Aker ASA Q1 2025:

Letter from the President and CEO

Letter from the CEO

Dear fellow shareholders,

This year marks three decades since I first met Kjell Inge Røkke, a milestone that prompts reflection on the importance of governance and decisive leadership, particularly in times of uncertainty.

Recent geopolitical events and economic policy shifts have fundamentally transformed the global investment landscape, redirecting focus from ESG principles to geopolitics, defense, and energy security. Amidst these changing sentiments, the need for stability is paramount. Rooted in a high-quality portfolio, balanced strategic planning, financial strength, and agility to act countercyclically, Aker is positioned to pursue new opportunities in parallel with executing on current strategies to create long-term value.

For example, Aker's long-term, steadfast investment in low-cost, low-emission oil and gas projects, even as others anticipated a decline, demonstrates our commitment to strategic foresight and resilience in an ever-evolving world.

Our strategic priorities and portfolio design criteria remain focused on Net Asset Value development, attractive and predictable dividends to Aker's shareholders, as well as increased upstream cash flow from our portfolio companies, fewer and larger investments, and companies in growth segments through cycles.

We build on our industrial and financial expertise, practice active ownership, and most importantly, create added value through transactions. Aker BP and OneSubsea exemplify this approach, while our software companies demonstrate how we innovate based on our existing foundation and capabilities. All enabled by consistent strategies and decisive leadership through changing market cycles.

Outperformance Despite Volatility

In my years of writing quarterly letters I have rarely experienced such fluctuations in market sentiment and the news cycle between quarter-end and the time of writing. Since the beginning of April, we have seen the start of a trade war, extreme market volatility, a weakening dollar, increasingly complex US-China relations, and the contours of a new world order. The result: unpredictability that has reverberated through global markets.

By the numbers, Aker's Net Asset Value stood at NOK 61.9 billion at the end of the first quarter, compared to 58.2 billion at the close of 2024. The share price closed at NOK 622, up 13% during the quarter, compared to a 6% increase for the Oslo Stock Exchange Benchmark Index (OSEBX) and a flat Brent oil price.

Despite lower oil and gas prices following President Trump's 'Liberation Day' on April 2, Aker BP has been near-flat year-to-date, and Aker's share price has increased – still outperforming a turbulent Oslo Stock Exchange and global indices.

Awaiting the Future, Preparing in the Present

With a few exceptions, Aker's portfolio has limited direct exposure to the current proposed tariffs. However, in the absence of economic stability, investors and policymakers alike are eyeing a potential shift in the global financial order. While we are less exposed to the direct impact of the trade war, there are potentially enormous indirect impacts, including on currencies, inflation and deflation, as well as effects on global supply chains. Investment decisions are being reconsidered, and activity levels may be reduced due to the prevailing uncertainty.

It is difficult to understand the direct consequences of the current policy changes, but even more challenging to grasp the indirect ones.

That is why ensuring balanced scenario-based planning, prudent risk assessments, and a strong financial position is paramount to ensure that both Aker, as well as the boards and leadership of our portfolio companies, are equipped to strategically navigate the uncertainties ahead.

Despite strong performance for Aker year-to-date, the current volatility demonstrates our dependence on global markets. One aspect is the stock price, another is access to capital. As the saying goes, "fail to prepare,

prepare to fail." A low loan-to-value (LTV) ratio, investment grade rating, as well as a portfolio of companies which operate as independent entities, are all measures in line with Aker's strategy to remain both resilient and ready to seize emerging opportunities. Additionally, the current geopolitical and market climate underscores the timeliness of our focus on fewer, larger, cash-generative holdings, which helps us maintain financial strength and flexibility. Predictability of upstream cash flow to Aker is important, and shareholders can rest assured that Aker will uphold its dividend policy of 4-6 percent of Net Asset Value.

Complexity Requires Flexibility

Being invested in several sectors of strategic and geopolitical importance, Aker approaches the new reality with a balanced perspective. More than ever, I am acutely aware that single-stances on issues – including oil and gas versus renewables, on seabed minerals, or even on Europe's role alongside the US and China – oversimplify reality in a way that does not contribute to finding solutions that will drive us forward. There is no crystal ball telling us where the world is heading.

At Aker, the task is to understand complexities and opportunities relevant to our industrial portfolio and capabilities, combining a view of trends and markets with our broader role in creating long-term value for shareholders and society.

For example, in the energy sector, the quest for energy independence and security of supply has become paramount. This will make resources on the Norwegian Continental Shelf (NCS) increasingly important, as Norway remains the only net exporter in Europe. Simultaneously, we expect it will drive investments in renewables, particularly in countries with geopolitical incentives and without access to their own fossil fuel resources. Norway and Aker have a role to play. With the right decisions, frameworks and strategic foresight, we are well-positioned to leverage significant opportunities for growth.

A Disciplined Reset in Renewables

While the long-term fundamentals for energy investments remain strong, recent developments have highlighted the importance of disciplined execution and strategic flexibility. The evolving market environment has introduced new complexities, ranging from regulatory shifts to cost inflation and price volatility, requiring companies to reassess how and where they allocate capital. Aker's experience with Aker Horizons is an example of this recalibration in action.

After having explored numerous options to achieve a comprehensive refinancing and restructuring of Aker Horizons and its subsidiaries, Aker today announced two transactions with Aker Horizons and Aker Carbon Capture, respectively.

The situations facing the two companies are markedly different:

Over time Aker Horizons has faced mounting operational, financial, and market challenges – including delays, rising input costs, and inconsistent policy support across key markets. A significant part of these challenges stems from Mainstream, whose performance has weighed heavily on the company. In sum, these issues ultimately led to sustained underperformance and material losses for the company.

Since raising NOK 4.6 billion in January 2021 at NOK 35 per share, Aker Horizons' share price has declined by 96%. At the time of listing, Aker's ownership stake was valued at NOK 16.3 billion. Today, our 67% interest in Aker Horizons is valued at approximately NOK 600 million– equivalent to just NOK 8 per Aker share. Our total cash investment in Aker Horizons has been NOK 2.9 billion.

Aker Carbon Capture is a different story.

The transaction with SLB unlocked NOK 4.1 billion in value and a 20% stake in the joint venture, SLB Capturi. However, as ACC has communicated, no future earn-out is expected from the transaction. Given this, and the fact that SLB holds an option to acquire ACC's minority share in SLB Capturi in two years, both ACC and Aker have concluded that the most value-accretive path forward is to return capital to shareholders. This decision results in limited rationale for maintaining a public listing or continuing standalone operations.

Aker will remain a 20% shareholder in SLB Capturi and continue the collaboration and strategic partnership with SLB, including through SLB OneSubsea and the ongoing partnership with Cognite.

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Despite significant losses for Aker related to Aker Horizons, our perspective remains long-term.

Aker will continue to develop the existing assets and take steps to protect and rebuild shareholder value through more focused capital deployment. In Mainstream, activities have been scaled down and the company is focusing on managing the opportunities and risks in a few key areas, including South Africa, Australia and Chile.

In Northern Norway, Aker will continue to pursue long-term industrial opportunities centered around Narvik, where Aker Horizons holds a number of "powered land" sites – including a fully permitted, construction-ready site at Kvandal with access to 230 MW of grid capacity.

With abundant clean hydropower and a supportive industrial environment, the region is well suited for large-scale AI infrastructure requiring high energy efficiency and secure, scalable power. Realizing projects of this magnitude demands financial strength, industrial capability, and strategic foresight—qualities Aker is especially well positioned to bring to bear.

Low Emissions, Strong Returns: A Strategic Energy Asset for the Long Term

For better or worse, we have consistently demonstrated a willingness to pursue growth, even when the outcomes are uncertain. Our decisions are rooted in rigorous preparation, comprehensive risk assessment, and a readiness to adapt as circumstances evolve. Through it all, our ambition remains steadfast: to create long-term value for our shareholders through active, responsible ownership.

While the energy transition continues to reshape long-term investment priorities, near-term realities cannot be ignored. In contrast to the challenges faced in parts of the renewables sector, traditional energy—particularly oil and gas—continues to deliver strong cash flows and attractive returns.

Aker BP thus remains one of the portfolio's most consistent and strategically important contributors, combining low-cost production, low emissions intensity, and strong, sustained cash flows. Its disciplined approach to capital allocation and operational efficiency makes it a reliable source of dividends and a key pillar of energy security in the portfolio.

With production expected to remain above 500,000 barrels per day well beyond 2030, and ambitions for further growth, Aker BP continues to strengthen its position on the Norwegian Continental Shelf. The Johan Sverdrup field remains a standout asset, consistently outperforming expectations and underscoring the value of scale, quality, and predictability in upstream operations.

Aker BP combines operational excellence with a forward-looking approach—leveraging technology and AI to reduce both costs and emissions to industry-leading levels. Its use of hedging instruments helps manage exposure to commodity prices, interest rates, and currency fluctuations. Notably, the company's share price maintains one of the strongest correlations to oil prices among listed equities, reinforcing the importance of active risk management and strategic foresight in today's market environment.

Aker Solutions – Progress Across Segments

While Aker Solutions' main task today is to deliver on the record-large oil and gas project portfolio, I am also pleased to see positive development in other segments. This includes its 20% ownership in OneSubsea, which leverages digital and technology innovation to optimize customers' oil and gas production, decarbonizes subsea operations, and unlocks the large potential of subsea solutions to accelerate the energy transition. OneSubsea is already seeing strong financial results and has an attractive dividend policy with ambitions to distribute more than USD 250 million during 2025. With market-based trading multiples, the ownership stake in OneSubea constitutes a significant portion of Aker Solutions' market cap at present. For us and other shareholders, this serves as a valuable 'safeguard' against varying activity levels and results in other segments.

Market challenges for renewables and green technologies have led to costly lessons and recalibrated ambitions. Despite this, around 20 percent of Aker Solutions' revenues have come from renewables and transition solutions in the last three years. So far in 2025, the company has secured contracts in renewables worth up to NOK 21 billion, with contract terms that are more attractive than in previous years.

Going forward, Aker's ownership focus for Aker Solutions is on a strong balance sheet to maintain predictable and robust project delivery, predictable dividends, and a gradual positioning for growth in new segments.

The AI Momentum Continues

While many software companies are not directly impacted by the recently announced tariffs, many of their customers will be. Industrial companies are likely to turn to AI as a potential solution to mitigate the effects and accelerate their digitalization initiatives to increase productivity, efficiency, and cost-saving. Aker's industrial software companies, Cognite and Aize, can capitalize on this situation, much like during COVID-19 when supply chain disruptions elevated supply chain management to a board-level priority.

Cognite Data Fusion (CDF) continues to be a key enabler for industry, driving digital transformation and operational efficiency. By integrating data from various sources, CDF provides actionable insights that help industrial companies optimize their operations, reduce costs, improve productivity, and leverage AI to stay competitive and navigate the complexities of the current market environment.

Cognite, as well as Aize, continues to perform well and expand the commercial global presence. Cognite is ramping up its organization in the US around its new headquarters in Phoenix and recently inaugurated its India Center of Excellence in Bengaluru, further solidifying its commitment to leveraging AI for industrial growth. Its Annual Recurring Revenue (ARR) had a strong start to the year, surpassing the USD 100 million ARR milestone in the quarter, and is showing a promising outlook for the full year.

As AI continues to drive industrial growth, the infrastructure supporting these technologies is evolving. The emergence of "AI factories" is redefining the role of data centers. Purpose-built to manage massive AI workloads – from data ingestion to training and inference – these facilities are essential to scaling next-generation AI applications.

Norway stands out as a prime location for AI factories. Its abundant renewable energy, especially hydropower, offers a stable and sustainable power supply. The naturally cold climate reduces cooling costs, boosting energy efficiency for compute-intensive operations.

Crucially, AI factories are capital-intensive ventures involving long-term contracts and sophisticated counterparties. They require a robust ecosystem that can support complex, high-value infrastructure projects with financial strength and predictability.

By building on its natural advantages and strengthening collaboration across industry, academia, and government, Norway can develop the talent and innovation capacity needed to support AI factories. This will not only attract global investment but also generate high-value jobs and position the country as a leader in the AI-driven economy.

Looking Ahead

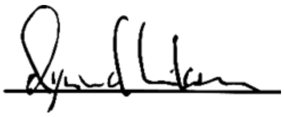
In summary, across our industry segments, the current market environment presents uncertainties that require us to manage rising costs, adapt to evolving value chains, and handle fundamental shifts in the way of doing business. The VIX index, a measure of volatility in the S&P 500 index, has spiked to levels last seen during the COVID crisis in 2020. Yet I remain optimistic. Aker has navigated turbulent times before and has all the mechanisms in place to remain resilient.

Reflecting on the past 30 years of collaboration with Kjell Inge Røkke, including my nearly 17 years at the helm of Aker, his role as main owner and chairman has provided the stability and vision needed to thrive, even in uncertain times. Our partnership, characterized by a culture of both decisiveness, execution, and balanced considerations, has formed a solid foundation that ensures we can continue to deliver value and capitalize on emerging opportunities.

Together, we are setting the tone for a culture in which we sometimes win and sometimes lose – as a team, not just as individuals. Our track record tells us that such a collective partnership mindset has served the Aker group well.

Thank you for your continued support and trust in our vision. Together, we will navigate these challenges and seize the opportunities that lie ahead.

Regards,



Øyvind Eriksen,
President & CEO