

Credit Investor Presentation 2019

May 2019

Presenters

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Our Vision

A leader in forging a sustainable future for the global energy industry and the world it serves

15,000+

EMPLOYEES

20+

COUNTRIES


176+

YEARS OF EXPERIENCE

50+

LOCATIONS





We deliver **integrated solutions**
from subsea to surface and through
the life of an energy asset

Field Planning, Feasibility and Concept Studies

Fixed and Floating Production Systems

Engineering, Procurement and Management Assistance

Subsea Production Systems

Subsea Pumps, Compression and Processing

Hook-Up and Completion

Maintenance, Modifications and Operations

Asset Integrity Management

Lifecycle Services

Carbon Capture and Storage

Decommissioning

Concept Pre-FEED FEED Detailed Design Fabrication Commissioning Operations Modifications Late Life Decommissioning

Our Heritage – The Development of Aker Solutions



*Notes:

WIS = Well Intervention Services

MLS = Mooring and Loading Systems

P&C = Process & Construction

Global Presence



15,000+

EMPLOYEES

20+

COUNTRIES

50+

LOCATIONS



Collaboration Across the Value Chain

Principle Power
OFFSHORE WIND

SBM Offshore
LEASED FPSO

Saipem
SURF

Cognite
DIGITALIZATION

ABB
POWER AND AUTOMATION

Alcatel
FIBER OPTIC SOLUTIONS

MAN Energy Solutions
COMPRESSION

The Value of Front End

Differentiating Front End capabilities – a key enabler

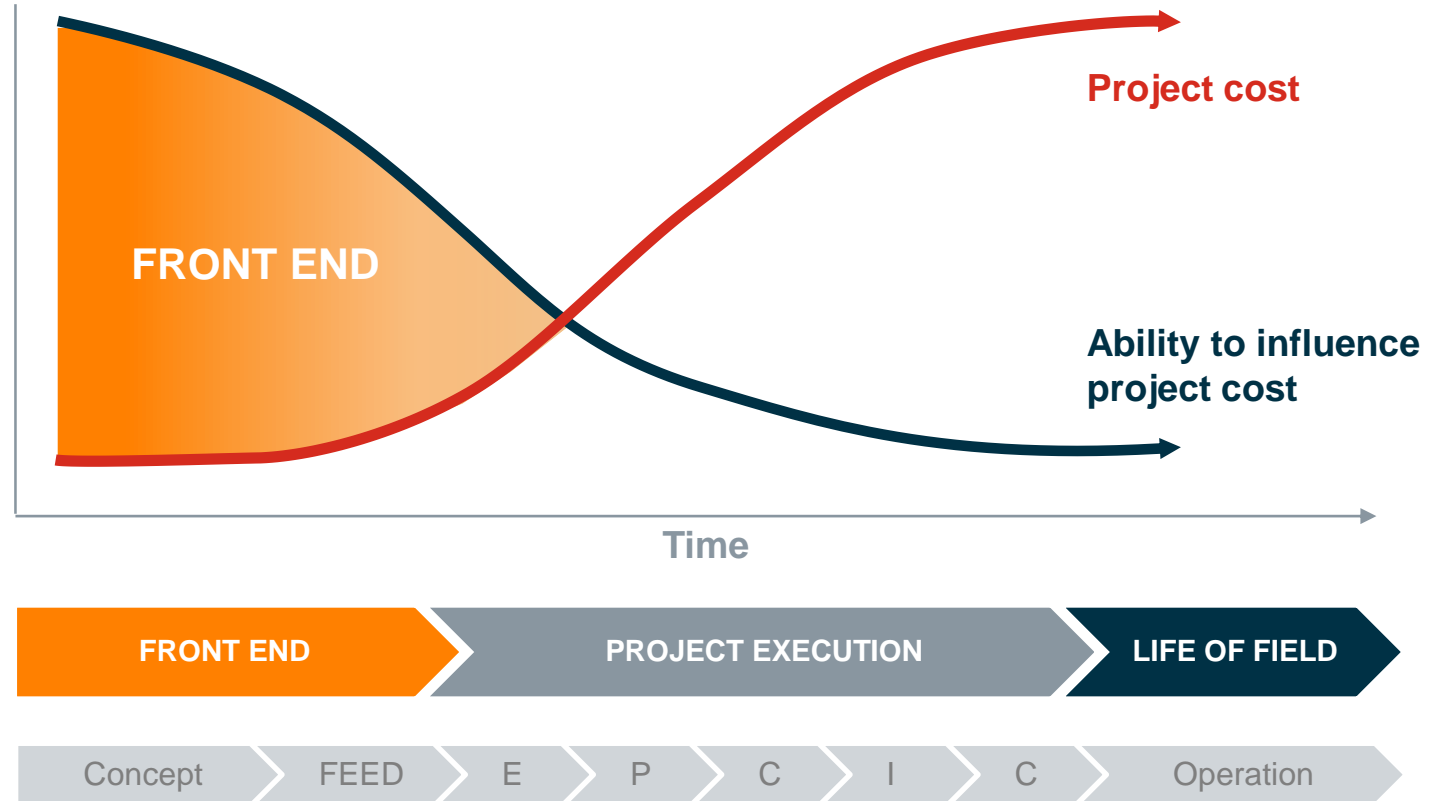
- Subsea and Topside expertise
- Optimized concept

Early engagement in study and concept engineering – key to meeting cost challenges

- Reduce costs and risks
- Accelerate time to first oil

Improving field economics and ‘design to price’

- Cooperation and dialogue
- Moving the break-even price in a meaningful way



Record Demand for Early-Phase Capabilities

- **All-time high** of **150** Front End awards in 2018
- **Strong international growth** with studies for international markets more than doubling
- **11 FEEDs** led to full Projects
- **Increase** in studies for **larger** and more **complex** projects

*Early involvement is a **key enabler** to secure more work*

	2018	2017
Total Front-end awards	+21% 150	124
International Front-end awards	+121% 53	24
4Q Front-end awards	+70% 46	27

(FEED = Front End Engineering and Design)

Digital Transformation Driving Value

Reduce Time to First Oil

Agile Concept Selection
Compressed Timelines

Improve Efficiency

Reduced CAPEX
Accelerated Engineering

Enhance Quality

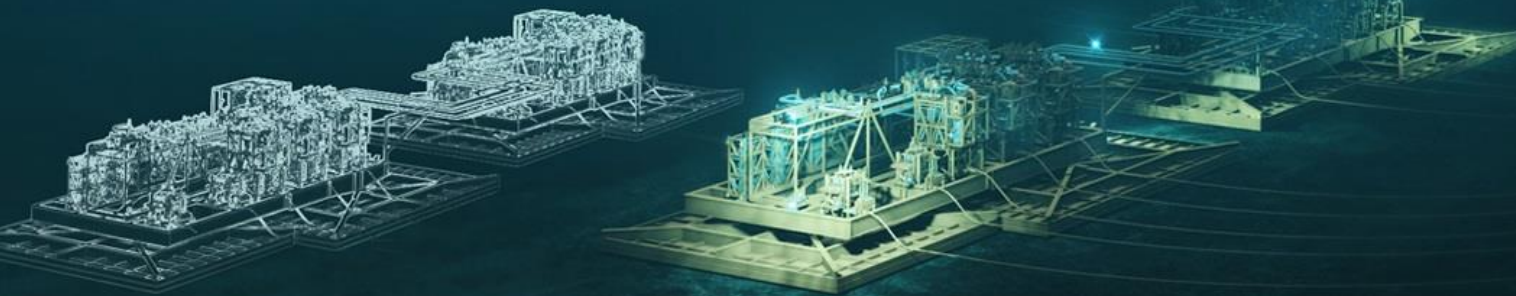
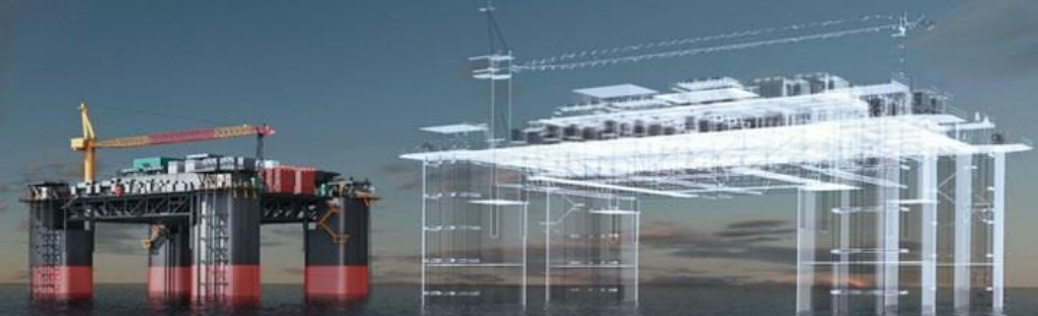
Increased Collaboration
Reduced Risk

Improve Uptime

Reduced OPEX
Predictive & Preventive
Maintenance

Improve Design Quality

Improved Decisions
Incorporate operational
experience





an **Aker Solutions** company

Life-of-Field **Digital Solutions**

Integrated. Innovative. Insight.

- Reduced Cost
- Increased Efficiency
- Improved Predictability

A New Energy Future



We create solutions to unlock energy **safely and sustainably** for future generations

Floating Offshore Wind Concept

- 11.8% ownership in Principal Power Inc.
- WindFloat® – unique patented floating foundation
- One of only two field-proved and tested concepts
- Existing technology including dynamic offshore power cables, substations, digital solutions for monitoring & remote operations, as well as project management






Carbon Capture Utilization and Storage (CCUS)

- Northern Lights carbon capture and storage project for Equinor & partners in Norway
- Carbon capture and utilization project for Twence at a waste-to-energy plant in Holland
- Carbon capture Feasibility study for Preem at Scandinavia's largest oil refinery in Sweden





Low-carbon solutions

- Subsea gas compression, LNG, CO2 removal, Electrification, Energy optimization, Collaboration across value chain etc.

Setting the Industry Benchmark

PROJECT	CUSTOMER	DESCRIPTION
Johan Castberg <i>“Major Greenfield in the Barents Sea”</i>		<ul style="list-style-type: none"> • One of the largest greenfield developments offshore Norway the next decade • Providing the full Subsea Production System as well as Engineering, Procurement and management assistance for construction of the largest FPSO offshore Norway • Aker Solutions has helped Equinor reduce investments by more than 50% (from about NOK 100 to 48bn, or breakeven from \$80 USD/bbl to about \$31 USD/bbl)
Kaombo <i>“The World’s Largest Subsea Development”</i>		<ul style="list-style-type: none"> • Helping Total get the world’s largest subsea development on-stream offshore Angola • Delivering 65 vertical subsea well-sets, 19 subsea manifolds, and associated controls systems and work-over and tie-in systems • The first deliveries started in the second quarter of 2015
Frame Agreements <i>“One of the World’s leading deepwater operators”</i>		<ul style="list-style-type: none"> • Two major frame agreements, supporting Brazil’s major pre-salt deepwater developments • Delivering 60 well-sets with vertical subsea trees, control systems, tools and spares • Delivering 8 manifolds (water/gas injection) to increase oil recovery
Brunei Shell Petroleum <i>“Maintenance and Modification Management Services”</i>		<ul style="list-style-type: none"> • Maintenance and modification management services at more than 200 offshore installations in the South China Sea • Prolonging the life of the facilities, to support extended life-of-field
Mariner <i>“Largest Offshore Development in the UK”</i>		<ul style="list-style-type: none"> • Delivering engineering, construction and commissioning work for the major hook-up phase of the Mariner oilfield development in the UK North Sea • Also providing maintenance and modifications services through a frame agreement • Mariner is the largest new offshore development in the UK in more than a decade

Setting the Industry Benchmark (cont'd)

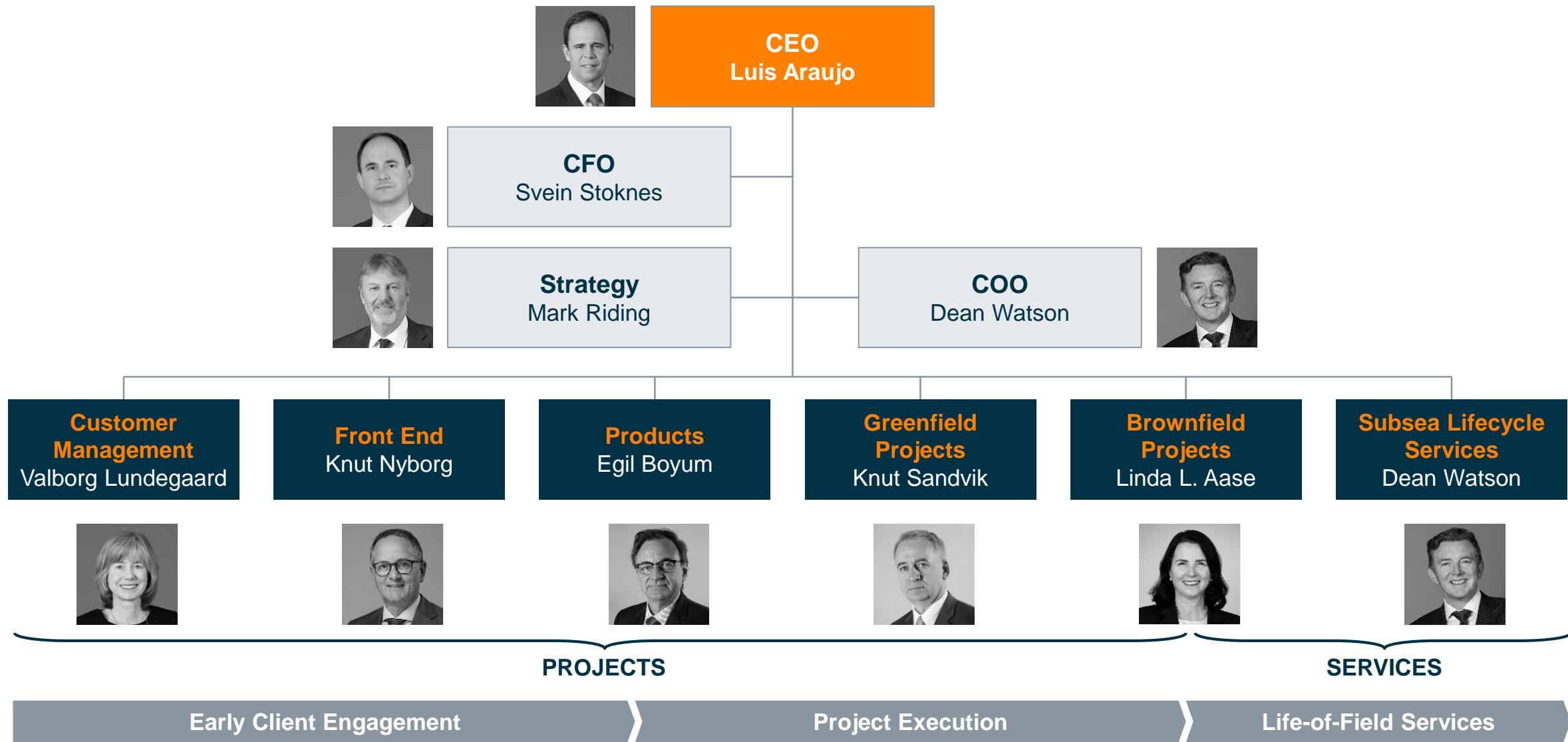
PROJECT	CUSTOMER	DESCRIPTION
Johan Sverdrup <i>"The Making of a Giant"</i>		<ul style="list-style-type: none"> Helping Equinor put on stream one of the largest oil fields offshore Norway, which at its peak will provide an equivalent of 25 % of all Norwegian petroleum production Provided feasibility and concept studies in 2012-2013 Executed a major FEED in 2014 which engaged one of the largest FEED teams ever assembled by Aker Solutions Transitioning seamlessly into a fully fledged project in 2015 to provide engineering services, procurement and management assistance for the first phase of the development – now into the FEED phase 2 of this development
Moho <i>"Largest Oil Development in Congo"</i>		<ul style="list-style-type: none"> Delivered 28 well-sets for the Moho Nord project in Congo Brazzaville The country's largest oil development Several new technology qualifications delivered successfully
Jansz <i>"International breakthrough for Subsea Gas Compression"</i>		<ul style="list-style-type: none"> Master Contract, FEED as first call-off – operator Chevron with ExxonMobil & Shell Substantial cost and efficiency gains, boosting recovery, Lower carbon footprint Scope includes subsea compression station as well as an unmanned power and control floating platform This technology has already provided great results for Equinor at Åsgard since 2015
Zohr Gas Field <i>"The World's largest umbilicals system"</i>		<ul style="list-style-type: none"> The Zohr field offshore Egypt is one of the largest offshore gas fields in the world Providing a record 250 km of steel-tube umbilicals, to help the most populous Arab nation achieve self-sufficiency of natural gas Customers: Petrobel (Egyptian General Petroleum Corporation, EGPC) and Italian operator Eni

Subsea Gas Compression

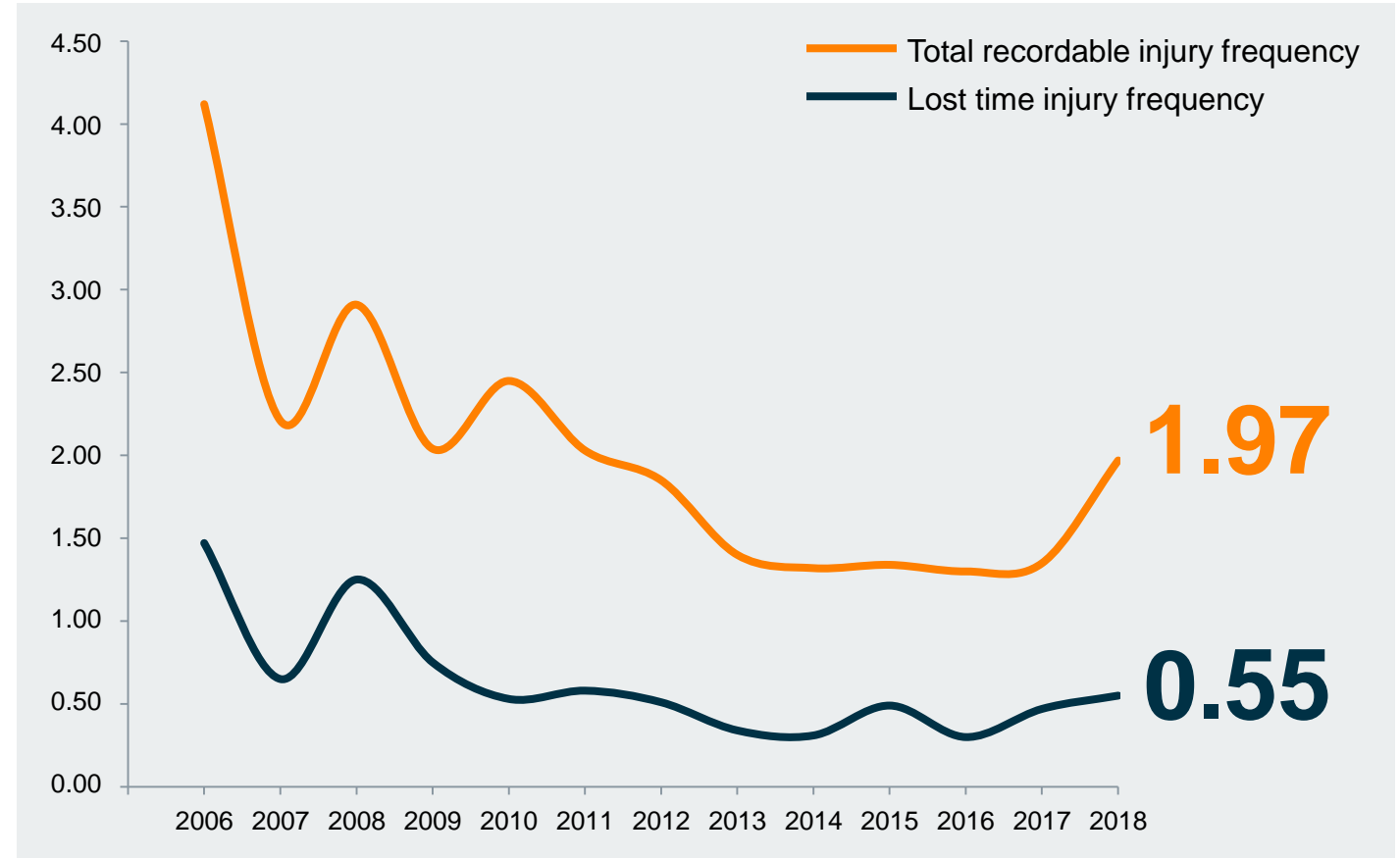
International Breakthrough

- Master Contract with FEED as first call-off
- Operator Chevron with ExxonMobil & Shell
- Boosting recovery
- Substantial cost and efficiency gains
- Significant size reduction
- Lower carbon footprint

Experienced Executive Management



HSSE – Health, Safety, Security and Environment



NOTE: the above KPIs are calculated as total number of recordable incidents per 1 million worked man-hours, incl. subcontractors
(Total recordable injury frequency: all recordable incidents incl. LTI's, restricted work cases and medical treatment but not including first aid)
(Lost time injury frequency: incidents including work-related injuries or illnesses where a doctor or other health care professional recommend that the employee stay home from work as a result of his / her injuries or illness, beginning the first work day after the incident)

ESG – Environmental, Social and Governance

Environmental

- Aker Solutions create solutions to unlock energy **safely and sustainably** for future generations
- We have **commercially ready** solutions in place, to support transition to a lower-carbon future (including cost-efficient Carbon Capture and Storage technology, strong LNG capabilities, world-leading subsea gas compression technology, Electrification solutions, as well as Offshore Floating Wind technology)

Social

- Corporate responsibility at Aker Solutions is about making **good, sustainable business decisions** to benefit the company, our stakeholders and society
- Aker Solutions is committed to taking a leading role in forging a sustainable future for the global energy industry and the world it serves

Governance

- Good corporate governance at Aker Solutions shall ensure **sustainable operations** and **value creation** over time to the benefit of shareholders and other stakeholders
- The **Code of Conduct** is Aker Solutions' key governing document, it outlines our ethical commitments and requirements, and sets expectations for personal conduct and business practices



Risk Factors – Overview

Market risk

- Aker Solutions' **global footprint**, operations and exposure to energy markets provide both opportunities and risks

Operational risk

- Aker Solutions is, through its business, exposed to **legal, regulatory** and **political risks**, as well as risks associated with unethical and criminal behavior and operational project risks

Financial risks

- Aker Solutions is exposed to **financial market risks**, including but not limited to currency- and interest rate fluctuations, counterparty risks, liquidity risks and pricing risks

Please see appendix for further details



Aker Solutions has company-wide **policies, procedures, tools, training** and **reviews**, for active and systematic risk management

Strategy and Market Outlook



Long Term Trends Shaping the Industry

Transforming Businesses



Consolidation and Collaboration

Alliances and M&A within OFS offering a broader scope within the value chain. Strong focus in the industry towards collaborative approaches, especially with the customer



Emergence of New Business Models

Alignment of production cash flow with spend – outcome based models, lower capex, renewed approach to life of field cost (Totex). Transition to services



System Innovation

All electric modular systems, unmanned platforms, brownfield tie ins, subsea compression. Working closely with our clients to Co-Create solutions, especially with independents



Efficient Operations

Focus on zero incidents, quality and continuous improvement, carbon footprint, resource usage. Requirement to maintain industry cost competitiveness.

Low Carbon



Role of Gas

Growing operator production share of gas - LNG enabled; longer step outs, large bore systems, compression, Carbon Capture



Focus on Renewables

Increased focused on alternatives such as Wind, Solar especially from existing clients

People Development



Human Capital

Increasing challenge to access and retain the best talent in a changing industry . Requires global resource management, culture development. Changing competence in a digitalizing industry. Corporate social responsibility.

Digitalization



Digitalization

Disruptive business models, offerings and operations – data management, predictive services, analytics, digital twins

Five Strategic Themes

Winning Customer **Experience**



- Deliver the best customer experience in the industry
- Consistently maximize life-of-field value across every touchpoint

Strategic **Partnerships**



- Combine expertise with our strategic partners
- Deliver new sources of life-of-field value by combining our strengths

Impactful **Innovation**



- Prioritize innovation that improves safety, environmental performance and boosts productivity
- New business models

Operational **Excellence**



- Excel at delivering on our commitments every time
- Consistently drive operational excellence and continuous improvement

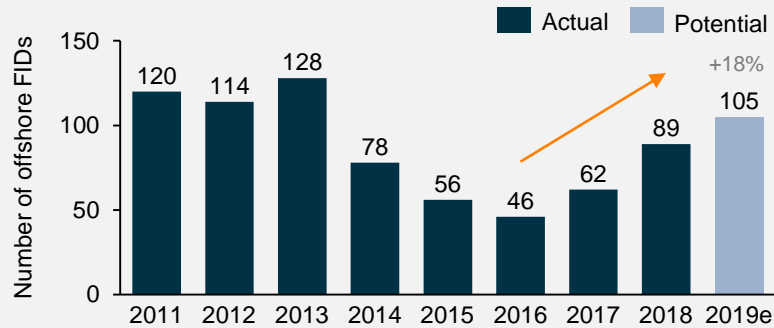
World-Class **Services**



- Grow a focused world-class services business
- Build on our strengths and capabilities to deliver new sources of value

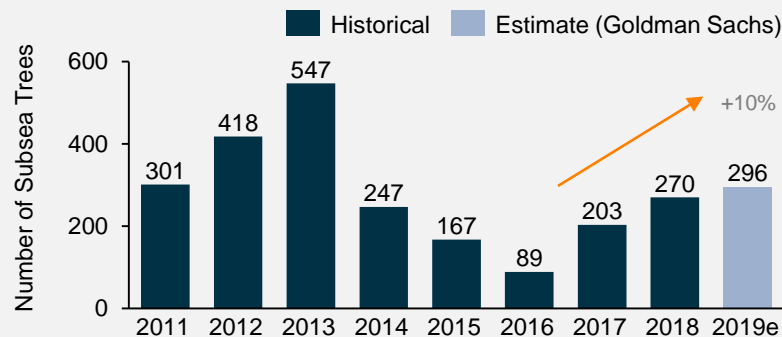
Growing Offshore and Subsea Markets

Offshore Final Investment Decisions (FIDs)



(Source: Rystad Energy DCube)

Increasing Subsea Tree Awards Following FIDs



(Source: Goldman Sachs equity research March 25, 2019)

- Significant **underinvestment** past four years
- **Record high** free cash flow among E&Ps
- **Break-even** costs lowered – new projects emerging
- **Increased** sanctioning activity, despite oil price volatility
- E&P spending forecasted to **increase**
- Expect markets to remain **competitive** near term
- Still overcapacity in **some** segments
- AKSO **well positioned** in key regions going forward
- **Tendering** for NOK 55 billion – good balance of regions and segments

Financials and Recent Developments



Main Developments

Delivering solid operational results

- **Increased** activity – 2018 revenue **up 12%**, 2019 revenue guidance **up 10%**
- **Stable** underlying margins through the downturn
- **Solid** project execution – all major projects progressing as planned
- **Investments** in digitalization and floating offshore wind

Winning new orders through differentiation

- **Increased** order intake to NOK 25 bn in 2018 (1.0x BtB) with awards in **several regions globally**
- **All-time high** of 150 Front-end awards in 2018
- **International breakthrough** award for industry-leading Subsea Gas Compression with Chevron, Australia
- Healthy backlog of NOK 33 bn, **improves visibility**

Well positioned to capture growth

- **Solid financial position** with NOK 6.9 bn liquidity buffer
- **Well positioned** in key regions globally
- **Streamlined** organization and manufacturing set-up
- **On track** with phase 2 of cost-efficiency program
- **Scale and Operational leverage** to drive margin expansion

Improving outlook

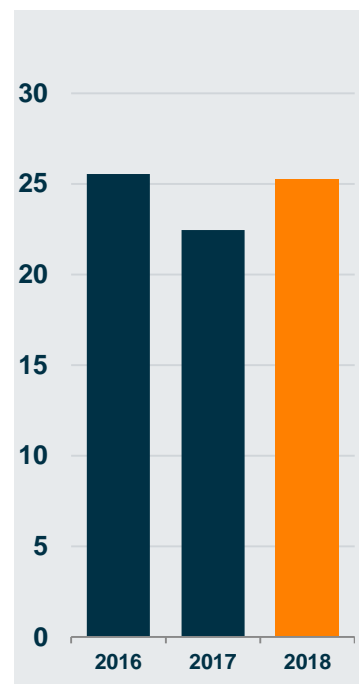
- **Activity is increasing**, though market remains competitive
- **Tendering** activity increased to NOK 55 bn
- **Simplified and standardized** product portfolio to optimize field developments
- Building on **differentiating Front-End** capabilities to capture opportunities

Key Annual Figures

(NOK billion)

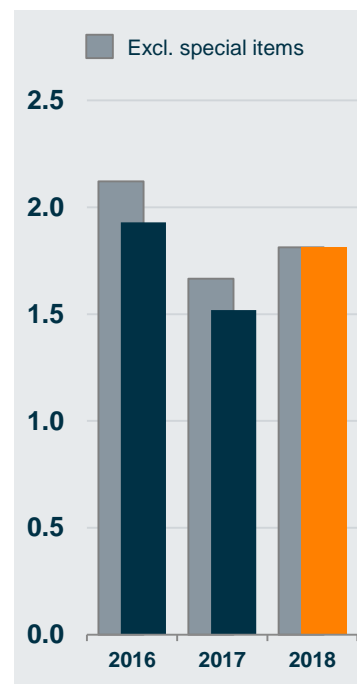
Revenue

25.2



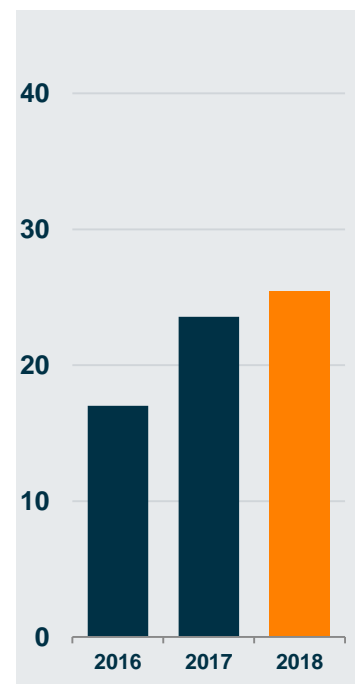
EBITDA

1.8



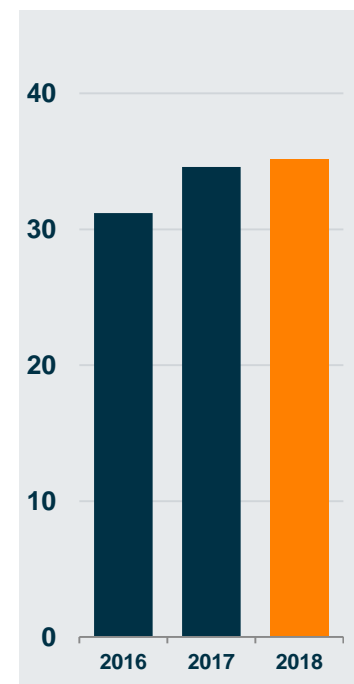
Order Intake

25.4



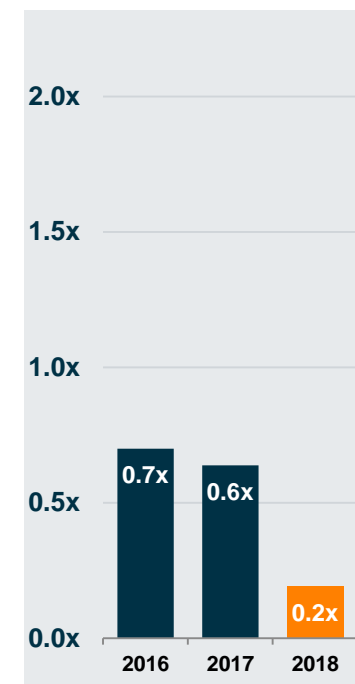
Order Backlog

35.1



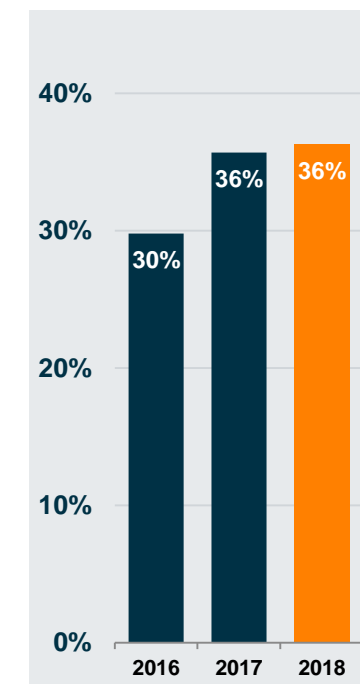
NIBD/EBITDA

0.2x



Equity Ratio

36%



On Track With Phase 2 of Cost-Efficiency Program

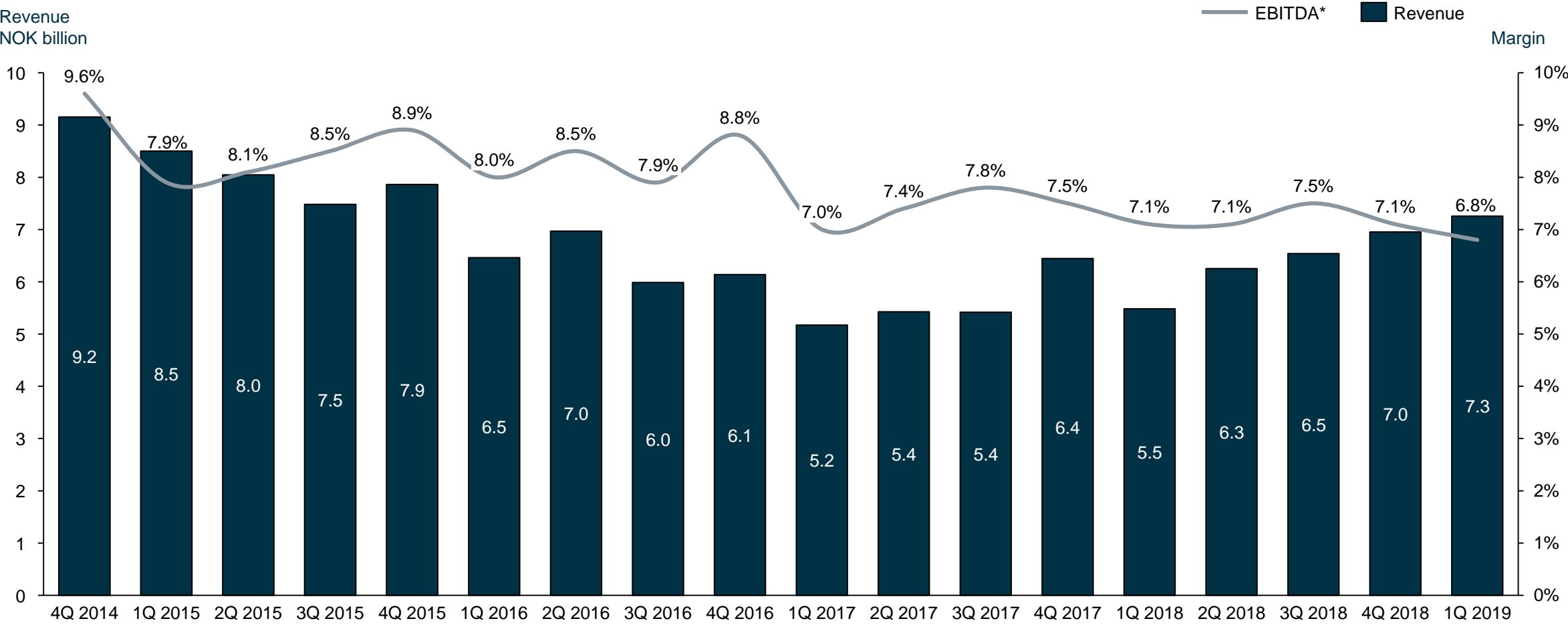
Target of **30 percent** by
end of 2017 **achieved**

Minimum **20 percent**
additional cost-efficiency
improvement by end of 2021



Stable Underlying Margins Through Downturn

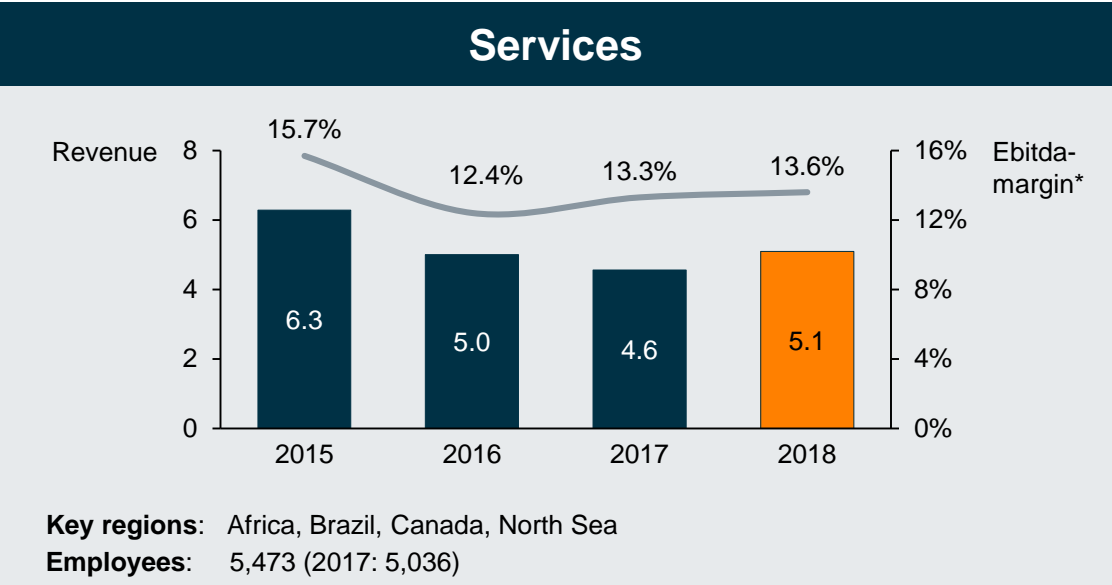
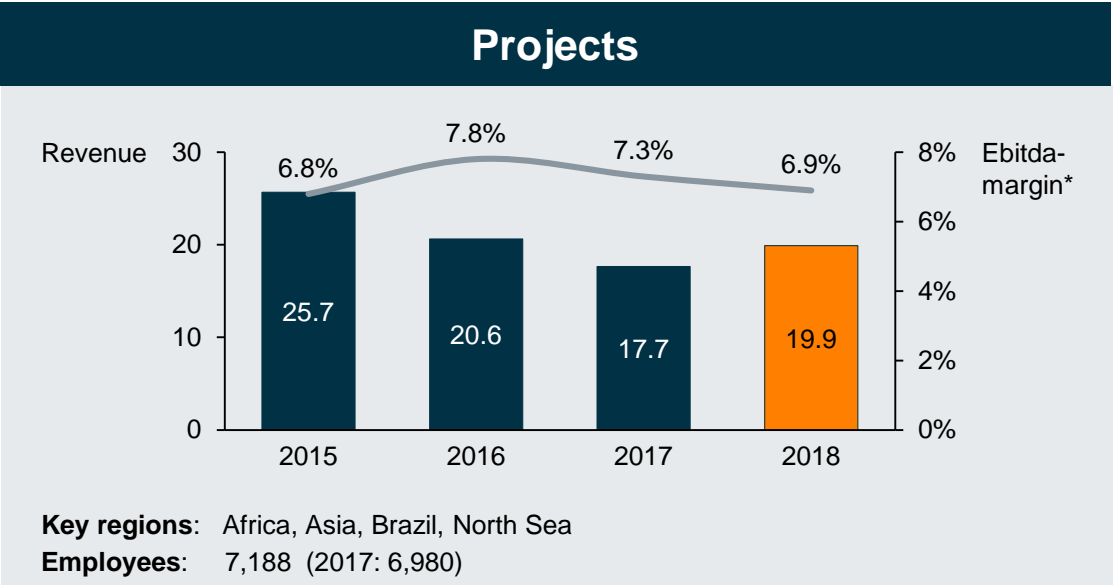
Aker Solutions



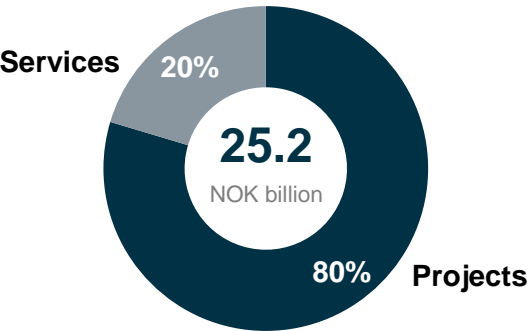
*Excluding special items

Reporting Segments

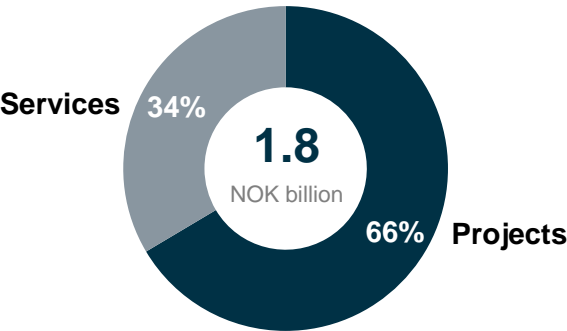
(NOK billion)



Revenue share, 2018

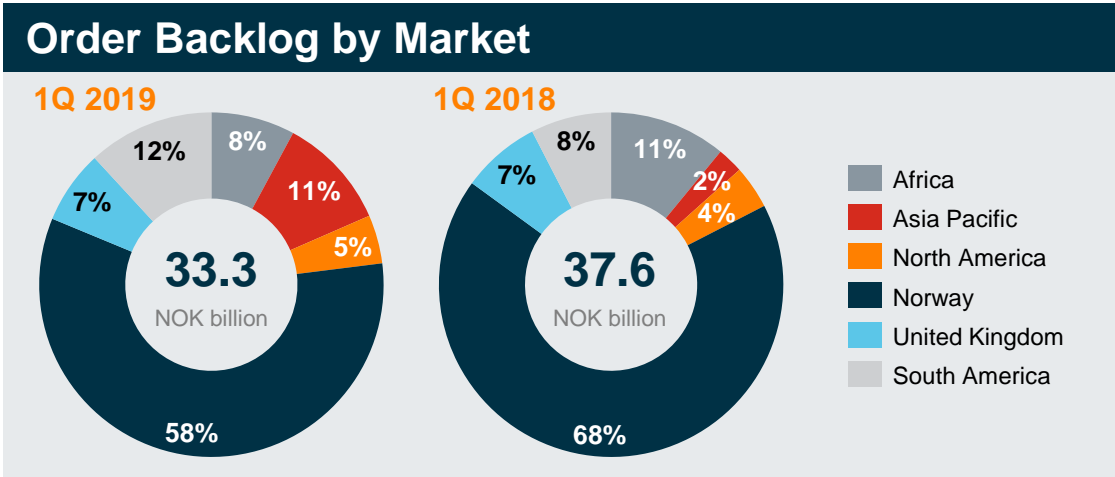
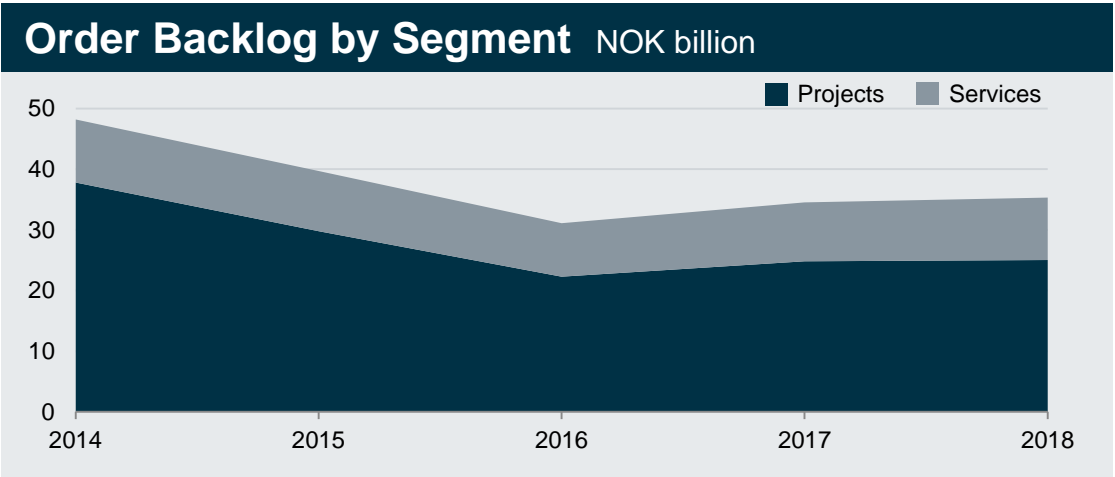
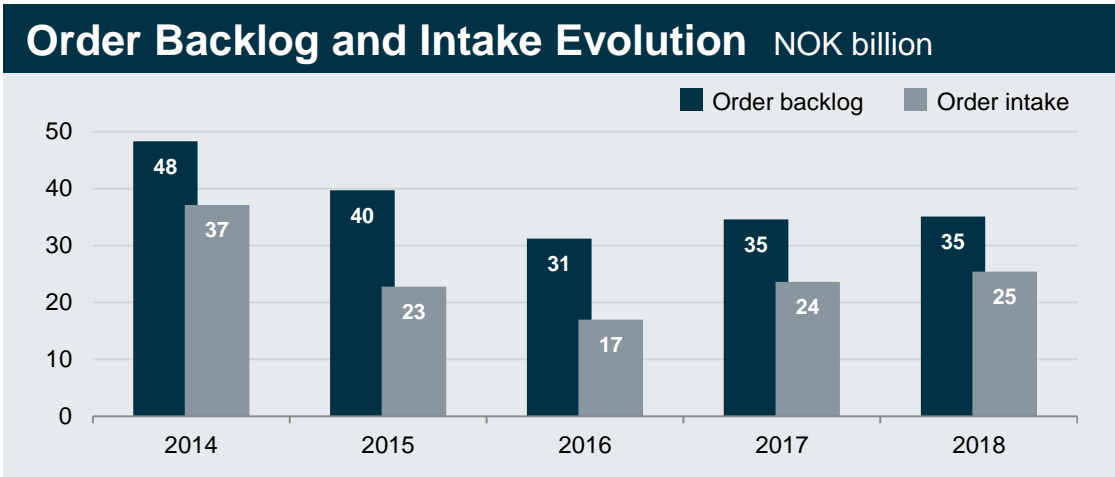
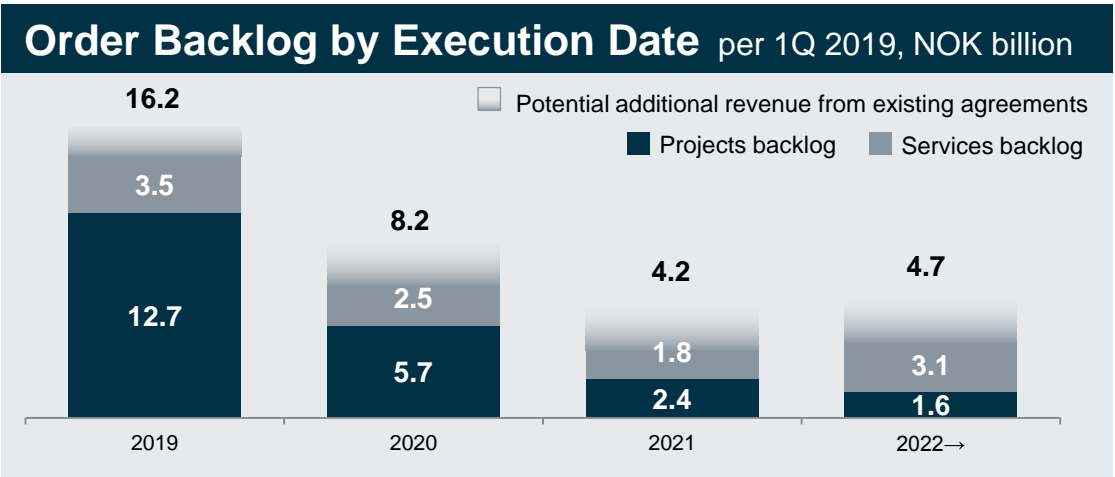


EBITDA share, 2018



**Ebitda excludes special items (for reference, Aker Solutions also reports an 'Other' segment containing the corporate center and various other items held centrally)*

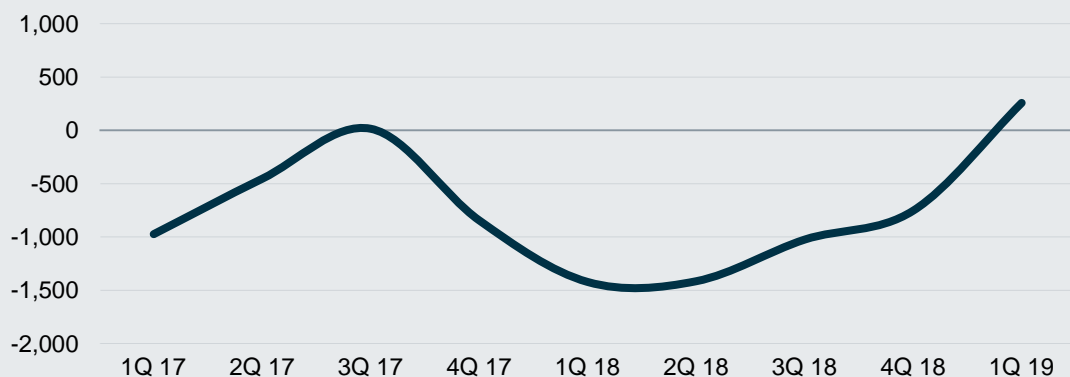
Order Intake and Backlog



Cashflow and Financial Position (per 1Q 2019)

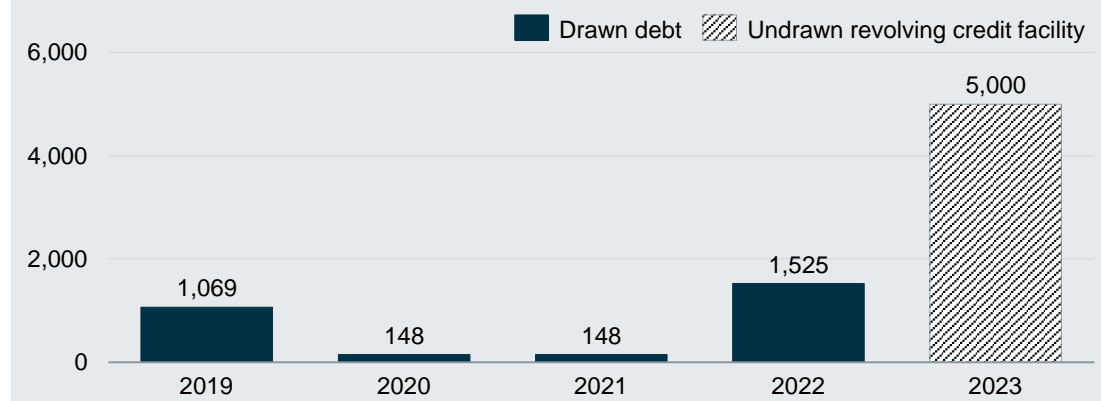
- Cashflow from operations at minus NOK 303 million
- Working capital¹ at NOK 248 million, and minus NOK 62 million when excluding the effects of IFRS 16
- Net interest-bearing debt² NOK 940 million and leverage 0.5x
- Gross debt² of NOK 2.9 billion
- Available liquidity NOK 6.9 billion (cash NOK 1.9 billion and RCF NOK 5.0 billion)

Working Capital¹ NOK million

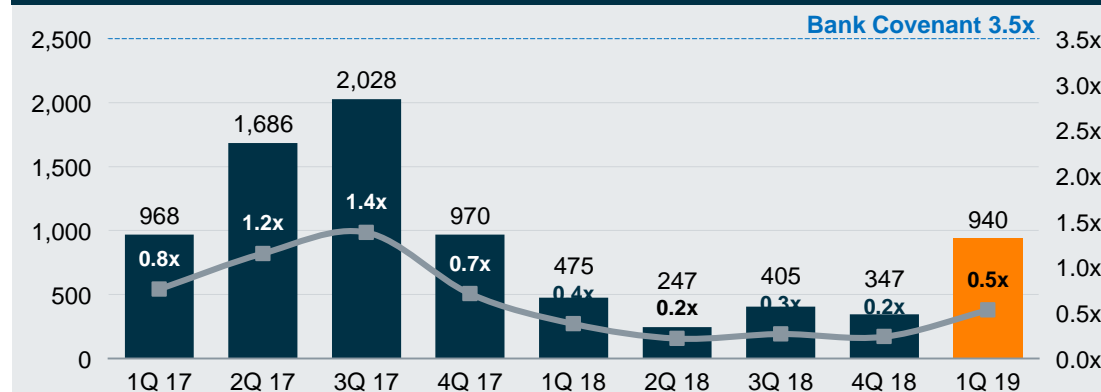


¹ See definition under Alternative Performance Measures in the Appendix

Debt Maturity Profile² NOK million



Net Interest-Bearing Debt and Leverage² NOK million, x times



² Excluding the effects of IFRS 16 as covenants are based on frozen GAAP

Financial Policy

Financial policy¹

- Net Interest-Bearing Debt / EBITDA target $\approx 1.0x$
 - Bank covenants 3.5x
- Net Interest-Bearing Debt / Equity < 0.5

Liquidity policy

- Dividend payments should over time amount to 30-50% of net profit (cash dividends or share buybacks)
- Min liquidity buffer at NOK 3 billion
- Max 50% of total debt on floating interest basis

Foreign Exchange policy

- All secured contracts hedged at signing
- All planned internal dividends hedged

¹ Excluding the effects of IFRS 16 as covenants are based on frozen GAAP



Summary – Credit Highlights

- **A leader** in sustainable energy solutions, building on nearly 200 years of engineering excellence
- **Delivering** subsea solutions, field design and maintenance and modifications services
- **Leading** HSSE performance in our industry
- **Lean and cost-efficient** organizational setup reflecting business workflow
- **Simplified and standardized** product portfolio to optimize field developments
- **Consistent** solid execution and delivery on continuous improvement program
- **Strong** balance sheet, conservative financial policy, disciplined capital allocation
- Strong **operational leverage** bodes well for margin expansion and free cash flow generation going forward
- Main shareholders **financially solid**
- **Positive** market outlook



Q&A / Appendix



Special items and IFRS 16 Leasing

NOK million, (Gain) / Loss

Special items (EBITDA)	1Q 2017	2Q 2017	3Q 2017	4Q 2017	FY 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	FY 2018	1Q 2019
Onerous leases	-	6	-	33	40	-	-	-	15	15	(0)
Restructuring	(1)	81	8	(2)	86	7	5	31	(3)	39	3
Non-qualifying hedges	3	4	10	(6)	10	(3)	(4)	(3)	(1)	(11)	(2)
(Gain) loss sale of PPE	-	-	-	-	-	(50)	-	-	-	(50)	-
Other special items	6	3	2	(0)	10	5	1	2	0	8	2
Total special items EBITDA	7	95	20	24	146	(41)	2	30	12	2	3
Special items (EBIT)											
Impairments	(0)	5	6	148	158	14	0	1	6	22	2
Total special items EBIT	7	100	25	172	304	(27)	2	31	18	24	5

Special items to be added to reported figures to get underlying figures

NOK million

Effects of IFRS 16 Leasing	1Q 2017	2Q 2017	3Q 2017	4Q 2017	FY 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	FY 2018	1Q 2019
Projects	-	-	-	-	-	-	-	-	-	-	92
Services	-	-	-	-	-	-	-	-	-	-	28
Other	-	-	-	-	-	-	-	-	-	-	20
Effect on EBITDA	-	-	-	-	-	-	-	-	-	-	140
Projects	-	-	-	-	-	-	-	-	-	-	21
Services	-	-	-	-	-	-	-	-	-	-	3
Other	-	-	-	-	-	-	-	-	-	-	(1)
Effect on EBIT	-	-	-	-	-	-	-	-	-	-	22
Effect on Net income before tax	-	-	-	-	-	-	-	-	-	-	(28)
Effect on Net income	-	-	-	-	-	-	-	-	-	-	(18)

Effects included in the reported figures

General

Basis for Preparation

This presentation provides financial highlights for the quarter for Aker Solutions, a Norwegian limited company listed on the Oslo Stock Exchange. The financial information is not reported according to requirements in IAS 34 (Interim Financial Reporting) and the figures are not audited.

The same measurement principles as presented in the Annual Report 2018 have been used preparing this presentation, with the exception of accounting for lease contracts. IFRS 16 (Leasing) has been implemented as of January 1, 2019. A description of the transition effects and accounting principles are included in note 32 of the 2018 Annual Report available at <https://akersolutions.com/annual-reports>

The effects from implementing IFRS 16 Leasing are significant for Aker Solutions. Comparative figures are not restated. The effects on EBITDA and EBIT are presented in the "special items" section.

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 ongoing operating result of cash flows of the company. Profit measure excluding special items is presented as an alternative measures to improve comparability of the underlying business performance between the periods.

Special Items Impacting Profit Measures

NOK million	Projects		Services		Other/eliminations		Aker Solutions	
	1Q 2019	1Q 2018	1Q 2019	1Q 2018	1Q 2019	1Q 2018	1Q 2019	1Q 2018
Revenue	5,952	4,239	1,299	1,159	5	85	7,256	5,483
Non-qualifying hedges	-	-	-	-	0	7	0	7
(Gain)loss sale of PPE	-	-	-	-	-	(50)	-	(50)
Sum of special items excluded from revenue	-	-	-	-	0	(43)	0	(43)
Revenue ex. special items	5,952	4,239	1,299	1,159	5	43	7,256	5,440
EBITDA	477	312	186	135	(30)	(22)	634	425
Restructuring cost	1	7	1	-	1	(0)	3	7
Non-qualifying hedges	-	-	-	-	(2)	(3)	(2)	(3)
(Gain)loss sale of PPE	-	-	-	-	-	(50)	-	(50)
Transaction costs and other	(0)	4	-	-	2	1	2	5
Sum of special items excluded from EBITDA	1	11	1	-	1	(52)	3	(41)
EBITDA ex. special items	478	322	187	135	(29)	(74)	636	384
EBITDA margin	8.0 %	7.3 %	14.3 %	11.7 %			8.7 %	7.8 %
EBITDA margin ex. special items	8.0 %	7.6 %	14.4 %	11.7 %			8.8 %	7.1 %
EBIT	280	173	120	94	(75)	(41)	325	226
Sum of special items excluded from EBITDA	1	11	1	-	1	(52)	3	(41)
Impairments	-	15	-	(0)	2	(0)	2	14
Sum of special items excluded from EBIT	1	26	1	(0)	3	(52)	5	(27)
EBIT ex. special items	281	199	120	93	(72)	(94)	329	199
EBIT margin	4.7 %	4.1 %	9.2 %	8.1 %			4.5 %	4.1 %
EBIT margin ex. special items	4.7 %	4.7 %	9.3 %	8.0 %			4.5 %	3.7 %
Net income							149	105
Sum of special items excluded from EBIT							5	(27)
Non-qualifying hedges							3	(2)
Tax effects on special items							2	9
Net income ex. special items							158	86
Net income to non-controlling interests							(1)	(2)
Net income ex. non-controlling interests							157	83
Average number of shares (in '000)							271,533	271,533
Earnings per share ¹⁾							0.54	0.38
Earnings per share ex. special items ²⁾							0.58	0.31

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

General

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 is a measure of available cash and is calculated by adding together the cash and cash equivalents and the unused credit facility.

<i>NOK million</i>	1Q 2019	1Q 2018
Cash and cash equivalents	1,872	2,607
Credit facility (unused)	5,000	5,000
Liquidity buffer	6,872	7,607

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.

<i>NOK million</i>	1Q 2019	1Q 2018
Inventory	320	334
Trade and other receivables	9,694	7,251
Current tax assets	101	145
Trade and other payables	(9,235)	(8,264)
Provisions	(820)	(841)
Current tax liabilities	(121)	(47)
Effects of IFRS 16 ¹⁾	309	-
Net current operating assets (NCOA)	248	(1,422)

¹⁾ Reclassification of onerous lease provisions and lease accruals for rent-free periods previously reported as part of NCOA. Starting from January 1, 2019 these amounts are reported as part of ROU asset under IFRS 16

Gross Debt and **Net Interest-Bearing Debt** are measures that show the overall debt situation. Net debt is calculated by netting the value of a company's liabilities and debts with its cash and other similar short-term financial assets.

<i>NOK million</i>	1Q 2019	1Q 2018
Current borrowings	1,125	495
Non-current borrowings	1,764	2,745
Gross debt ¹⁾	2,889	3,241
Current interest-bearing receivables	(30)	(131)
Non-current interest-bearing receivables ²⁾	(47)	(27)
Cash and cash equivalents	(1,872)	(2,607)
Net debt ¹⁾	940	475

¹⁾ Excluding effects of IFRS 16

²⁾ Non-current interest-bearing receivables are included in Other non-current assets in consolidated balance sheet

Net debt to EBITDA (leverage ratio) is a key financial measure that is used by management to assess the borrowing capacity of a company. The ratio shows how many years it would take for a company to pay back its debt, if net debt and EBITDA are held constant. The ratio is one of the debt covenants of the company. The ratio is calculated as net debt (total principal debt outstanding less unrestricted cash) divided by EBITDA excluding certain special items (as defined in loan agreements) for the last twelve month period. If a company has more cash than debt, the ratio can be negative.

<i>NOK million</i>	1Q 2019	1Q 2018
Gross interest bearing debt	2,889	3,241
Cash and cash equivalents	(1,872)	(2,607)
Net debt	1,017	633
EBITDA last twelve months	1,879	1,589
Restructuring cost and other special items	35	94
Adjusted EBITDA last twelve months	1,914	1,684
<i>Net debt to EBITDA (leverage ratio)</i>	<i>0.53</i>	<i>0.38</i>

General

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 signed contracts in the period in addition to expansion of existing contracts. For construction contracts, the order intake is based on the signed contract value excluding potential options and change orders. For service contracts, the order intake is based on the estimated value of firm periods in the contracts.

Order backlog represents the estimated value of remaining work on signed contracts (as a reminder, the backlog does not include part of the Services business, which is short cycled or book-and-turn in nature, or potential growth or options on 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.

NOK million

	1Q 2019		
	Order intake	Revenue	Book-to-bill
Projects - Subsea	1,418	2,439	0.6
Projects - Field Design	2,064	3,512	0.6
Other/eliminations	-	1	
Projects	3,482	5,952	0.6
Services	1,975	1,299	1.5
Other/eliminations	66	5	
Aker Solutions	5,523	7,256	0.8

IFRS 16 Leasing

Background

The new IFRS 16 Leasing standard is effective from January 1, 2019. The new leasing standard has significantly changed how the company accounts for its lease contracts for land, buildings and machines previously accounted for as operating leases. An on-balance sheet model similar to the financial leases in IAS 17 has been applied to all contracts that contain a lease. Sub-leases covering the major part of the period in the head-lease are classified as financial. According to the company's loan agreements, new accounting principles will not impact the current debt covenants. The company has implemented the lease standard using a modified retrospective method with cumulative impact recognized in retained earnings on January 1, 2019. Comparative figures are not restated. More information about transition effects and accounting principles for IFRS 16 is available in note 32 in the 2018 Annual Report available at <https://akersolutions.com/annual-reports>

Lease Liability and Lease Asset

NOK million

	Mar 31, 2019	Jan 1, 2019 ¹
Current lease liability	563	546
Non-current lease liability	5,203	5,183
Lease liabilities	5,766	5,729
Right-of-use asset for land and building	4,160	4,124
Right-of-use asset for machinery and vehicles	24	26
Lease receivables (non-current)	715	734
Lease receivables (current)	114	112
Lease assets	5,013	4,996

¹⁾ The amounts as of January 1, 2019 in this table are slightly changed compared to information given in the 2018 Annual Report to reflect more updated information. The correction did not change the net effect on equity.

Income Statement

NOK million

Income statement consolidated	1Q 2017	2Q 2017	3Q 2017	4Q 2017	FY 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	FY 2018	1Q 2019
Revenue	5,173	5,425	5,419	6,444	22,461	5,483	6,254	6,541	6,954	25,232	7,256
Operating expenses	(4,817)	(5,120)	(5,017)	(5,986)	(20,941)	(5,057)	(5,815)	(6,078)	(6,471)	(23,422)	(6,622)
EBITDA	355	305	401	458	1,519	425	439	463	483	1,810	634
Of which related to hedging	(3)	(4)	(10)	6	(10)	3	4	3	1	11	2
Depreciation and amortization	(205)	(201)	(180)	(205)	(792)	(185)	(184)	(179)	(190)	(739)	(307)
Impairment	(0)	(5)	(4)	(148)	(156)	(14)	(0)	(1)	(6)	(22)	(2)
EBIT	150	99	217	105	571	226	254	282	287	1,049	325
Net interest cost	(74)	(67)	(50)	(66)	(256)	(69)	(58)	(45)	(57)	(229)	(105)
Foreign exchange on disqualified hedging instruments	5	12	20	3	41	2	(18)	(3)	2	(16)	(3)
Other financial items	10	6	(5)	32	43	(1)	(5)	(1)	(5)	(12)	9
Net financial items incl. disqualified hedging instruments	(58)	(48)	(34)	(31)	(172)	(68)	(81)	(49)	(60)	(258)	(99)
Net income (loss) before tax	92	51	183	73	399	158	173	233	227	792	226
Income tax	(30)	(17)	(59)	(54)	(160)	(53)	(57)	(78)	(50)	(238)	(77)
Net income (loss) for the period	62	33	124	19	239	105	117	155	178	554	149
Net income attributable to:											
Equity holders of the parent company	63	23	110	25	221	103	115	136	158	511	148
Non-controlling interests	(1)	10	15	(5)	18	2	2	19	20	43	1
EBITDA margin	6.9%	5.6%	7.4%	7.1%	6.8%	7.8%	7.0%	7.1%	7.0%	7.2%	8.7%
Basic earnings per share (NOK)	0.23	0.08	0.40	0.09	0.81	0.38	0.42	0.50	0.58	1.88	0.54

Balance Sheet

NOK million

Assets	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019
Property, plant and equipment	3,721	3,564	3,341	3,316	3,077	2,977	2,905	3,044	2,945
Right-of-use assets	-	-	-	-	-	-	-	-	4,184
Intangible assets	6,280	6,525	6,344	6,447	6,343	6,290	6,204	6,349	6,472
Financial assets (non-current)	184	148	124	158	162	153	91	117	196
Lease receivables (non-current)	-	-	-	-	-	-	-	-	715
IB receivables (non-current)	41	18	18	39	27	31	35	46	47
IB receivables (current)	470	298	279	128	131	103	62	47	144
Trade receivables	2,961	2,968	2,533	2,876	2,819	2,838	3,258	3,236	4,150
Customer contract asset	-	-	-	-	2,810	3,146	3,479	3,559	3,931
Accrued revenue and WIP	2,849	2,635	3,015	3,148	-	-	-	-	-
Other current assets	1,466	2,076	1,755	1,646	2,271	2,474	1,879	2,094	2,118
Cash and cash equivalents	2,020	1,211	1,449	1,978	2,607	2,440	2,392	2,473	1,872
Total assets	19,992	19,443	18,858	19,736	20,249	20,452	20,305	20,964	26,772
Debt and equity	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019
Total equity attributable to the parent	6,546	6,651	6,501	6,981	6,822	6,828	6,849	7,502	7,241
Non-controlling interests	138	110	113	67	25	28	45	106	107
Non IB liabilities (non-current)	870	880	901	877	842	848	859	847	815
Interest bearing debt (non-current)	1,822	1,729	3,230	2,576	2,745	2,703	2,777	1,788	1,764
Lease liabilities (non-current)	-	-	-	-	-	-	-	-	5,203
Trade payables	902	1,156	1,162	1,865	1,859	2,166	2,105	1,680	2,044
Amounts due to customers for construction work, incl advances	2,160	1,484	777	1,206	-	-	-	-	-
Customer contract liability	-	-	-	-	700	685	416	709	831
Accrued operating and financial cost	2,254	2,447	2,581	2,237	4,256	4,554	4,632	4,539	4,936
Interest bearing current liabilities	1,677	1,484	544	539	495	118	117	1,125	1,125
Other non IB liabilities (current)	3,623	3,503	3,049	3,390	2,503	2,521	2,506	2,668	2,143
Lease liabilities (current)	-	-	-	-	-	-	-	-	563
Total liabilities and equity	19,992	19,443	18,858	19,736	20,249	20,452	20,305	20,964	26,772
Net current operating assets, excluding held for sale	(974)	(454)	15	(844)	(1,422)	(1,415)	(1,024)	(753)	248
Net interest-bearing items	968	1,686	2,028	970	475	247	405	347	5,878
Equity	6,684	6,761	6,614	7,047	6,848	6,856	6,893	7,608	7,348
Equity ratio (in %)	33.4	34.8	35.1	35.7	33.8	33.5	33.9	36.3	27.4

Cashflow

NOK million

Cashflow	1Q 2017	2Q 2017	3Q 2017	4Q 2017	FY 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	FY 2018	1Q 2019
EBITDA continuing operations	355	305	401	458	1,519	425	439	463	483	1,810	634
Change in cashflow from operating activities	(257)	(762)	(615)	702	(932)	107	(121)	(506)	(370)	(890)	(937)
Net cashflow from operating activities	98	(457)	(214)	1,160	587	533	318	(44)	113	921	(303)
Acquisition of property, plant and equipment	(31)	(38)	(7)	(135)	(211)	(31)	(99)	(107)	(94)	(331)	(77)
Payments for capitalized development	(42)	(35)	(42)	(31)	(149)	(29)	(42)	(43)	(61)	(174)	(35)
Acquisition of subsidiaries, net of cash acquired	(4)	(217)	0	(0)	(221)	-	(0)	-	-	(0)	(14)
Change in current interest-bearing receivables	-	179	-	85	264	-	-	40	21	62	-
Sub-lease income received	-	-	-	-	-	-	-	-	-	-	28
Cashflow from other investing activities	0	3	22	(15)	10	85	39	50	(27)	147	(60)
Net cashflow from investing activities	(76)	(109)	(26)	(96)	(308)	25	(102)	(59)	(160)	(297)	(159)
Change in external borrowings	(475)	(218)	586	(655)	(762)	205	(388)	110	(26)	(99)	(22)
Leases paid	-	-	-	-	-	-	-	-	-	-	(134)
Paid dividends to majority	-	(0)	0	0	(0)	0	0	0	0	0	-
Other financing activities	(20)	(33)	5	(26)	(73)	0	1	(1)	0	(0)	(0)
Net cashflow from financing activities	(494)	(251)	591	(680)	(835)	205	(387)	108	(26)	(99)	(156)
Effect of exchange rate changes on cash and cash equivalents	13	8	(113)	146	54	(133)	4	(53)	153	(30)	17
Net increase (decrease) in cash and cash equivalents	(459)	(809)	238	529	(502)	630	(167)	(48)	81	495	(601)
Cash and cash equivalents as at the beginning of the period	2,480	2,020	1,211	1,449	2,480	1,978	2,607	2,440	2,392	1,978	2,473
Cash and cash equivalents as at the end of the period	2,020	1,211	1,449	1,978	1,978	2,607	2,440	2,392	2,473	2,473	1,872

Split Per Segment

NOK million

Revenue	1Q 2017	2Q 2017	3Q 2017	4Q 2017	FY 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	FY 2018	1Q 2019
Projects	4,066	4,232	4,184	5,179	17,660	4,239	4,862	5,211	5,608	19,920	5,952
Services	1,068	1,156	1,165	1,170	4,560	1,159	1,337	1,277	1,324	5,096	1,299
Other	41	43	75	105	264	89	58	72	78	298	42
Eliminations	(2)	(5)	(6)	(11)	(24)	(3)	(3)	(19)	(56)	(82)	(37)
Revenue	5,173	5,425	5,419	6,444	22,461	5,483	6,254	6,541	6,954	25,232	7,256

EBITDA	1Q 2017	2Q 2017	3Q 2017	4Q 2017	FY 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	FY 2018	1Q 2019
Projects	269	213	320	415	1,217	312	325	372	346	1,354	477
Services	152	144	157	151	605	135	172	183	188	678	186
Other	(66)	(52)	(76)	(109)	(303)	(22)	(58)	(92)	(50)	(222)	(30)
EBITDA	355	305	401	458	1,519	425	439	463	483	1,810	634

EBITDA margin	1Q 2017	2Q 2017	3Q 2017	4Q 2017	FY 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	FY 2018	1Q 2019
Projects	6.6%	5.0%	7.6%	8.0%	6.9%	7.3%	6.7%	7.1%	6.2%	6.8%	8.0%
Services	14.2%	12.5%	13.5%	12.9%	13.3%	11.7%	12.9%	14.3%	14.2%	13.3%	14.3%
EBITDA margin	6.9%	5.6%	7.4%	7.1%	6.8%	7.8%	7.0%	7.1%	7.0%	7.2%	8.7%

EBIT	1Q 2017	2Q 2017	3Q 2017	4Q 2017	FY 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	FY 2018	1Q 2019
Projects	129	79	197	203	608	173	201	254	214	843	280
Services	113	99	119	98	429	94	131	141	145	511	120
Other	(92)	(79)	(99)	(196)	(466)	(41)	(78)	(114)	(72)	(305)	(75)
EBIT	150	99	217	105	571	226	254	282	287	1,049	325

EBIT margin	1Q 2017	2Q 2017	3Q 2017	4Q 2017	FY 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	FY 2018	1Q 2019
Projects	3.2%	1.9%	4.7%	3.9%	3.4%	4.1%	4.1%	4.9%	3.8%	4.2%	4.7%
Services	10.6%	8.5%	10.2%	8.4%	9.4%	8.1%	9.8%	11.1%	11.0%	10.0%	9.2%
EBIT margin	2.9%	1.8%	4.0%	1.6%	2.5%	4.1%	4.1%	4.3%	4.1%	4.2%	4.5%

Split Per Segment

NOK million

NCOA	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019
Projects	(810)	(239)	151	(712)	(1,350)	(1,540)	(1,067)	(1,141)	(262)
Services	640	603	595	511	550	646	633	693	908
Other	(803)	(818)	(731)	(643)	(622)	(521)	(591)	(306)	(398)
NCOA	(974)	(454)	15	(844)	(1,422)	(1,415)	(1,024)	(753)	248

Order intake	1Q 2017	2Q 2017	3Q 2017	4Q 2017	FY 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	FY 2018	1Q 2019
Projects	4,096	2,582	1,830	9,669	18,177	6,460	4,959	3,806	4,417	19,642	3,482
Services	494	373	668	3,581	5,116	2,205	691	2,102	759	5,756	1,975
Other	10	67	67	238	381	20	34	77	92	223	70
Eliminations	(8)	1	(9)	(105)	(121)	(46)	(11)	(127)	(16)	(200)	(3)
Order intake	4,591	3,022	2,556	13,383	23,553	8,639	5,673	5,857	5,252	25,421	5,523

Order backlog	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	1Q 2019
Projects	22,599	23,371	20,684	24,807	27,102	27,286	25,716	25,014	22,547
Services	8,146	7,328	6,569	9,743	10,483	9,802	10,507	10,294	10,917
Other	(31)	(7)	(14)	135	108	41	50	(0)	(6)
Eliminations	(4)	4	(0)	(103)	(140)	(148)	(192)	(159)	(126)
Order backlog	30,709	30,695	27,239	34,581	37,553	36,981	36,081	35,148	33,332

Split Per Segment – Excluding special items

NOK million

EBITDA (excl. special items)	1Q 2017	2Q 2017	3Q 2017	4Q 2017	FY 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	FY 2018	1Q 2019
Projects	269	295	323	405	1,292	322	328	373	348	1,371	478
Services	152	147	157	151	607	135	173	190	194	692	187
Other	(59)	(42)	(59)	(74)	(234)	(74)	(60)	(70)	(46)	(251)	(29)
EBITDA (excl. special items)	363	400	421	482	1,665	384	441	492	495	1,812	636

EBITDA margin (excl. special items)	1Q 2017	2Q 2017	3Q 2017	4Q 2017	FY 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	FY 2018	1Q 2019
Projects	6.6%	7.0%	7.7%	7.8%	7.3%	7.6%	6.7%	7.2%	6.2%	6.9%	8.0%
Services	14.2%	12.7%	13.5%	12.9%	13.3%	11.7%	13.0%	14.9%	14.6%	13.6%	14.4%
EBITDA margin (excl. special items)	7.0%	7.4%	7.8%	7.5%	7.4%	7.1%	7.1%	7.5%	7.1%	7.2%	8.8%

EBIT (excl. special items)	1Q 2017	2Q 2017	3Q 2017	4Q 2017	FY 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	FY 2018	1Q 2019
Projects	129	161	207	276	773	199	203	255	217	874	281
Services	113	101	119	98	432	93	132	148	154	528	120
Other	(85)	(64)	(83)	(97)	(329)	(94)	(79)	(90)	(66)	(329)	(72)
EBIT (excl. special items)	157	199	243	277	876	199	256	313	305	1,074	329

EBIT margin (excl. special items)	1Q 2017	2Q 2017	3Q 2017	4Q 2017	FY 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	FY 2018	1Q 2019
Projects	3.2%	3.8%	4.9%	5.3%	4.4%	4.7%	4.2%	4.9%	3.9%	4.4%	4.7%
Services	10.6%	8.8%	10.2%	8.4%	9.5%	8.0%	9.9%	11.6%	11.6%	10.4%	9.3%
EBIT margin (excl. special items)	3.0%	3.7%	4.5%	4.3%	3.9%	3.7%	4.1%	4.8%	4.4%	4.3%	4.5%

Projects | Subsea and Field Design

NOK million

Revenue	1Q 2017	2Q 2017	3Q 2017	4Q 2017	FY 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	FY 2018	1Q 2019
Subsea	2,182	1,883	1,801	2,471	8,336	1,956	2,084	2,079	2,042	8,162	2,439
Field Design	1,887	2,353	2,386	2,776	9,402	2,284	2,810	3,170	3,551	11,814	3,512
Eliminations/other	(3)	(4)	(4)	(67)	(78)	(1)	(32)	(38)	15	(57)	1
Revenues	4,066	4,232	4,184	5,179	17,660	4,239	4,862	5,211	5,608	19,920	5,952

Order intake	1Q 2017	2Q 2017	3Q 2017	4Q 2017	FY 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018	FY 2018	1Q 2019
Subsea	692	929	494	5,661	7,776	2,986	1,123	1,074	2,866	8,049	1,418
Field Design	3,408	1,654	1,335	4,001	10,398	3,487	3,867	2,715	1,566	11,635	2,064
Eliminations/other	(4)	(2)	1	8	3	(13)	(31)	17	(15)	(42)	-
Order intake	4,096	2,582	1,830	9,669	18,177	6,460	4,959	3,806	4,417	19,642	3,482

Order backlog	1Q 2017	2Q 2017	3Q 2017	4Q 2017		1Q 2018	2Q 2018	3Q 2018	4Q 2018		1Q 2019
Subsea	8,814	7,727	6,200	9,532		10,615	9,746	8,621	9,837		8,784
Field Design	13,758	15,642	14,476	15,249		16,470	17,521	17,043	15,161		13,721
Eliminations/other	27	3	7	26		17	19	52	16		42
Order backlog	22,599	23,371	20,684	24,807		27,102	27,286	25,716	25,014		22,547

Risk Factors

Investing in bonds involves inherent risks

- Prospective investors should consider, among other things, the risk factors set out and referenced in this risk factors section before making an investment decision with respect to the bonds. An investment in bonds is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment. If any of the risks described or referenced below materialise, individually or together with other circumstances, the business, financial position and operating results of Aker Solutions could be materially and adversely affected.
- 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.
- Overall company performance is affected by both external and internal factors. External factors include issues such as fluctuations in energy prices, customer behaviour and market developments, while internal factors may encompass matters such as project execution and service delivery. The inherent complexity of Aker Solutions internal operations and the costs across a broad-based value chain also impact upon results. Principal cost drivers include the cost of suppliers' direct and indirect material, sub-contractor costs and the company's own man-hours, and fluctuations in oil and gas prices.
- Through its business, Aker Solutions is exposed to legal, regulatory and political risks, such as tax changes, decisions on environmental regulation, and international sanctions that impact supply and demand, as well as risks associated with unethical and criminal behaviour. The company is also exposed to financial market risks, including changes in currency rates, interest rates, credit and counterparty risks, as well as risks associated with access to and terms of financing.

Market Risk

- Compared to recent years, the market situation and current outlook for the oil-services industry is improving. Nevertheless, significant challenges remain. Some of the principal factors that contribute to market risk are outlined below:
 - 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.
 - Uncertainty regarding future contract awards and their impact on future earnings and profitability.
 - Changes in global demand, energy prices and environmental requirements impact upon oil company activities and the overall development of the market.
- These factors will influence Aker Solutions' exploration, development, production, investment, modification and maintenance activity.
- Developments within the market may 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. Aker Solutions is committed to an active policy of risk management and may take mitigating actions to increase flexibility in its operations, for instance by seeking to drive down costs, build a sustainable global workforce and enhance standardization and simplification. The company aims to be agile in its approach to the market, effectively adapting to industry demand 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.

Risk Factors (cont.)

Operational risk

- Aker Solutions utilizes 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:
 - The loss of business from a significant customer, the failure to deliver a significant project as agreed, or alterations to the order backlog
 - Aker Solutions' ability to compete effectively and maintain market positions and sales volumes
 - The company's capability to successfully commercialize new technology
 - 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 a key sub-supplier
 - Significant delays or quality issues impacting upon project delivery or performance
 - Cybercrime leading to system downtime or significant loss of intellectual property



Risk Factors (cont.)

Financial risk

- 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 the annual report for 2018. 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 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. Some jurisdictions may have currency restrictions and / or restrictions on repatriation of funds, in which case the company takes mitigating actions to minimize the currency exposure. These actions include non-deliverable forwards, multilateral or bilateral agreements with banks, customers and vendors regarding conversion of currencies, and timing of invoicing and payments.
 - **Liquidity risk:** The corporate treasury department ensures financial flexibility by ensuring sufficient liquidity reserves and available committed credit lines. The company monitors rolling 12 weeks and 12 months cash forecasts of the company's future liquidity reserve, based on committed and expected cashflow in all business entities.
 - **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% 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 cashflow are substantially independent of changes in market interest rates.
 - **Credit risk:** 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 are highly rated oil companies where the credit risk is considered to be limited. Risk related to lower rated companies is monitored closely.
 - **Price risk:** Aker Solutions is exposed to fluctuations in market prices which are mitigated in the bid process by locking in committed prices with vendors or through escalation clauses with customers.
- Aker Solutions has company-wide policies, procedures and tools that identify, evaluate and respond to 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: internal controls, scenario planning, sensitivity analysis and audit management.

Risk Factors (cont.)

Ethical and Political Risks

- Aker Solutions could potentially become involved in unethical behavior, either directly or through third parties or partners. The company has operations in countries associated with high political, reputational and corruption risks. Key tools to reduce these risks are the company's code of conduct and anti-corruption compliance program, which are implemented at all locations globally. Risks are also managed through country analyses, mandatory awareness training, compliance reviews and integrity due diligence. Aker Solutions' anti-corruption program is subject to quarterly reporting to the Audit Committee.
- Aker Solutions has zero tolerance for corruption and works vigilantly to prevent such behavior. The company has control systems in place throughout the organization that are designed to identify and limit the effects of violations of the code of conduct. While the breaches were limited in scope, the company took swift action to address them. In general, employees face consequences spanning from a warning to dismissal for violating the code of conduct.
- Given its size and presence in different parts of the world, Aker Solutions experiences from time to time being investigated by various types of local authorities. At present Aker Solutions is aware of a few open matters, however none of them are deemed material.

Risk Mitigation

- Aker Solutions has company-wide policies, procedures and tools that identify, evaluate and respond to 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: internal controls, scenario planning, sensitivity analysis and audit management.

Other risks

- The risk factors set out above are non-exhaustive and Aker Solutions is subject to a number other risks of both a general and company specific nature.
- The annual report of Aker Solutions for 2018 provides more information on risks and uncertainties. The annual report is available on www.akersolutions.com. Reference is also made to the risk factors set out in the prospectus (comprising the registration document and the securities note) issued in connection with the 2018 bond issue, as such risk factors continue to be relevant for Aker Solutions. The prospectus is available on www.oslobors.no (Ticker: AKSO03).

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