

A photograph of a modern, multi-story building at night. The building has a distinctive facade with vertical white panels and large glass windows. The interior lights are on, and the building is illuminated from within. The sky is a deep blue, and there are some clouds. In the foreground, there is a glass-enclosed walkway or staircase with a metal railing. The overall scene is a high-angle view of the building and its surrounding area.

***Bringing Together  
Aker Solutions and  
Kvaerner***

***Investor Presentation***

**July, 2020**

# Complementary 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

# 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**

# Industrial Rationale

## Revitalizing growth

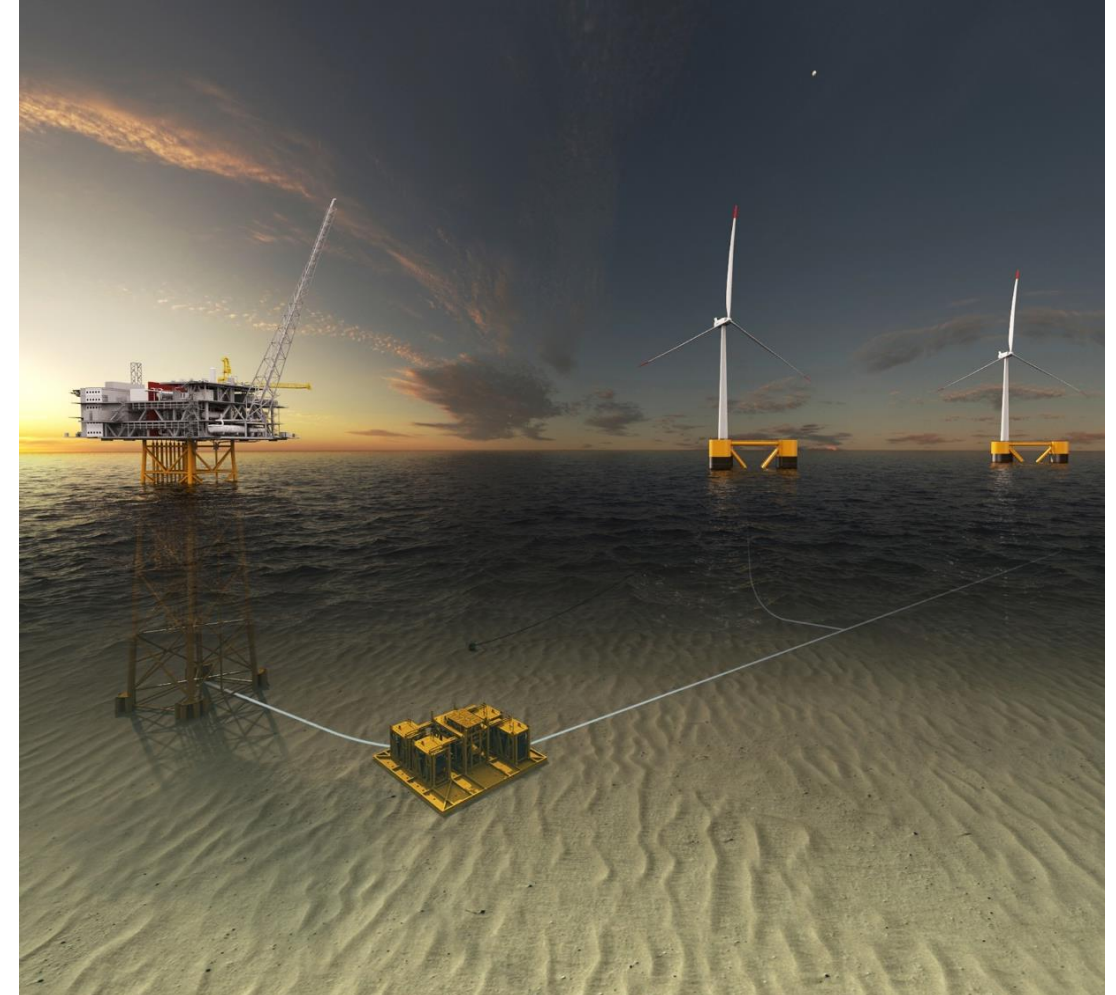
- Mid-term **robustness in global Oil & Gas**
- Reposition with **size and capabilities to succeed** in current market
- Industry partner for **decarbonization and electrification**
- **Stable aftermarket** service business
- Forceful transition into **Renewables** – with **integrated solutions**

## Realize customer value and operational excellence

- **Digitalization** to reduce cost and increase competitiveness
- Value chain integration to **drive industrialization and value creation**
- **Customer Alliances** and value chain partnerships to remove inefficiencies

## Unlock shareholder value by improved cash conversion

- Optimize footprint
- Reduce CAPEX
- Lean organization
- Operational leverage



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**

# Positioning for Growth at a Pivotal Time for our Industry



## Accelerating Transition to Renewables

- Broaden portfolio of capabilities & activities
- Differentiation through Front End, system integration & project execution capabilities



## Radical Improve Efficiency in Oil & Gas Deliveries

- Digitally transform engineering, construction and project management
- Value chain management to optimize time, risk and cost



10101  
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## Leveraging Industrial Software & Digital Technology

- Complementary execution capability in a digital ecosystem
- Embed a digital scalable delivery model to extend asset value



## Building Strategic Partnerships and Alliances

- Integrated collaboration with customers and business partners
- Extend global reach from existing footprint and partnerships

# Energy Outlook - Dual Challenge





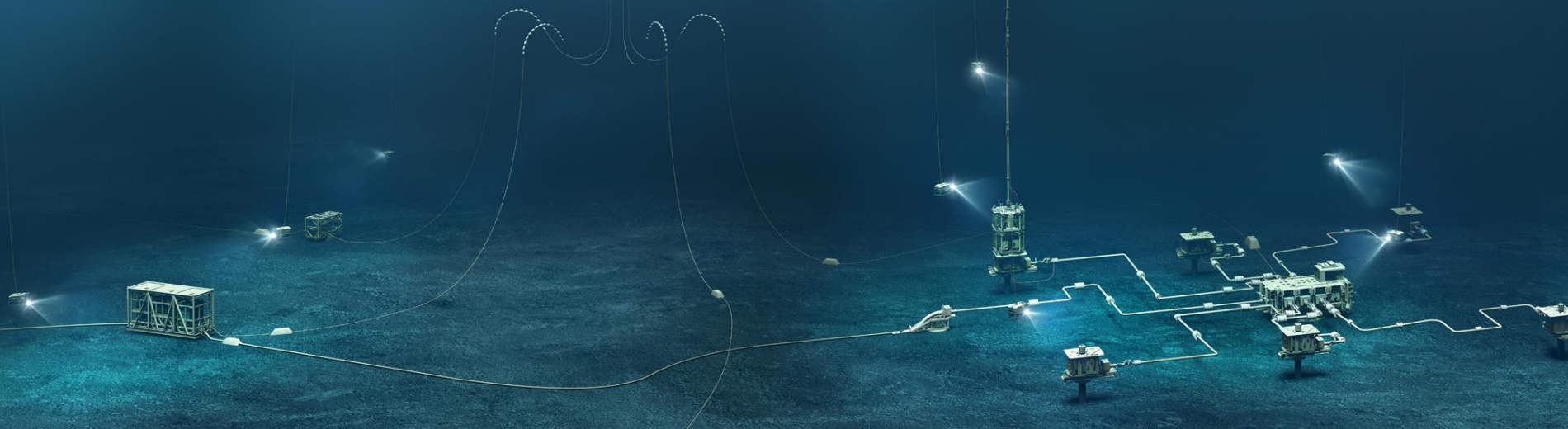
A wide-angle photograph of an offshore oil and gas field at sunset. The sky is a mix of orange, yellow, and grey. In the foreground, a large red and white platform is prominent. To its left, a blue supply vessel is visible. Further left, a yellow and white wind turbine stands on a small platform. To the right, another white platform is visible. The background shows a calm sea and a distant horizon.

# Decarbonizing Offshore Oil and Gas

■ Low-Carbon Solutions

■ Electrification

■ Energy Optimization





# Integrated Offering

## Covering Asset Lifecycle

- ✓ *Integrated offering*
- ✓ *Partial offering*

	Feasibility & FEED	Engineering	Procurement	Construction	Marine Operations	Hook Up & commissioning	Maintenance & modification	Decommissioning & recycling
Topsides & Floaters	✓	✓	✓	✓	✓	✓	✓	✓
Substructures	✓	✓	✓	✓	✓	✓	✓	✓
Subsea Production Systems	✓	✓	✓	✓	✓	✓	✓	✓
SURF	✓	✓	✓	✓	✓	✓	✓	✓

# 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	Other	Aker Solutions & Kvaerner		
Riser Platform			Aker Solutions			Other	Other	Aker Solutions & Kvaerner		
Drilling Platform			Other			Other	Other	Other		
Production Platform 2			Other			Other	Other	Other		
Jacket structures*			Kvaerner				Other	Kvaerner		
SURF 1			Aker Solutions			Other	Other			
SURF 2			Other			Other	Other			
Subsea Production System			Other			Other			Other	
Riser Platform Modification	Aker Solutions & Kvaerner									

# Selected Ongoing Oil & Gas Projects

## Johan Sverdrup RP

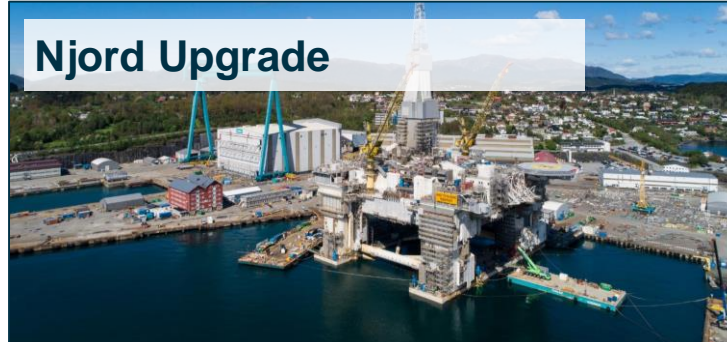


**Customer: Equinor**  
**Country: Norway**

**KVERNER™**

**AkerSolutions**

## Njord Upgrade



**Customer: Equinor**  
**Country: Norway**

**KVERNER™**

**AkerSolutions**

## Hod UWHP



**Customer: AkerBP**  
**Country: Norway**

**KVERNER™**

**AkerSolutions**

## MMO frame agreements



**Customers: Several**  
**Country: Norway, Canada, Brunei, Angola**

**AkerSolutions**

## Breidablikk



**Customer: Equinor**  
**Country: Norway**

**AkerSolutions**

## Lingshui

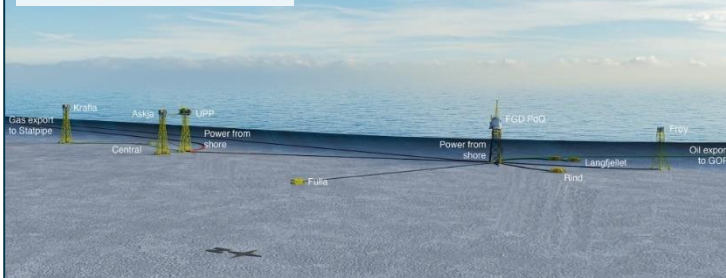


**Customer: CNOOC**  
**Country: China**

**AkerSolutions**

# Well Positioned for Several Major O&G Prospects

## NOAKA EPC



**Customer: Equinor / Aker BP**  
**Country: Norway**

## Wisting FPSO



**Customer: Equinor**  
**Country: Norway**

## Jackdaw WHP



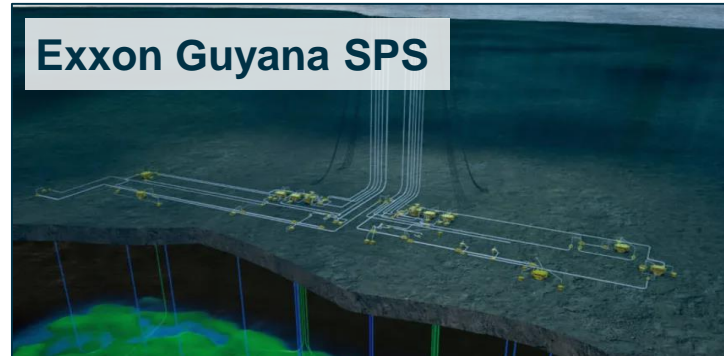
**Customer: Shell**  
**Country: UK**

## Troll West Electrification



**Customer: Equinor**  
**Country: Norway**

## Exxon Guyana SPS



**Customer: Exxon**  
**Country: Guyana**

## Jansz SSC



**Customer: Chevron**  
**Country: Australia**

# Solid Foundation for Transition to Renewable Energy

Our Core Capabilities...



Photo: C. Thomas

...are needed in emerging industries



Photo: N. Doherty

# Combining Complimentary Capabilities Within Renewables



## Offering

- Integrated delivery of:
  - Wind substructures
  - Converter- and substations
  - Dynamic cables
- System integration - Balance of Plant
- Partnership with Aker Offshore Wind

## Key activities

- Hywind Tampen, Norway
- Empire Wind, USA



## Offering

- Delivery of carbon capture plants
  - Project management
  - Engineering, Procurement and Construction
- Close collaboration with Aker Carbon Capture

## Key activities

- Norcem, Norway
- Twence, Netherlands



## Offering

- Capabilities to deliver hydrogen production facilities
- FEED and project execution

## Key activities

- Nel collaboration
- ZEEDS

# Leading Supplier to Offshore Wind

## Project: Hywind Tampen (ongoing)



- **World's largest** floating offshore wind park (88 MW)
- Will supply power to **five oil and gas platforms**
- **200,000** metric tons reduced CO<sub>2</sub> per year
- **EPCI delivery** of 11 concrete floating foundations

# Leading Supplier to Carbon Capture Project: Norcem

- Integrated project delivery with Aker Carbon Capture
- 400,000 tons CO<sub>2</sub> captured p.a.
- Planned operation in 2024





# Digital Solutions

## to Reshape the Industry

- Reducing project execution time
- Enabling automated operations, saving cost and improving HSSE
- Unlock insight and information transparency
- Drive standardization to improve efficiency and minimize risk
- Reduce cost by enabling predictive maintenance
- Create digital interaction through the value chain
- Enabler for new business and contract models



# Building Strong Collaborations and Integrated Deliveries

## Decarbonizing Oil & Gas



## Aker Solutions

Attractive Engineering and project realization partner based on core competence, system knowledge and 180 years of industry experience

*Leverage core customer relationships to transform together...*

*...and collaborate with peers and suppliers for sustainable technology solutions and execution footprint*

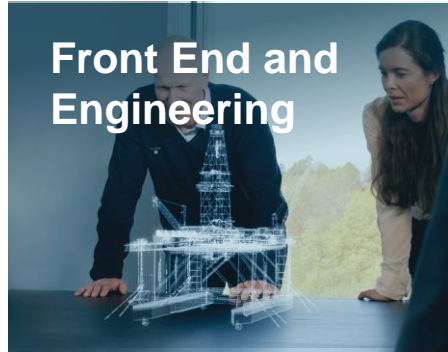
## Renewables



# Global Presence in Key Energy Hubs



# Main Businesses



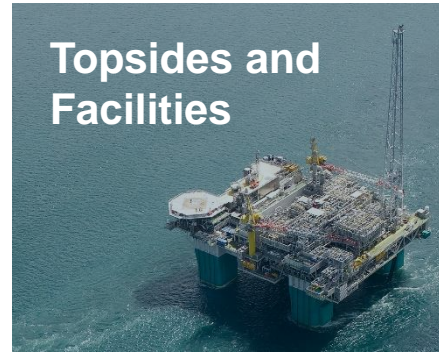
## Front End and Engineering

- Software-enabled engineering house with suite of methods and digital solutions for efficient engineering process
- World class Front End, engineering and system capability with in-depth technical niche competences
- Developing the energy solutions of the future



## Renewables

- Offshore and floating wind products and services;
  - Turbine foundations
  - Power infrastructure incl. substations, converter platforms and cables
  - Project management and marine operations
- Engineering, project execution and delivery of Carbon Capture, Storage and Utilization and Hydrogen energy solutions



## Topsides and Facilities

- One-stop-shop for oil & gas and onshore processing facilities;
  - Floating production units
  - Topsides and modules
  - Substructures
  - Onshore processing plants
  - Large upgrades and modifications



## Subsea

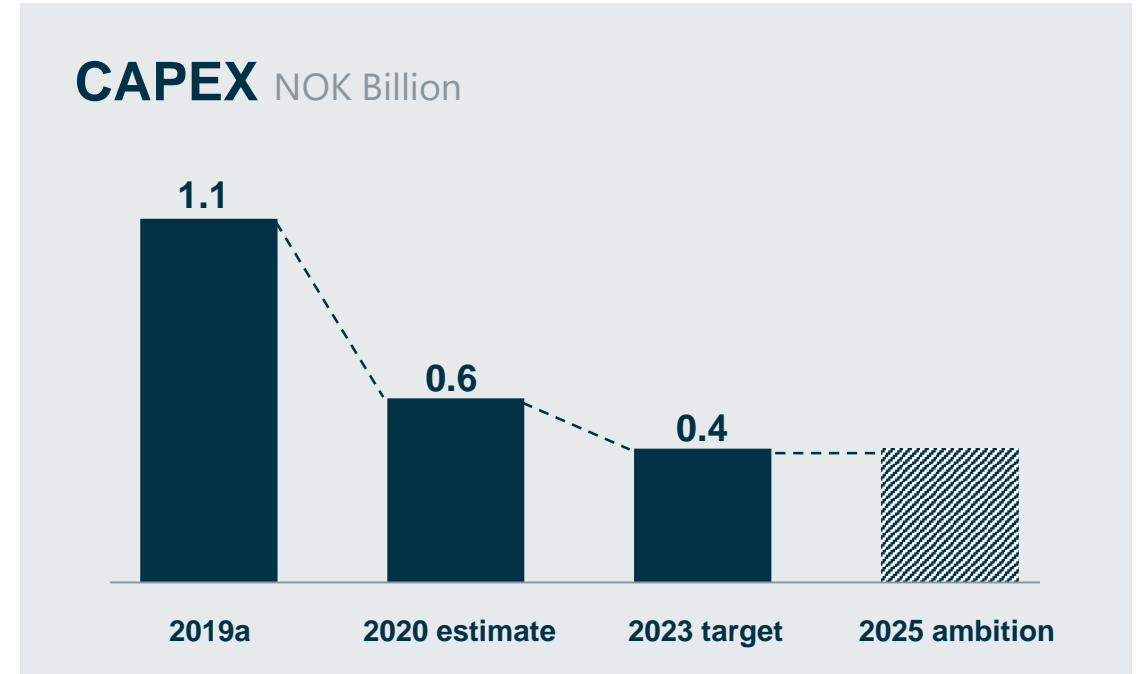
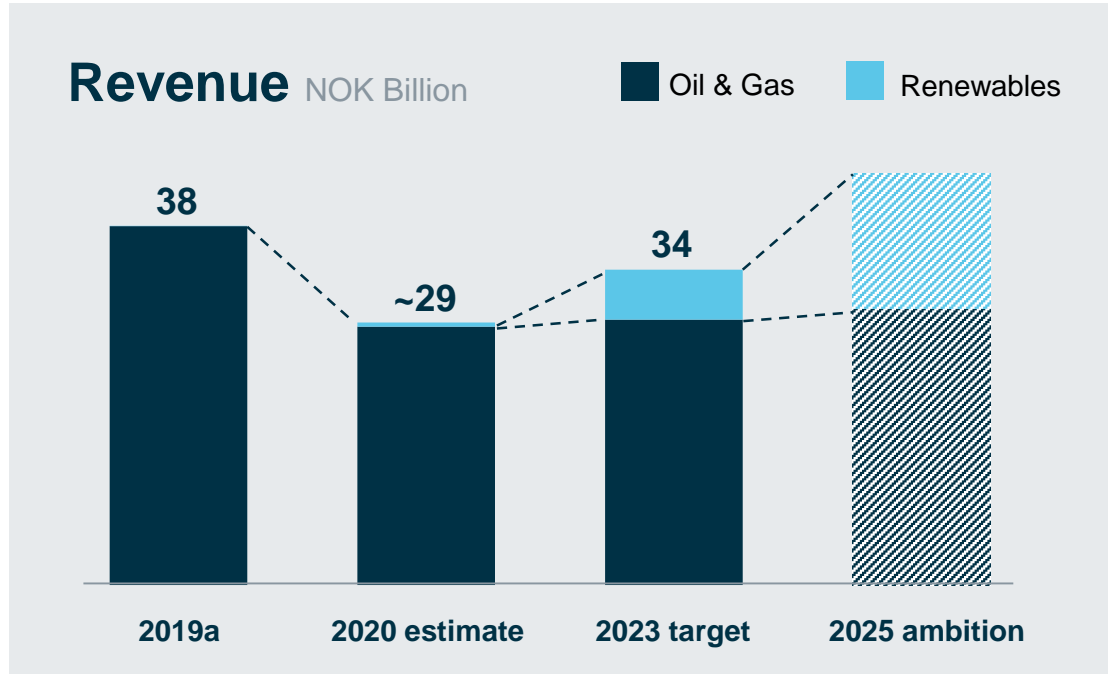
- Extensive product and service offering for subsea oil and gas projects;
  - Subsea production systems
  - Subsea processing, boosting and compression
  - Subsea power distribution
  - Intervention and workover systems and tools
  - Subsea life cycle services



## Electrification, Maintenance and Modifications

- Solutions for the electrification of existing oil and gas infrastructure
- Specialized on efficient execution of minor maintenance and modification services
- Digitally enabled asset integrity services and solutions
- Demolition and recycling

# 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

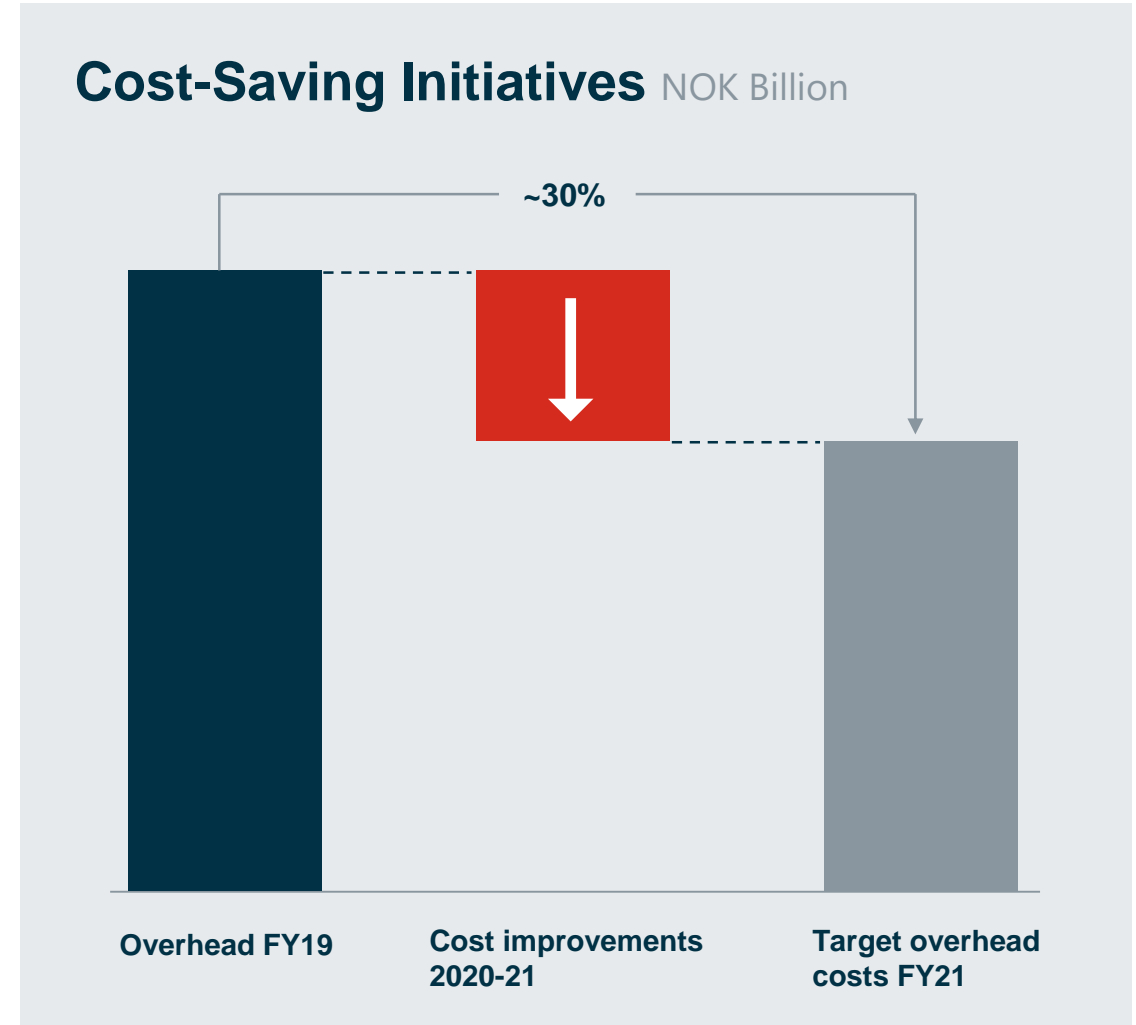
- CAPEX expected to decline by 60% from 2019 to 2023
- Leverage on historical capital investments for future growth
- Partnerships for technology development
- Spin-off of capital intensive business units
- Strong CAPEX discipline

# 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

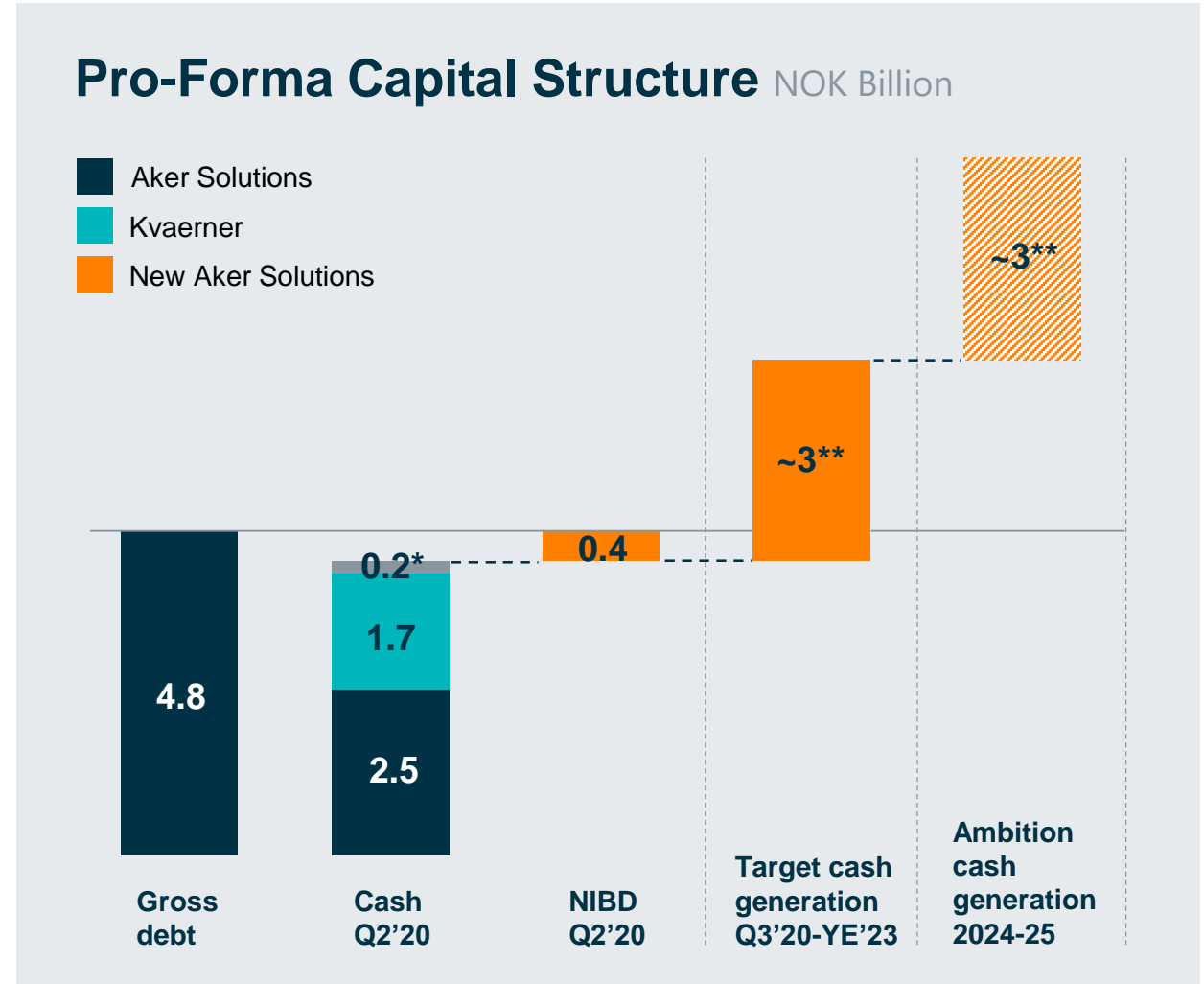


# Improved Financial Capacity and Cash Conversion

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)

# Governance Structure

## Management



**Kjetel Digre**

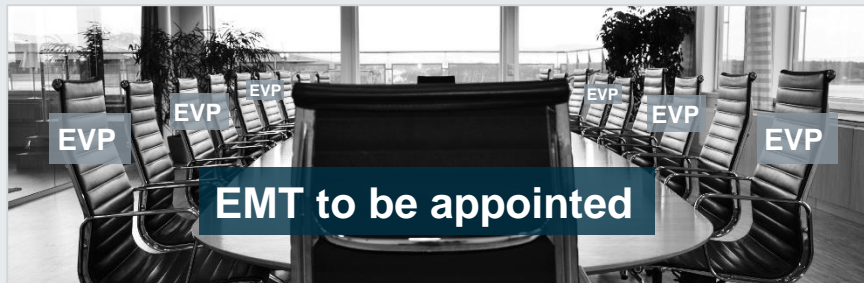
CEO, Aker Solutions



**Idar Eikrem**

CFO, Aker Solutions

## New Executive Management Team



## Board of Directors\*



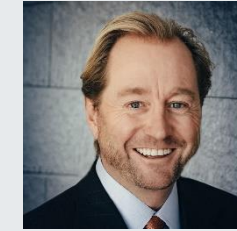
**Leif-Arne  
Langøy**

Chairman



**Øyvind  
Eriksen**

Director



**Kjell Inge  
Røkke**

Director



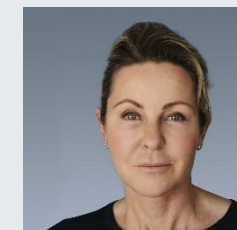
**Jan Arve  
Haugan**

Director



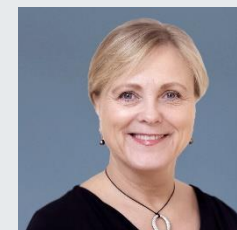
**Birgit Aagaard-  
Svendsen**

Director



**Lone Fønss  
Schrøder**

Director



**Torill  
Widvey**

Director

\*Proposed by nomination committee



# 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



# Bringing Together Aker Solutions and Kvaerner

