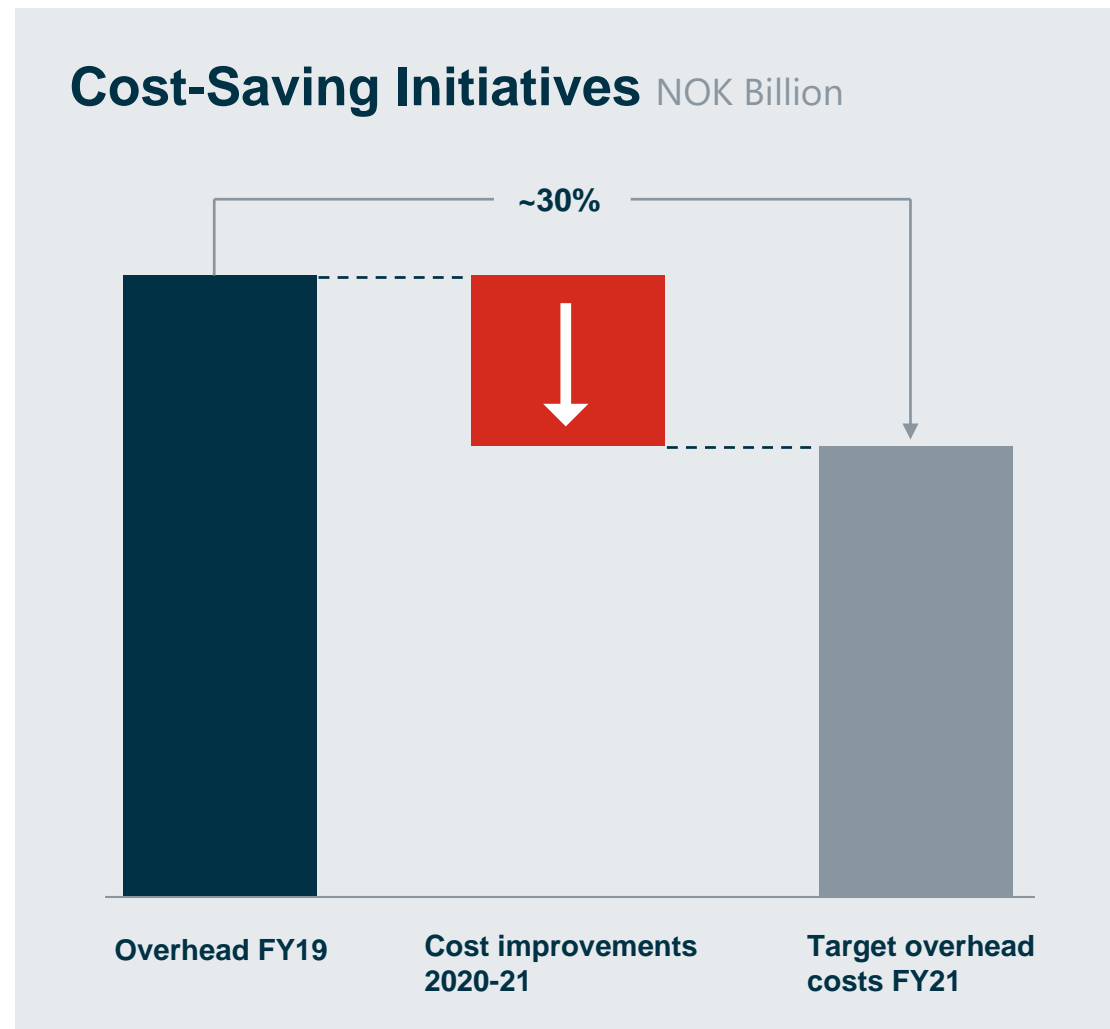


# Merger to Accelerate Cost Reduction

Expected to deliver **NOK 1.5 billion** in pre-tax cost savings

## Cost-Saving Initiatives

- Optimized internal capacity to expected activity levels
- Footprint adjustment
- Reduction of overlapping functions
- Improved efficiency through the use of digital tools and solutions
- Collaboration models with sub-suppliers and partners

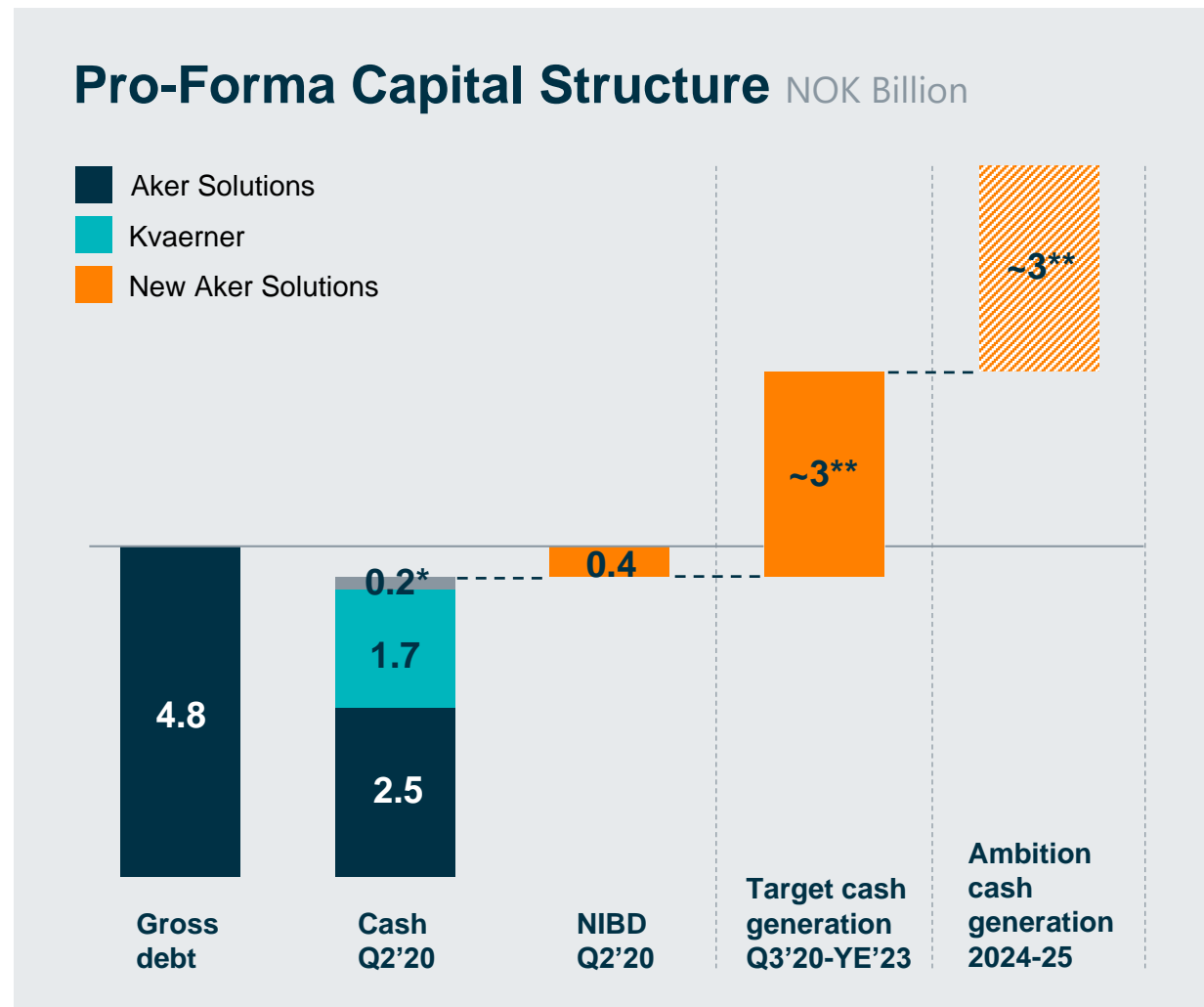


# Improved Financial Capacity and Cash Conversion

Expected to deliver **NOK 1 billion+** in annual free cash flow

## Main Initiatives and Targets

- Significant deleveraging of balance sheet
- Positive credit profile impact
- Strong cash conversion



\* Cash position in jointly controlled entities

\*\* excl. dividend (dividend policy to be decided)



A photograph of two workers in red protective suits and white hard hats walking away from the camera in an industrial setting. The worker on the left has 'KVERNER' on their back, and the worker on the right has 'AkerSolutions' on their back. They are walking on a paved area with industrial equipment and structures in the background. A dark blue semi-transparent box is overlaid on the right side of the image, containing the title text.

# Bringing Together Aker Solutions and Kvaerner

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# Governance Structure

## Management



**Kjetel Digre**  
CEO, Aker Solutions



**Idar Eikrem**  
CFO, Aker Solutions

## New Executive Management Team



## Board of Directors\*



**Leif-Arne  
Langøy**  
Chairman



**Øyvind  
Eriksen**  
Director



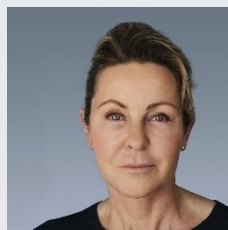
**Kjell Inge  
Røkke**  
Director



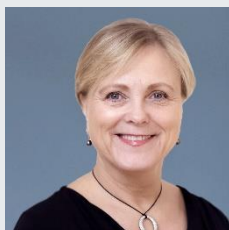
**Jan Arve  
Haugan**  
Director



**Birgit Aagaard-  
Svendsen**  
Director



**Lone Fønss  
Schrøder**  
Director



**Torill  
Widvey**  
Director

\*Proposed by nomination committee

# Transaction Summary – A Merger of Equals



- Aker Solutions and Kvaerner to merge to **gain size, combine capabilities and strengthen balance sheet** to accelerate transition to sustainable energy production
- **Exchange ratio** will be based on one month volume-weighted average price (VWAP)
- The merger is subject to customary **regulatory approvals**



# High-Level Timeline and Regulatory Process

**JUL**

**Announcement** to the Oslo Stock Exchange about the planned merger and transactions

**Notice of EGM:** Distribution of shares for Aker Offshore Wind and Aker Carbon Capture

**AUG**

**EGM:** Aker Offshore Wind and Aker Carbon Capture

**Distribution of shares** and listing of Aker Offshore Wind and Aker Carbon Capture at Merkur Market

**Notice of EGM:** Merger between Aker Solutions and Kvaerner

**SEP**

**EGM:** Merger between Aker Solutions and Kvaerner

**OCT**

End **creditor notice** period

**NOV**

Deadline for **competition authorities**  
**First day** for merged Aker Solutions



# Q&A Session





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