

AKER HORIZONS



Annual and Sustainability Report 2023



Introduction

The annual report for Aker Horizons ASA (referred to herein as “Aker Horizons” or “the Company”, and together with its consolidated subsidiaries as the “Group”) is an integrated report presenting the financial, environmental, social, and governance (ESG) performance of Aker Horizons and its portfolio companies in 2023. The Company's' external auditor has submitted an independent auditor's report on the financial statements.

This section provides a brief overview of how to navigate the report. The first sections of the report contain an introduction to Aker Horizons, [Shareholder Information](#), the [Board of Directors' Report](#) and a presentation of Aker Horizons' [Board of Directors](#).

The [Sustainability Strategy section](#) presents Aker Horizons' work on sustainability from a strategic, forward-looking perspective. Specifically, the section provides Aker Horizons' policy, ambitions and strategy, external commitments that reflect our sustainability ambitions, and the materiality assessment that guides and informs Aker Horizons' sustainability strategy and goals.

The section [Sustainability Progress Report](#) takes a deep-dive into the work and the progress made on sustainability in Aker Horizons and its portfolio in 2023. This section presents four overarching topics, based on the World Economic Forum's (WEF) Stakeholder Capitalism Metrics: Planet-positive impact, Respect for people, Prosperity for all, and Good governance, while also reflecting on Aker Horizons' material topics. In addition to presenting progress across these four main topics, this section also contains individual sustainability summaries for the Aker Horizons Group companies, a one-page summary of the portfolio-wide status of the Principal Adverse Impact Indicators, and an EU Taxonomy assessment of Aker Horizons' investments.

The section [Financials and Notes](#) presents Aker Horizons' consolidated financial statements, which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS), and associated interpretations, as well as Aker Horizons ASA parent company accounts (NGAAP). The section is followed by the independent [Auditor's Report](#), which confirms that Aker Horizons' financial statements comply with applicable statutory requirements and give a true and fair view of the Company's and the Group's financial position. The [Alternative Performance Measures](#) section gives the definition of the measures Aker Horizons' refers to in the report, which come in addition to those required by the IFRS.

The [Corporate Governance Report](#) presents Aker Horizons' corporate governance principles and practices in accordance with the requirements in the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance.

The [Remuneration Report](#) has been prepared in accordance with section 6-16b of the Norwegian Public Limited Liability Companies Act and describes the principles for and the actual remuneration paid to the executives in Aker Horizons in 2023.

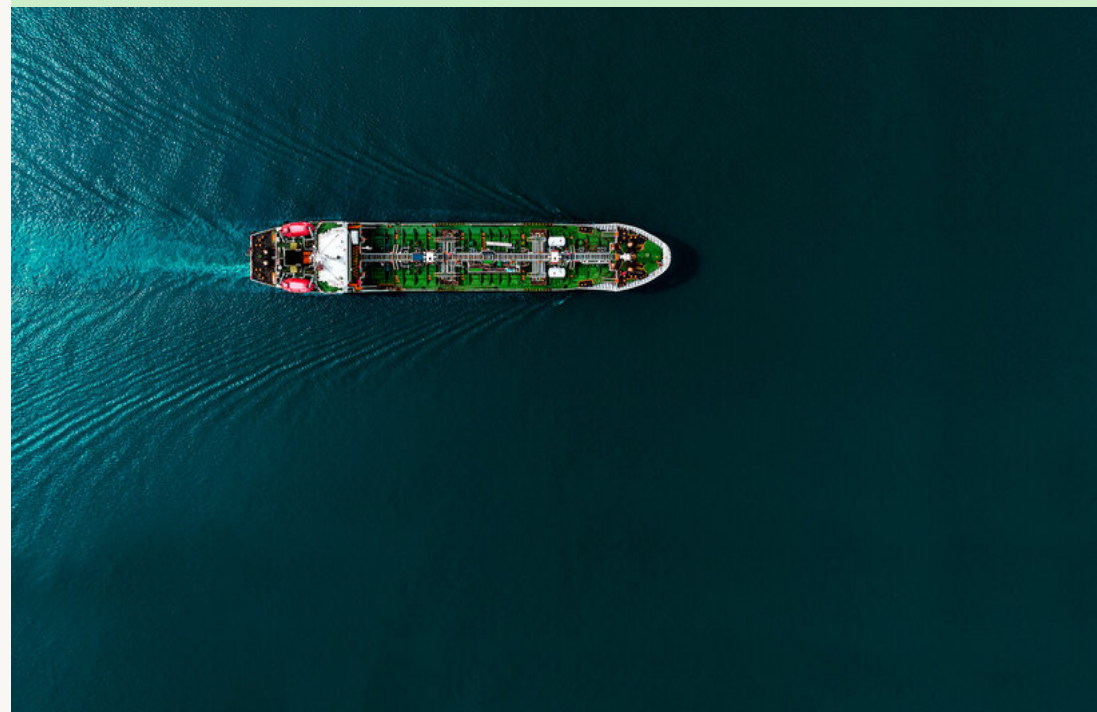
The [Green Financing Report](#) for 2023 has, where possible and relevant, been prepared in alignment with the 2021 version of the ICMA Harmonized Framework for Impact Reporting and the 2020 version of the NPSI Position Paper on Green Bond Impact Reporting.

The final section, [Transparent Reporting](#), gives further details on key aspects of this integrated report, including frameworks utilized, accounting principles, definitions, and guidance to reading the company sustainability summaries.

Aker Horizons' Annual and Sustainability Report for 2023 is available on [Aker Horizons' website](#).

Table of Contents

Aker Horizons in Brief	3
Shareholder Information	10
Board of Directors' Report	12
Board of Directors	25
Sustainability Strategy	26
Sustainability Progress Report	35
Financials and Notes	78
Auditor's Report	138
Alternative Performance Measures	141
Corporate Governance Report	143
Remuneration Report	148
Green Financing Report	154
Transparent Reporting	160
Appendix	173





Aker Horizons in Brief

Aker Horizons develops green energy and green industry to accelerate the transition to net zero emissions, while providing substantial value creation over time through active ownership. Aker Horizons is indirectly majority-owned by Aker ASA, a Norwegian industrial holding company listed on the Oslo Stock Exchange, through its subsidiary Aker Capital AS (Aker ASA or Aker).

Aker's Heritage

As part of the Aker group and its over 180-year industrial heritage, Aker Horizons combines in-depth industrial and capital markets expertise with a planet-positive purpose, which uniquely positions the Company to generate attractive returns from green investments. Aker's industrial and technological expertise enables us to be a driving force in the race to net zero emissions, and accelerate decarbonization and innovation.

Accelerating Net Zero

We know there is no silver bullet solution for reaching net zero emissions by 2050. It will require pulling every emissions reduction lever the world has at its disposal. The composition of Aker Horizons' portfolio reflects the solutions needed to decarbonize the world at scale. Our core areas consist of renewable energy, carbon capture and hydrogen. We develop industrial-scale decarbonization projects, taking an integrated value chain approach.

Sustainability

Sustainability underpins all our actions. Based on key international frameworks, our Sustainability Policy guides our environmental, social and governance (ESG) performance, shapes strategy, business development, investments and ambitions. It sets out specific commitments and requirements in relation to our planet-positive impact, respect for planet and people, good governance and prosperity for all. It also defines how Aker Horizons exerts active ownership and sets expectations for its portfolio companies, their supply chains and other relevant stakeholders. Our Sustainability Policy drives our long-term value-creation and ensures our planet-positive impact.

Active Ownership

As an active owner, Aker Horizons develops and strengthens its portfolio companies by driving strategy development, financing, restructuring and transactions, to ensure long-term sustainable value creation for all stakeholders. All our actions, across the Company and portfolio, are underpinned by ESG considerations and strong commitments to sustainable development. With the UN Sustainable Development Goals (SDG) and other international standards and frameworks at the core of its business, Aker Horizons is scaling future-fit solutions and technologies, contributing to sustainable development and driving a green transition.



Total Net Asset Value

NOK million, 31 December 2023

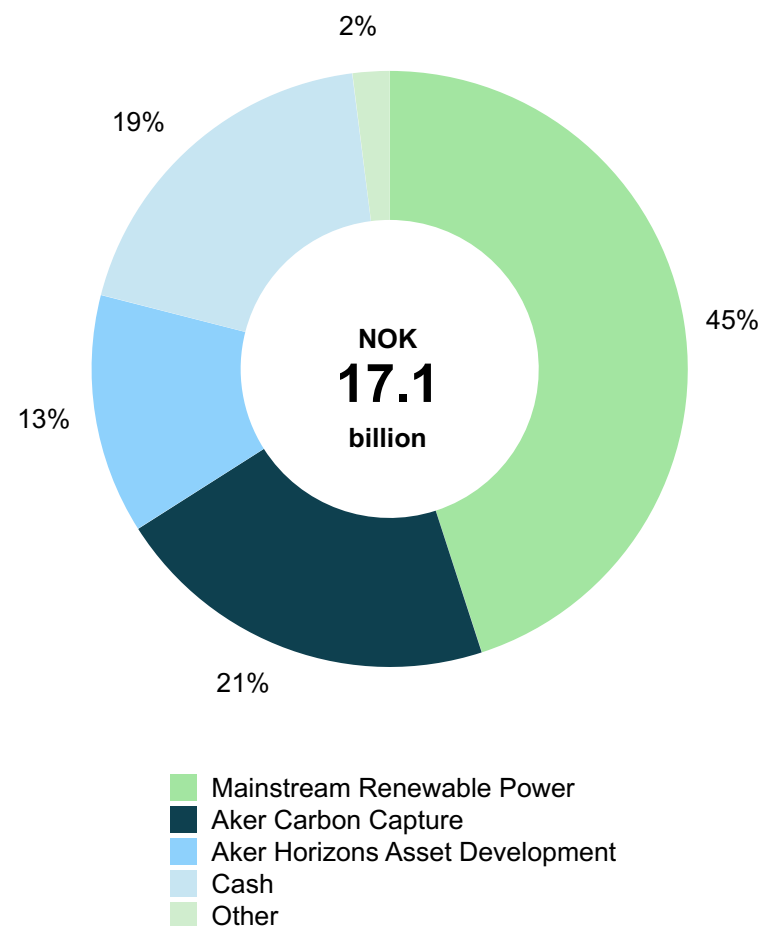
Holding	Shares outstanding (million)	Market capitalization or book value	Aker Horizons' ownership	Value to Aker Horizons
Aker Carbon Capture	604.2	8,206	43.3 %	3,551
Listed assets				3,551
Aker Horizons Asset Development			100.0 %	2,196
Mainstream Renewable Power			58.4 %	7,728
Other				342
Unlisted assets				10,266
Cash				3,317
GAV¹				17,133
Liabilities ²				-6,371
NAV				10,762

1. Gross asset value is the sum of all assets determined by applying the market value of listed shares and book value of other assets

2. Interest-bearing debt is recognized net of fees. For the convertible bond, NOK 348 million was recognized as equity at inception

Gross Asset Value Distribution

NOK billion, 31 December 2023





Our Portfolio Companies

Aker Horizons invests in and develops companies within green energy and green industry that make material contributions to reducing emissions and promoting sustainable living. We are active in renewable energy, carbon capture and hydrogen, and develop industrial-scale decarbonization projects.



Aker Horizons leverages the significant industrial, financial and technological capabilities of the Aker group to identify and develop opportunities, and to expand our portfolio of companies and projects. Each Aker Horizons portfolio company works to maximize value individually, with separate management teams and boards, but with strong, continuous support from Aker Horizons. This support ensures that activities are optimized across the entire value chain and capitalize on internal expertise in the broader Aker group.

All figures presented are as of year-end 2023. Where the report refers to the “Group” or “Group Companies,” this includes Aker Horizons’ financially-consolidated investees Aker Carbon Capture, Aker Horizons Asset Development and Mainstream Renewable Power (Mainstream Renewable Power or Mainstream). “Portfolio companies” also includes SuperNode. For further details, see the section [Transparent Reporting](#).



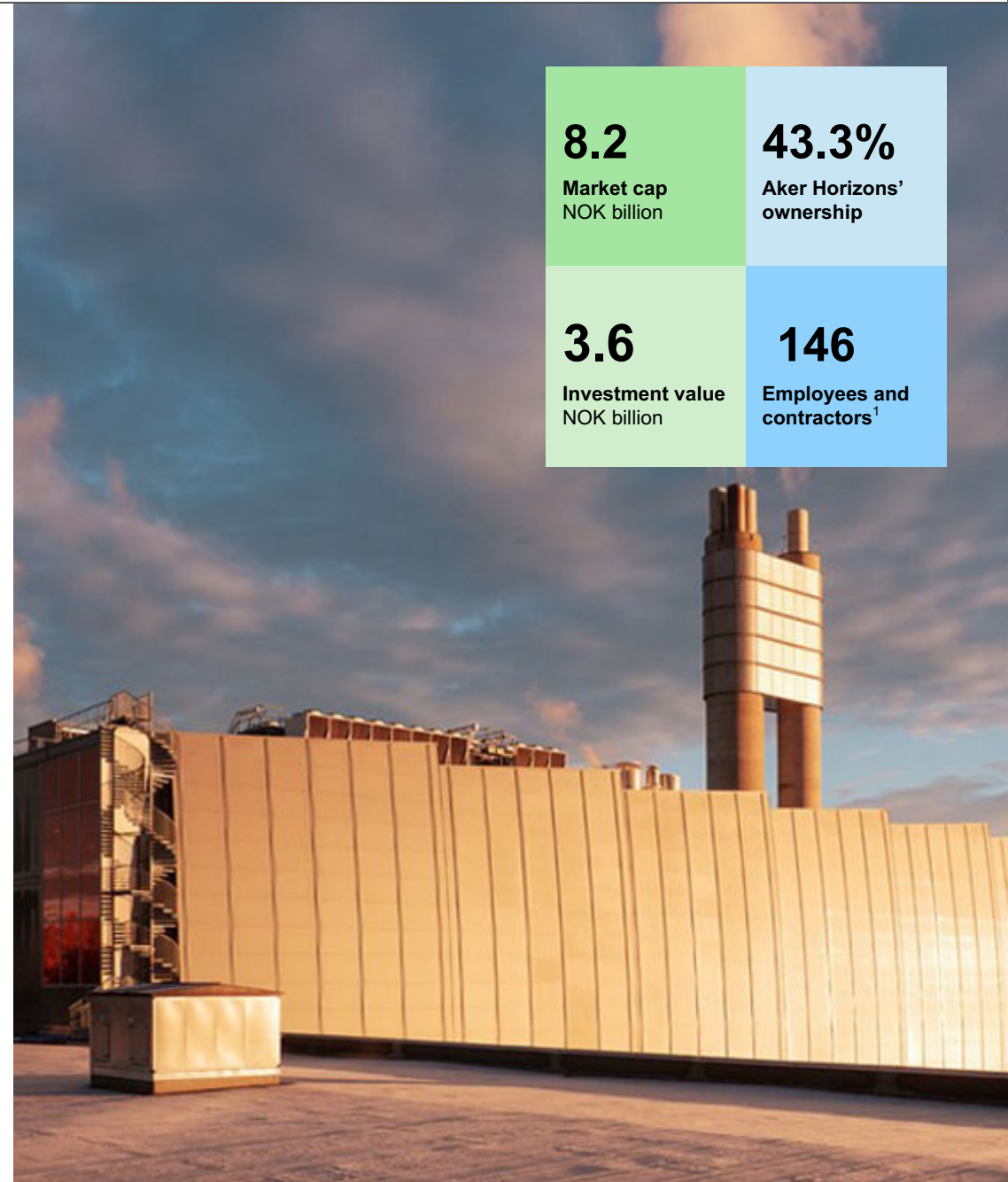
Aker Carbon Capture is a pure-play carbon capture company serving a range of industries with carbon emissions, including the cement, bio and waste-to-energy, gas-to-power and blue hydrogen segments. Aker Carbon Capture's proprietary and field-proven carbon capture technology offers modular and configurable capture units for reducing and removing CO₂ emissions.

2023 main developments

- Awarded large-scale carbon capture project in Denmark by Ørsted for the delivery of five Just Catch™ units, additional equipment such as liquefaction systems and temporary CO₂ storage and on-/offloading facilities, with an expected contract value of EUR 200 million
- Seven carbon capture plants currently under delivery: Twence CCU, Brevik CCS and Ørsted Kalundborg Hub CCS projects are the most mature large-scale carbon capture projects under construction in Europe
- Significant growth in pre-FEEDs and studies, with accumulated pipeline covering approximately 40 million tonnes of CO₂ capture per year across all categories of contracted work
- Signed a FEED contract with Hafslund Oslo Celsio to develop carbon capture at the waste-to-energy facility at Klemetsrud in Oslo, Norway. The contract will be delivered based on Just Catch™ 400 unit, with a design capacity to capture up to 400,000 tonnes of CO₂ per year
- Awarded a Process Design Package (PDP) to deliver design studies for a proposed post combustion carbon capture plant at Uniper's Grain power station in the Southeast of England
- Entered a Memorandum of Understanding with Aramco to explore partnership opportunities to deploy carbon capture, utilization and storage (CCUS) and industrial modularization in Saudi Arabia

1) Year-end count of all employees and contractors, FTE

8.2 Market cap NOK billion	43.3% Aker Horizons' ownership
3.6 Investment value NOK billion	146 Employees and contractors ¹



**58.4%**Aker Horizons'
ownership**7.7**Investment value
NOK billion**533**Employees and
contractors¹

Mainstream Renewable Power is a pure-play renewable energy company with a global footprint and a proven track record in onshore and offshore wind and solar power generation across Europe, South America, Africa and Asia-Pacific.

2023 main developments

- Reached 1.1 GW of fully operational wind and solar assets delivering power to the Chilean grid
- Concluded Mainstream's reorganization proceedings for the Energía companies, part of Mainstream's 1.4 GW Andes Renovables wind and solar platform in Chile, through an agreement reached with project finance and mezzanine lenders. The plan provides a sound financial foundation for the Condor and Huemul wind and solar portfolios
- Secured new corporate financing facility of up to USD 220 million from DNB, supported by shareholders
- Reached financial close on a 97.5 MW solar PV farm with 20-year Power Purchase Agreements (PPAs) with Sasol and Air Liquide in South Africa
- Awarded two onshore wind certificates in the Philippines that give the company exclusive rights to develop two wind farm sites with a total combined capacity of 440 MW
- Expanded Arven Offshore Wind project in Scotland by 500 MW to 2,300 MW through the acquisition of a 50 percent shareholding in Ocean Wind's holding company, which was awarded the site east of the Shetland Islands in 2022
- Initiated an organizational review, targeting 30 percent reduction in Mainstream's cost base, equivalent to more than EUR 45 million

¹⁾ Year-end count of all employees and contractors, FTE

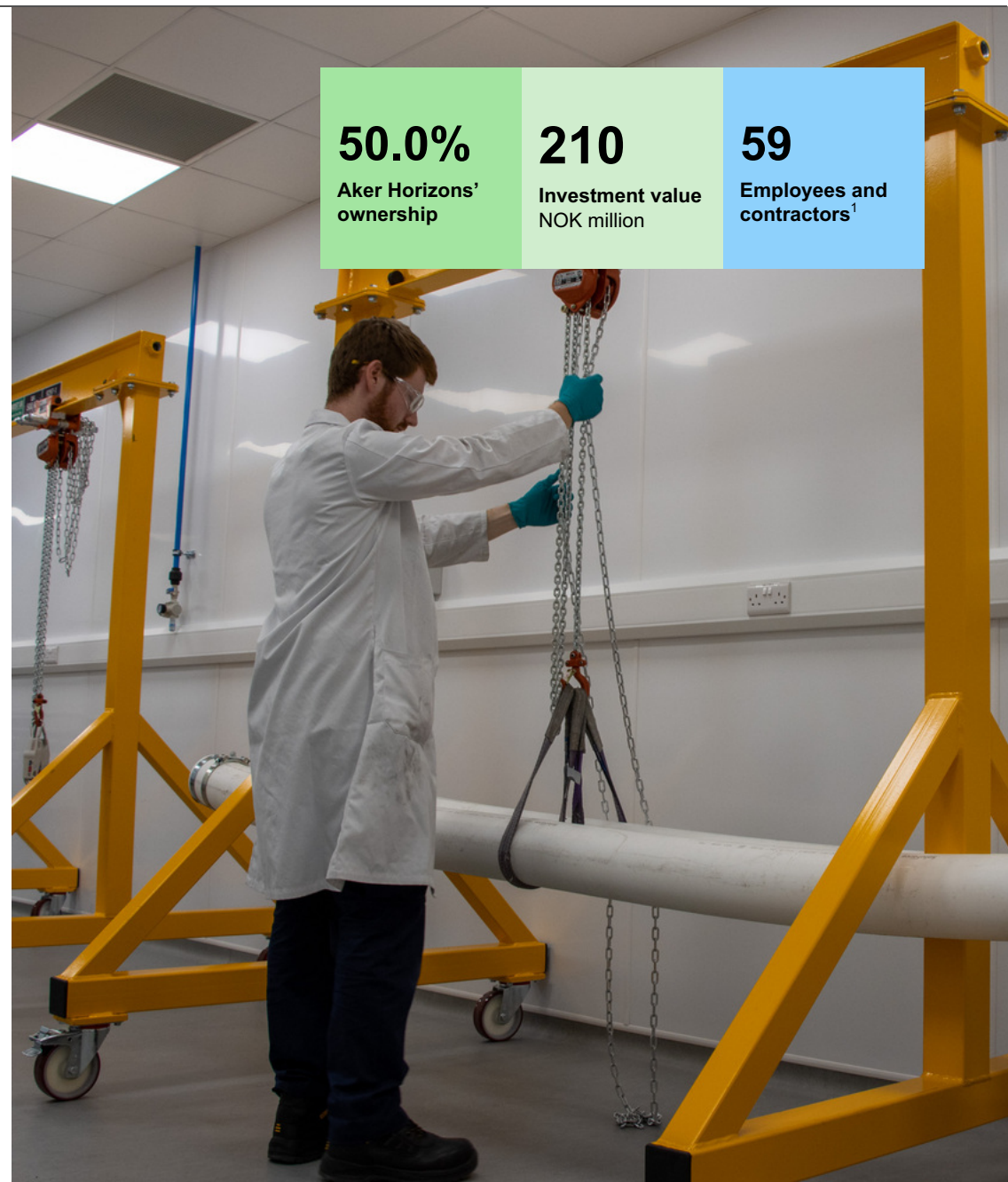


SuperNode is a global technology development company that designs and delivers superconducting systems to connect renewable generation and increase grid interconnection in mature markets.

2023 main developments

- Achieved all thermal and technical roadmap milestones on cable system prototypes at dedicated R&D facility in Dublin, leading to five new patents filed in core technology areas: cryostat, thermal management and joints system
- Forged significant partnerships with industry partners including the European Organization for Nuclear Research CERN, a Belgian Government-funded Superconducting Cable Consortium, and Theva, a German manufacturer of superconductor wire
- Signed letter of intent with National Grid for an early demonstration project of superconducting cable system at their innovation site in UK
- Secured R&D grant from IDA Ireland and the Irish Government
- Received EUR 16 million in additional funding from shareholders Aker Horizons and Volnay Unlimited for technology development

1) Year-end count of all employees and contractors, FTE





Aker Horizons Asset Development

Aker Horizons Asset Development is our wholly-owned asset development arm set up to originate, develop, own and operate industrial-scale hydrogen projects to meet growing demand for decarbonizing energy-intensive, hard-to-abate industries such as shipping, steel and fertilizers. Initial focus areas include green ammonia, green methanol and green iron.

2023 developments

- Secured off-take letter of intents with solid counterparties for approximately three times the planned production volume at the Narvik Green Ammonia project in Northern Norway
- Statkraft joined as industrial partner in Narvik Green Ammonia, demonstrating the attractiveness of the project and adding complementary capabilities
- Signed 10-year PPA agreement with Statkraft for Narvik Green Ammonia, securing significant amount of power needed for the project
- Awarded up to NOK 85 million in grants and up to NOK 50 million in green loan for the Rjukan green hydrogen project from Innovation Norway, the Norwegian Government's key instrument for supporting innovation and development of Norwegian enterprises and industry
- Narvik Green Ammonia and Berlevåg green hydrogen projects allocated 250 MW and 120 MW grid capacity respectively from Statnett, the Norwegian energy system's state-owned operator
- Concluded feasibility of both the blue hydrogen upstream production facility at Aukra and the pipeline solution to transport the hydrogen to Germany and further to the EU market





Shareholder Information

Aker Horizons is committed to maintaining an open dialogue with its shareholders, investors, analysts and the capital markets.

Our goal is for the share price to reflect the underlying value of the Company by making all price-relevant information available to the market. Aker Horizons works to create shareholder value over time.

Share capital

Aker Horizons has one class of shares. Each share carries one vote at the Company's general meeting. The shares are freely transferable pursuant to the Company's articles of association.

Aker Horizons' registered share capital as of 31 December 2023 was NOK 690.3 million, divided between 690,348,751 shares with a nominal value of NOK 1.00 each.

The shares are registered in the Norwegian Central Securities Depository (VPS) with DNB ASA as the account operator and issuer. The securities identification number for the share is ISIN NO0010921232.

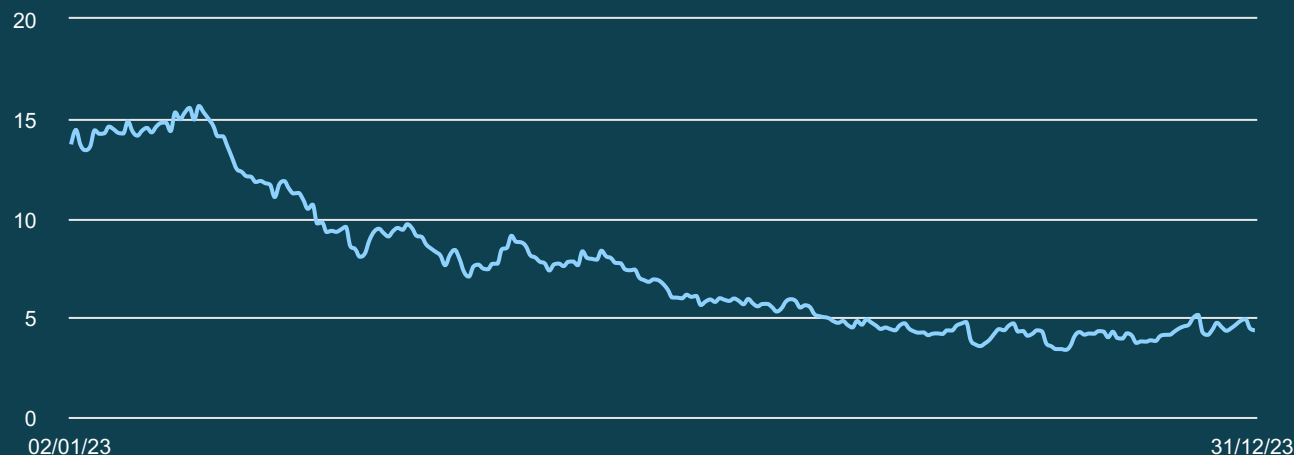
Stock market listing

Aker Horizons is listed on the Oslo Stock Exchange under the ticker AKH. Aker Horizons ASA's shares are registered with the VPS with the registration number ISIN NO0010921232.

The share price has varied between NOK 3.30 and NOK 16.00. At the end of 2023, the Company's market capitalization was NOK 3.0 billion. A total of 773.0 million shares were traded in 2023, corresponding to a turnover rate of 112.0 percent.

The Aker Horizons share was traded on all of Oslo Stock Exchange's trading days in 2023. The share was included in Oslo Stock Exchange's OSEBX index as of 31 December 2023.

Share performance



Shareholder structure

At the end of 2023, Aker Horizons had 37,431 shareholders. According to the shareholder register maintained by the Norwegian Central Securities Depository (VPS), non-Norwegian shareholders held 12.1 percent of the Company's shares as of 31 December 2023.

At the reporting date, Aker ASA (through its subsidiary Aker Capital) was the largest shareholder, holding 67.25 percent of Aker Horizons' shares, followed by Folketrygdfondet (the Government Pension Fund Norway) with 3.02 percent.

Option schemes

As of 31 December 2023, Aker Horizons had no share option schemes.

Investor relations

Aker Horizons seeks to maintain an open and direct dialogue with shareholders, debt holders, financial analysts and the stock markets in general.

The Company strives to ensure that all participants in the financial markets have equal and simultaneous access to accurate, clear, relevant and complete information about Aker Horizons' performance and market position, in order to give the financial markets a precise picture of the Company's financial position and other factors that may influence value creation in Aker Horizons.



The Company arranges regular presentations for, and meetings with, shareholders, analysts and investors.

All Aker Horizons' press releases, stock exchange notices and investor relations (IR) information are available on the Company's website, <https://www.akerhorizons.com/investors>.

This online resource also offers access to the Company's quarterly and annual reports, prospectuses, corporate presentations, articles of association, financial calendar, investor policy and corporate governance information.

Quarterly and annual reports

Aker Horizons' quarterly and annual reports are published electronically on the Company's website at the same time as they are released via the Oslo Stock Exchange distribution service, www.newsweb.no (Ticker: AKH).

The Company's financial reporting shall comply with the framework set out in the Oslo Stock Exchange Rule Book Part I and II. In addition, Aker Horizons shall comply with relevant recommendations and market practices for financial and other investor information.

Aker Horizons strives to follow the Norwegian Code of Practice for Corporate Governance, including the Code's principles of transparency and disclosure of relevant information. This implies that information should be available on Aker Horizons' website and other relevant places.

All information distributed to individual Aker Horizons shareholders is also made available on the Company website as well as under Aker Horizons' ticker-symbol ("AKH") on www.newsweb.com. To the extent Aker Horizons chooses to hold a presentation in connection with its quarterly financial reports, such presentations are open to investors, analysts and other stakeholders.

Aker Horizons seeks at all times to comply with the latest version of the "Oslo Stock Exchange Code of Practice for IR". Compliance with the code of practice is based on the "comply or explain" principle, which means that Aker Horizons' website explains any deviations from the code's provisions.

All written financial information is as a rule published in English. Aker Horizons is granted an exemption from the provisions of section 5-13 of the Norwegian Securities Trading Act, related to the requirement of disclosing information in Norwegian.

Nomination Committee

The Company's Nomination Committee has two members, Svein Oskar Stoknes (chair) and Ingebret Hisdal, and one deputy member, Charlotte Håkonsen.

Shareholders who wish to contact the Nomination Committee may do so using the following email address: svein.stoknes@akerasa.com.

Audit Committee

The Company's Audit Committee has one member, Lone Fønss Schrøder.

Annual General Meeting

In accordance with Norwegian law, the Annual General Meeting of the Company's shareholders is required to be held each year on or prior to June 30. Aker Horizons' annual general meeting is scheduled this year to be held on 17 April 2024. Written notification will be sent to all shareholders and shareholder nominees.

Meeting notices and attendance registration forms are sent to shareholders by the deadlines laid down in the Norwegian Public Limited Liability Companies Act, and made available on the Company's website and through the Oslo Stock Exchange distribution service. The annual report and other enclosures to the meeting notice are made available solely via the Company's website and the Oslo Stock Exchange distribution service.

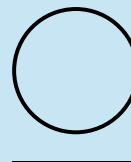
Shareholders who wish to receive the enclosures by post must contact the Company. Shareholders who are unable to attend the general meeting may vote on individual agenda items electronically via Aker Horizons' website during the pre-meeting registration period. Shareholders may change their votes or opt to attend the meeting in person throughout the registration period.

Shareholders may also vote by proxy. The Company has designed its proxy forms to allow shareholders to vote on (issue voting instructions for) individual agenda items. Procedures for electronic voting and the appointment of proxies with voting instructions are described in the meeting notice and on Aker Horizons' website.

The Company does not appoint an independent proxy to vote on behalf of shareholders. Aker Horizons considers that shareholders' interests are adequately safeguarded by permitting the participation of an appointed proxy or authorization of the meeting chair / Board Chair / other appointed representative to vote according to specific instructions.



Board of Directors' Report



Despite geopolitical instability, cost inflation, supply chain bottlenecks and higher borrowing costs impacting the pace of green industry development, 2023 brought with it a step change in renewable capacity additions and a surge in clean energy spending. At Aker Horizons, milestones were reached on major projects in the Company's portfolio, from Northern Norway to Chile. Aker Horizons' net asset value stood at NOK 10.8 billion at the end of 2023, compared to NOK 15.1 billion at year-end 2022. While the Company's market segments faced headwinds in 2023, Aker Horizons goes into 2024 benefiting from a favorable regulatory environment and strong political support for the energy transition in Europe and the US, and accelerating market activity in its core segments. Combined with available liquidity of NOK 8.9 billion, the Company has a unique opportunity to create value across key net-zero industries.



Introduction

Aker Horizons is dedicated to developing green energy and green industry to accelerate the transition to net zero emissions. The Company's aim is to reduce greenhouse gas emissions and promote sustainable living, while providing substantial value creation over time through active ownership.

Aker Horizons was established in November 2020, and is headquartered at Fornebu, Norway. Aker Horizons is 67.25 percent indirectly owned by Aker ASA through its subsidiary Aker Capital AS. Aker ASA is a Norwegian industrial investment company with a more than 180-year industrial history and ownership interests concentrated in energy and green technologies, industrial software, seafood and marine biotechnology. Aker Horizons is part of Aker's ecosystem, which provides an industrial edge through alliances across a range of disciplines, access to expertise within digitalization, operational and technical capabilities, and commercial synergies. Through its portfolio companies, Aker Horizons is present on five continents.

Aker Horizons' portfolio comprises both private and public companies. The Company has been listed on the Oslo Stock Exchange since May 2021.

Business model and strategy

Aker Horizons' overarching business model is to incubate and invest in companies within green energy and green industry, and subsequently grow and develop them to create value for Aker Horizons' shareholders.

Within its wholly-owned asset development business unit, Aker Horizons originates and develops industrial-scale hydrogen projects to meet growing demand for decarbonization from energy-intensive, hard-to-abate industries. Initial focus areas include green ammonia, green methanol and green iron.

Each portfolio company works to maximize value individually, with separate management teams and boards, but with strong support from Aker Horizons. This support ensures activities are optimized across the entire value chain and capitalize on internal expertise in the broader Aker group.

Aker Horizons' current portfolio secures established positions in verticals such as carbon capture and renewable energy, as well as hydrogen and its derivatives.

Grounded in eight selected Sustainable Development Goals (SDGs) and the ambition to accelerate the transition to net zero, Aker Horizons has established a framework for identifying opportunities that incorporates a broad set of defined investment criteria. The criteria include a strong growth outlook and profitability potential, a clear path to earnings and a unique capability set to address global sustainability challenges, in line with the SDGs. In addition, the companies and projects must play to the Aker group's strengths. Aker Horizons has access to dedicated in-house resources comprising a team of professionals that are key to realizing the company's strategy by offering a combination of financial, industrial and operational experience. The team works in close collaboration with the portfolio companies' executive managements.

“While the Company's market segments faced headwinds in 2023, Aker Horizons goes into 2024 benefiting from a favorable regulatory environment and strong political support for the energy transition in Europe and the US, and accelerating market activity in its core segments.





Key developments in 2023

2023 was characterized by market volatility, macroeconomic headwinds and geopolitical tensions heightened by the conflicts in Ukraine and the Middle East. While some of the pressures from the global energy crisis eased, the extreme volatility in the energy markets served as a continued reminder of the importance of affordable, reliable and resilient energy supply.

Aker Horizons' market segments were impacted by volatile commodity prices, supply chain pressures, higher borrowing costs and grid constraints, putting the clean energy industry under strain.

Despite these challenges, 2023 still saw a remarkable acceleration in renewable energy installations worldwide, reflecting both the energy crisis and the growing urgency of international efforts to combat climate change. Global investments in low-carbon energy technology climbed to a record high of USD 1.8 trillion, according to BloombergNEF. Renewable energy, which includes wind, solar, biofuels and other renewables, remained the largest sector in investment terms, with USD 673 billion in new investments in 2023, a 10 percent year-on-year increase.

Policy support for the energy transition, crucial to realize many early-stage solutions for decarbonization, also picked up pace. The US Inflation Reduction Act (IRA), which was passed into law in 2022, is enabling significant investments in clean energy technologies, helping to drive the up-scaling of green technologies like hydrogen and carbon capture. The European Union's (EU) Renewable Energy Directive – revised in 2023 and now referred to as RED III – set a target of 42.5 percent for the share of renewable energy sources in EU energy consumption by 2030, while the renewable hydrogen consumption target for industry was set at 42 percent. Furthermore, the European wind power package launched in October 2023, sought to address the challenges facing the wind energy sector and enable the achievement of the EU target of approximately 111 GW of offshore renewable generation capacity by 2030. The package included action to accelerate the permitting process, improvements to auction systems across the EU, access to finance and stable supply chains.



These measures set the scene for faster decarbonization across the EU region.

Aker Horizons' portfolio experienced several milestones in 2023. For example Ørsted awarded Aker Carbon Capture a contract for five Just Catch™ units and ancillary equipment, worth over EUR 200 million. Mainstream Renewable Power successfully completed the reorganization of its Condor and Huemul portfolios, part of the 1.4 GW Andes Renovables wind and solar platform in Chile. And Aker Horizons Asset Development joined forces with Statkraft on the Narvik Green Ammonia project in Narvik, Northern Norway.

At the close of 2023, Aker Horizons' portfolio was composed of holdings in Aker Carbon Capture, Mainstream Renewable Power and SuperNode, as well as the wholly-owned business unit Aker Horizons Asset Development.

Aker Horizons had a Net Asset Value (NAV) of NOK 10.8 billion as of 31 December 2023, compared to NOK 15.1 billion as of 31 December 2022. At year-end 2023, Aker Horizons had available corporate liquidity (cash and undrawn facilities) of NOK 8.9 billion, while its net debt position stood at NOK 3.0 billion. Aker Horizons' share price ended the year at NOK 4.40, down from NOK 12.90 at year-end 2022.



Company portfolio

Aker Carbon Capture

Aker Carbon Capture is a pure-play carbon capture company, serving a range of industries with carbon emissions, including the cement, bio and waste-to-energy, gas-to-power and blue hydrogen segments. Aker Carbon Capture's proprietary and field-proven carbon capture technology, which has been developed over the past two decades, offers a unique solution for reducing and removing CO₂ emissions that is also health, safety and environment friendly.

Carbon capture, utilization and storage (CCUS) will be critical if the world is to reach net zero emissions by 2050. For many industrial CO₂ emitters, CCUS is the only viable option to significantly reduce and remove emissions.



Aker Carbon Capture recorded an acceleration in market activity in 2023 across Europe and the US, with strong interest in the company's range of modular carbon capture facilities. The company further cemented its position in its core industries, such as waste-to-energy and biomass, while also entering new sectors like minerals production in the US and exploring new markets such as Saudi Arabia.

In May 2023, the company secured a contract with Ørsted with a total value of more than EUR 200 million, representing the company's largest order intake to date.

The contract with Ørsted includes the delivery of five modular Just Catch™ 100 units and ancillary equipment with a total design capacity to capture 500,000 tonnes of CO₂ per year. The delivery of five units is a milestone for Just Catch™ serial production, enabling scale-up and time-efficient deployment. Ørsted's Kalundborg CCS Hub project represents Denmark's first full carbon capture value chain, capturing biogenic CO₂. In addition to support from the Danish Energy Agency (DEA), the project has been enabled by the close collaboration between Ørsted, Aker Carbon Capture and Microsoft, which was established in March 2021. Microsoft will purchase several million tonnes of high-quality carbon removal credits from Ørsted, which represents one of the world's largest carbon removal off-take agreements by volume to date.

In December 2023, Aker Carbon Capture signed a FEED contract with Hafslund Oslo Celsio (Celsio) to deliver Norway's first carbon capture project at a waste-to-energy facility. The FEED contract, with a framework for a possible EPCIC, follows Celsio's cost reduction initiative for the Klemetsrud CCS project in Oslo. It will be delivered on the basis of Aker Carbon Capture's modularized Just Catch™ 400 unit, with a design capacity to capture up to 400,000 tonnes of CO₂ per year. Celsio is targeting a Final Investment Decision (FID) in the summer of 2024.

Also in December 2023, Uniper awarded Aker Carbon Capture a Process Design Package (PDP) to deliver design studies for a proposed post-combustion carbon capture plant at their Grain power station in the Southeast of England. Uniper's Grain Carbon Capture project is a proposal to retrofit post-combustion carbon capture technology on up to three of the existing Combined Cycle Gas Turbine (CCGT) units at the site, with the potential to capture over 2 million tonnes of CO₂ per year. If Uniper selects Aker Carbon Capture as technology licensor at the end of the PDP process, the next step will be to move to the front-end engineering and design phase ahead of a FID, which is expected to be taken by Uniper in the mid-2020s.

Overall, Aker Carbon Capture's pipeline of paid FEEDs, pre-FEEDs, Mobile Test Unit (MTU) campaigns and studies

increased by around 20 million tonnes of CO₂ captured per year in 2023. For its bespoke Big Catch offering, the company was awarded a pre-FEED by a major European power company, covering several electricity generation facilities in Europe with a capture potential of up to 14 million tonnes of CO₂ in the fourth quarter 2023. The company was also awarded studies in Germany, Switzerland, France and Finland, and a feasibility study to develop a joint power-to-fuel solution together with MAN Energy Solutions. All these studies are based on the company's Just Catch offering.

The adoption of standardized and modularized solutions will help to drive scale through cost-efficient developments with optimized energy consumption and delivery time.

In July 2023, Aker Carbon Capture signed a Memorandum of Understanding (MoU) with Aramco, one of the world's leading integrated energy and chemicals companies, to explore partnership opportunities to deploy CCUS and industrial modularization in Saudi Arabia. The MoU is a potential first step for Aker Carbon Capture into the Middle East.

The company's key projects continued to progress. By year-end, they constituted the most mature large-scale carbon capture projects under construction in Europe. At year-end 2023, Aker Carbon Capture was delivering seven carbon capture units: five Just Catch™ 100 units to Ørsted, one Just Catch™ 100 unit to Twence and a Big Catch™ delivery to Heidelberg Materials at Brevik.

In Norway, Aker Carbon Capture made solid on-site progress at the Brevik CCS project, the world's first large-scale carbon capture project at a cement facility, where it successfully completed the first heavy lift campaign. The absorber, all CO₂ storage tanks and key modules have now been installed on site.

At Twence's waste-to-energy facility in Hengelo, the Netherlands, the project progressed according to schedule and the carbon capture plant was mechanically complete by early 2024. Commissioning continued in the first quarter of 2024, which is the final step before CO₂ can be captured by



the Just Catch™ 100 unit and transported for use at greenhouses in the region to boost yield growth. The delivery of the modular Just Catch™ for Twence's waste-to-energy facility will pave the way for other companies in Europe planning to decarbonize their operation through CCUS.

At the Ørsted Kalundborg CCS project, all critical purchase orders had been placed by year's end and the container fabrication had been initiated. In December 2023, the project broke ground, marking the start of the construction phase.

Aker Carbon Capture had accumulated a pipeline covering approximately 40 million tonnes of CO₂ captured per year across all categories of contracted work by year end 2023. The company's order backlog increased to NOK 2.6 billion, up from NOK 1.3 billion year-on-year.

The Aker Carbon Capture share rose 17 percent during the year, closing at NOK 13.58, up from NOK 11.56 a year earlier.

Mainstream Renewable Power

Mainstream Renewable Power is a global pure-play renewable energy company, specializing in the development of major platforms across onshore wind, offshore wind, and solar power. With a mission to lead the global transition to renewable energy, it has a project portfolio of over 20 GW across Europe, South America, Africa and Asia-Pacific. At the close of 2023, it had 1.3 GW either in operation and under construction. During the year, Mainstream constructed 0.3 GW of renewable energy, and achieved significant progress with new prospects and projects across its markets.

Mainstream is one of Chile's largest renewable energy companies, where it has a 2.9 GW project portfolio, including the Andes Renovables hybrid wind and solar platform. In 2023, the company reached a milestone 1.0 GW of wind and solar assets delivering power to the Chilean grid.

Challenging market conditions have impacted companies in Chile's power sector, including Mainstream, since 2022. The Chilean power system is under severe stress due to the lack of flexibility of the transmission system and the structure of the Chilean power market. Mainstream's diversified portfolio, with both wind and solar power production in the north and

south of the country, is designed to mitigate system risk. However, this has not been sufficient to prevent Mainstream being adversely affected, as Chile's grid capacity limitations, weaker hydrology and higher international fuel prices led to increases in system costs and pricing volatility. In 2023, the company implemented a mitigation strategy, which included the termination of the Ckhuri PPA and the temporary withdrawal of the Caman project from the spot market, as well as commencing a debt reorganization process in the Andes Renovables portfolio. In addition to this, Mainstream has been actively addressing market inefficiencies directly with the Regulator and the Energy Ministry, as well as through industry associations in Chile.

In early 2023, certain technical Events of Default in the Andes Renovables portfolio occurred relating to operational matters in the loan facilities.

In July 2023, as a consequence of a series of distortions affecting the Chilean electricity market, Mainstream initiated a judicial reorganization of two of its companies in Chile: Huemul Energía and Condor Energía ("the Energía companies"), which are part of the Andes Renovables portfolio. The proceedings were initiated in order to restructure the asset and capital base, renegotiate the financial liabilities, and to allow for an injection of new capital into the Energía companies.

In November 2023, Mainstream announced the successful conclusion of the proceedings for the Energía companies, when an agreement was reached with the project finance and mezzanine lenders.

The reorganization provides a stable financial foundation for the Energía companies to mitigate the prevailing market volatility until the anticipated reform of the regulated market comes into effect. The agreement involved renegotiated terms for approximately USD 1.0 billion in project senior debt, which included a deferral period for interest until the third quarter of 2026, and a deferral of principal payments until 2027 for Condor and 2029 for Huemul, in addition to other concessions. Mainstream committed to inject USD 145 million into the Energía companies through a Payment-In-Kind (PIK) interest-bearing debt instrument at 6 percent, maturing in 2035. The PIK debt instrument is junior to the project finance

debt but senior to the mezzanine debt. In agreement with the lenders, approximately USD 150 million in proceeds from interest swap termination was made available to Mainstream to repay project-level debt and provide liquidity for Condor and Huemul.

The existing mezzanine debt related to Condor and Huemul was restructured, with its interest converting to PIK interest and its maturity extended to 2035. The mezzanine debt for Condor and Huemul was re-negotiated and converted from a principal of USD 269 million to USD 100 million, while the existing mezzanine debt related to Copihue will remain with the terms also renegotiated to apply PIK interest and mature in 2035. As part of the negotiations, funds managed by affiliates of Ares Management, the mezzanine lenders, will hold a 10 percent equity interest in the Andes Renovables platform.

Also as part of the reorganization, Mainstream secured a new corporate finance facility of up to USD 220 million, backed by shareholders.



Elsewhere in the business, Mainstream delivered on its strategic plan to divest part of its African portfolio. In 2022, the company signed an agreement to sell its shares in Lekela Power, Africa's largest independent pure-play renewable energy producer, to Infinity Group. The transaction closed in March 2023 and generated proceeds to Mainstream of approximately USD 90 million. This equated to an enterprise



value of approximately USD 1.5 billion, making it Africa's largest renewable energy transaction.

In South Africa, Mainstream reached financial close on a 97.5 MW solar PV farm, which has 20-year Power Purchase Agreements (PPAs) with Sasol and Air Liquide, in November. The project entered the construction phase in 2024 and is on track to be operational in 2025. The Sasol and Air Liquide agreements pave the way for future products to private customers in South Africa through Renewable Energy Supply Agreements, which are shorter term and more flexible.

In the Philippines, the 50 MW Cam Sur onshore wind power project, in partnership with AboitizPower, was awarded a tariff in the Green Energy Auction Program and is targeted to start construction in 2024. In addition to this, Mainstream was awarded two onshore wind power certificates that give the company exclusive rights to develop two wind farm sites with a total combined capacity of 440 MW, both of which have already commenced early-stage development activities.

In Australia, Mainstream is pursuing both an onshore and offshore strategy given the country's wealth of renewable energy resources combined with a supportive government in the transition to renewables. In 2023, Mainstream secured attractive greenfield development sites for 1.5 GW across two locations in Queensland, which are moving into the lease stage in 2024.

Mainstream's offshore wind power portfolio grew as the company partnered with Ocean Winds to develop a second floating offshore wind farm, with a capacity of 500 MW, off the Shetland Islands in Scotland. This is in addition to the 1.8 GW floating offshore wind power seabed lease the partnership signed with the Crown Estate Scotland in 2022.

In South Korea, KF Wind's draft Environmental Impact Assessment (EIA) report was approved by stakeholders and authorities in June 2023, and its final EIA report was submitted. The approval of the report is expected later in 2024.

At the end of March 2023, the Norwegian government officially opened the application window for the country's first

offshore wind power auction. Mainstream, along with its consortium partners Statkraft and Aker BP, have prequalified for the fixed-bottom Sørlege Nordsjø II project in the North Sea. For Utsira Nord, which is a floating offshore wind area, Mainstream and its partners Ocean Winds and Statkraft are awaiting an updated application timeline from the Norwegian Ministry of Energy.

In Sweden, Mainstream's offshore joint venture with Hexicon, Freja Offshore, submitted three planning applications for floating wind farms totaling up to 7 GW, located in Swedish waters in the Baltic Sea.

In Australia, Mainstream, together with its consortium partners Reventus Power, AGL and DIRECT Infrastructure, submitted a feasibility license application for a 2.5 GW offshore wind development off the coast of Victoria in May 2023.

In response to the challenges impacting the renewable energy sector globally, and having sustained financial losses due to the market distortions in Chile, Mainstream initiated an organizational review in the third quarter to reduce costs and to reprioritize the development portfolio. The implementation of the program will result in Mainstream prioritizing 10 GW of projects across its pre-development and development pipeline, focusing on the projects which have the greatest near-term value creation potential and enable more consistent capital recycling. Mainstream is targeting a 30 percent reduction in its cost base and aims to deliver an expected annual saving of more than EUR 45 million.

Aker Horizons Asset Development

Aker Horizons' wholly-owned asset development arm was established following the merger between Aker Horizons and Aker Clean Hydrogen in June 2022. The business unit was set up to originate, develop, own and operate industrial-scale hydrogen projects to meet growing demand for the decarbonization of energy intensive, hard-to-abate industries such as shipping, steel and fertilizers.

In 2023, Aker Horizons Asset Development benefited from positive commercial and regulatory developments. The unit's projects are progressing with a primary focus on the green hydrogen project in Rjukan, Eastern Norway, and the green ammonia project in Narvik, Northern Norway.



The Rjukan project is an important frontrunner in Aker Horizons Asset Development's portfolio, serving as a blueprint for the business unit's larger projects. The facility will utilize existing infrastructure and industrial land, enabling early start-up due to available power at the site. The 20-40 MW project remains focused on supplying clean hydrogen to industries and transportation in South-East Norway and beyond. In May 2023, the Rjukan project was awarded up to NOK 85 million in grants and up to NOK 50 million in a green loan from Innovation Norway, the Norwegian Government's key instrument for supporting innovation and development of Norwegian enterprises and industry.

The Company signed an MoU with a large industrial gas player for off-take and equity in the project in the fourth quarter and aims to commence the FEED phase of the project in the first half of 2024.

In Narvik, Aker Horizons Asset Development is developing a large-scale green ammonia facility with an installed electrolyzer capacity of up to 600 MW. Narvik Green Ammonia aims to be one of the first large-scale green ammonia production facilities in Europe, with an estimated production of 1,000-1,500 tonnes per day.

The hydrogen and ammonia plant will be located in Skoglund, close to Narvik, with access to substantial grid capacity in Kvandal, just one kilometer away. The produced ammonia will be transported by a tunneled pipeline down to a storage and export facility by the sea.



In May, the Company signed a Letter of Intent (LOI) with the German gas group VNG to supply up to 200,000 tonnes of green ammonia per year from Narvik from 2028. The ammonia will be shipped to terminals in Germany, where VNG will distribute it to its customers as ammonia or hydrogen. The off-take backlog supported by LOIs for Narvik Green Ammonia exceeded three times the planned production volume by the end of 2023, showcasing strong demand for green ammonia in continental Europe.

In June, Aker Horizons signed a long-term PPA with Statkraft for the project, securing a significant amount of the renewable power required for the plant. The agreement covers the plant's first 10 years of operations, from commencement in 2028. In October, Statnett allocated 250 MW of grid capacity to Kvandal through Nordkraft Industrinett AS. The allocation ensures that Narvik Green Ammonia has sufficient grid capacity for daily production of up to 1,000 tonnes of green ammonia per day. Initial civil and electrical engineering works to prepare for industrial development have been completed at Kvandal, making the site construction ready.

In October, it was announced that Statkraft had joined Narvik Green Ammonia as an industrial partner, adding significant expertise on power markets, grid and project development to the project. The team from Statkraft and Aker Horizons is developing the project together, with the aim of establishing a jointly-owned company upon reaching decision gate 2 for the project in 2024, which will initiate the FEED-phase of the project. The Company aims to reach a FID for the project in 2025.

Aker Horizons Asset Development continued to mature the rest of its project portfolio throughout the year, including the large-scale blue hydrogen project in Aukra, North-West Norway, and the green hydrogen and ammonia project in Berlevåg, Northern Norway. At Aukra, Aker Horizons Asset Development welcomed the establishment of a joint task force by the Norwegian and German governments to follow up the feasibility study on a dedicated hydrogen pipeline between the west coast of Norway and Germany. The shared objective is to ensure a large-scale supply of hydrogen from Norway by 2030. The Berlevåg project was allocated 120 MW grid capacity from Statnett in October 2023, through Barents Nett AS. The capacity will be available when the new 420 kV

power line to Seidafjellet is completed. The award is a key step towards realizing large-scale green ammonia production in Berlevåg.



SuperNode

SuperNode is a cutting-edge global technology development company that designs superconducting cable systems to connect renewable generation and increase grid interconnection. Aker Horizons owns 50 percent of the voting shares in SuperNode.

In 2023, SuperNode achieved all thermal and technical milestones on cable system prototypes at its R&D facility in Dublin, leading to five new patents filed in core technology areas: cryostat, thermal management and joints system.

SuperNode forged significant partnerships with industry players, including the European Organization for Nuclear Research CERN, a Belgian government-funded superconducting cable consortium, and Theva, a German manufacturer of superconductor wire. A letter of intent (LOI) was signed with the UK's National Grid for an early demonstration project for a superconducting cable system at its innovation site.

SuperNode secured an R&D grant from IDA Ireland and the Irish Government for its High Temperature Superconductor ("HTS") prototype development program. It also received EUR

16 million in additional funding from shareholders Aker Horizons and Volnay Unlimited for technology development. Over the course of 2023, the organization grew to a headcount of more than 60 people.

Subsequent events

In January 2024, Aker Carbon Capture signed a Memorandum of Understanding (MOU) with MAN Energy Solutions to jointly pursue opportunities related to CCUS and CO₂ compression in the North American market. The agreement leverages MAN's expertise in compressor technology and system integration, as well as Aker Carbon Capture's proven amine technology and carbon capture products.

On 1 February 2024, Kristoffer Dahlberg replaced Nanna Tollefsen as chief financial officer (CFO) for Aker Horizons. Dahlberg came from the position of CFO of Aker Horizons Asset Development and has extensive experience throughout the Aker group, including as CFO of Aker Clean Hydrogen and VP Business Controlling at Aker BP.

In February 2024, Aker Carbon Capture announced the award of a feasibility study by Nordbex AB, a Swedish developer of modular carbon negative power plants, for the integration of two Just Catch™ 100 carbon capture units into an electric power generation project in southern Sweden. In addition, it was commissioned to perform a study for a European developer to assess the feasibility of integrating carbon capture at multiple biomass and waste-to-energy facilities. Aker Carbon Capture was also awarded a carbon capture test campaign by CO280 Solutions and a leading US pulp and paper company, for an undisclosed site on the US Gulf Coast.

Financial performance

Presentation of annual accounts

Aker Horizons' annual accounts consist of the consolidated financial statements and the separate financial statements of the parent company. Pursuant to section 3-3a of the Norwegian Accounting Act, it is confirmed that the accounts have been prepared on the assumption that Aker Horizons is a going concern and the Board confirms that this assumption continues to apply.



Group accounts

The main companies included in Aker Horizons' consolidated accounts are Mainstream Renewable Power, Aker Carbon Capture and Aker Horizons Asset Development. SuperNode is accounted for as equity-accounted investees.

Income statement

The Group had operating revenues of NOK 3.6 billion in 2023, compared to NOK 2.4 billion the previous year. The increase mainly reflects increased activity at Aker Carbon Capture's Brevik and Ørsted CCS projects and Twence CCU projects, but also increased revenues in Mainstream as more plants in the Andes portfolio in Chile have come into operation in 2023. The Group also reported NOK 198 million in other income, which mainly reflects a gain on the disposal of the shareholding in Lekela Power.

Total operating expenses came in at NOK 5.9 billion in 2023, compared to NOK 5.1 billion in 2022. The increase reflects higher activity in Aker Carbon Capture and a write-down of NOK 0.4 billion on capitalized development costs and receivables in Mainstream. The Group made an operating loss before depreciation, amortization and impairment (EBITDA) of NOK 2.1 billion compared to a loss of NOK 795 million in 2022.

In 2023, depreciation and amortization amounted to NOK 643 million, an increase of NOK 149 million from 2022. This is mainly due to more projects coming into operation in Chile during 2023. In addition, an impairment of NOK 5.8 billion (NOK 5.2 billion net of tax) was recognized in the year on assets allocated to the Andes portfolio in Chile, reflecting adverse market conditions (see Note 12 Impairment for more information).

Net financial items totaled NOK 1.5 billion in 2023, compared to negative NOK 804 million in 2022. The increase is mainly explained by gains related to the refinancing of debt in Mainstream of NOK 3.6 billion, including NOK 1.3 billion of net gain related to the termination of interest rate swaps. See Note 19 Borrowings in the consolidated accounts for more information. Higher interest rates offset the gain by NOK 0.3 billion.

Profit (loss) from equity-accounted investees ended with a profit of NOK 159 million, compared to a loss of NOK 152 million in 2022. The profit is mainly related to the sale of Lekela Power, amounting to NOK 320 million, partially offset by losses in other JVs.

Income tax for the period ended at negative NOK 0.4 billion in 2023. NOK 0.8 billion relates to tax on accounting gains related to refinancing of debt, offset by NOK 0.5 billion in reversals of deferred tax liabilities on the intangible assets that were impaired in Chile.

The Group made a pre-tax loss of NOK 6.9 billion in 2023, compared with a loss of NOK 5.2 billion in 2022.

Earnings per share ended at negative NOK 6.49, compared to negative NOK 4.03 in 2022.

Balance sheet

The Group's total assets amounted to NOK 27.2 billion as of 31 December 2023, compared to NOK 37.3 billion at year-end 2022. Total non-current assets ended at NOK 17.3 billion, reduced from NOK 23.8 billion in 2022, mainly due to the recognition of impairments on assets in the Andes Renovables platform and the termination of interest rate swaps related to project financing, both related to Mainstream's activity in Chile.

Current assets totaled NOK 9.9 billion as of 31 December 2023, down from NOK 13.6 billion a year earlier. The change is mainly due to a decreased cash position as a result of the repayment of borrowings and operating losses. The cash position ended the year at NOK 7.0 billion, of which NOK 1.5 billion is restricted, mainly related to construction activity in Chile.

Current liabilities amounted to NOK 2.4 billion, while non-current liabilities totaled NOK 18.7 billion at year-end 2023. The corresponding figures for 2022 were NOK 3.0 billion and NOK 20.7 billion, respectively. The Group's interest-bearing debt amounted to NOK 17.4 billion as of 31 December 2023, of which NOK 48 million is current, compared to total borrowings of NOK 20.0 billion at the end of 2022. The reduction in borrowings is mainly related to repayments of

project financing as well the reduction in Mezzanine debt as a result of the debt restructuring in Chile.

The Group's equity ratio was 22.7 percent at the end of 2023, compared with 36.5 percent at the end of 2022.

Cash flow statement

The Group's cash balance stood at NOK 5.5 billion as of 31 December 2023, net of restricted cash. This is down by NOK 3.2 billion from year-end 2022. The Group's net cash flow from operations amounted to negative NOK 1.3 billion in 2023, compared to negative NOK 3.7 billion in 2022. The change mainly reflects proceeds from the termination of interest rate swaps totaling NOK 1.8 billion as well as improved results from power production in Chile.

Net cash flow from investment activities totaled negative NOK 123 million in 2023, against positive NOK 148 million in 2022. Capital expenditure ended at NOK 1.3 billion in 2023, offset by proceeds from the sale of Lekela, which contributed NOK 1.0 billion. NOK 340 million was invested in joint ventures during 2023.

Net cash flow from financing activities amounted to negative NOK 1.8 billion in 2023, reflecting the repayment of borrowings in Chile.

Aker Horizons ASA's accounts

The parent company, Aker Horizons ASA, made a loss for the year of NOK 4.9 billion, compared to a loss of NOK 420 million in 2022. Net finance costs of NOK 4.9 billion relate mainly to impairment on shares in subsidiaries of NOK 4.6 billion and net interest expenses on borrowings of NOK 0.5 billion.

Assets totaled NOK 18.2 billion and equity amounted to NOK 10.5 billion at the end of 2023. This represents a 58 percent equity ratio at the end of 2023, down from 70 percent in 2022.

The parent company had no research and development activities in 2023. The Group's R&D activities are presented in the annual reports of the respective operational portfolio companies.

**Allocation of loss and dividend in Aker Horizons ASA**

The Board of Directors has not proposed a dividend payment for 2023. The net loss for the year of NOK 4.9 billion is allocated to retained earnings.

Management model, corporate governance, control and compliance

Good corporate governance provides the foundation for long-term value creation, for the benefit of shareholders, employees and other stakeholders.

Aker Horizons is a public limited liability company organized under Norwegian law and with a governance structure based on Norwegian corporate law, other regulatory requirements and the guidelines issued by the Norwegian Corporate Governance Board (the Norwegian Code of Practice for Corporate Governance). Aker Horizons is subject to annual corporate governance reporting requirements under section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance, see section 4.4 of the Oslo Stock Exchange Rule Book II, rules for issuers listed on the Oslo Stock Exchange.

Aker Horizons' Board of Directors consists of four members, one of whom represents Aker ASA. Half of the shareholder-elected board members are independent of executive personnel and material business associates. The Chair of the Board is elected by the General Meeting. The Company's Audit Committee comprises one independent board member.

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

The Aker Horizons Board establishes the overall principles for governance and control in Aker Horizons through the adoption of governing documents. For issues of importance and with portfolio-wide relevance, Aker Horizons ensures that relevant

governing documents are implemented in the portfolio companies, within the framework of Aker Horizons' own governing documents. For example, Aker Horizons' Code of Conduct also expresses Aker Horizons' expectations with respect to the portfolio companies' codes of conduct. The same is true for areas such as anti-corruption and sustainability.

Aker Horizons' corporate governance principles are based on the Norwegian Code of Practice for Corporate Governance. The Company's practice is largely in accordance with these recommendations. The annual statement on corporate governance for 2023 has been approved by the Board of Directors and can be found in the [Corporate Governance Report](#) in this annual report.

Board of Directors' activities

The Board prepares an annual plan for its work, which includes recurring key topics, such as strategy review, investment planning, risk and compliance oversight, financial reporting and budget review. The Board annually evaluates its own performance and collective expertise. Aker Horizons' Board of Directors held nine meetings in 2023, and its Audit Committee met six times. Board meeting attendance averaged 94 percent.

Further information on the mandate and work of the Board of Directors and Audit Committee can be found in the Corporate Governance Report. Board members' shareholdings and remunerations are presented in the [Remuneration Report](#).

Business and society

Aker Horizons is a planet-positive developer of green energy and green industry that aims to create value for customers, shareholders, employees, partners and society at large by developing and scaling companies that solve fundamental challenges to sustainable existence. As such, sustainability is at the core of Aker Horizons' mission and business operations.

Sustainability comprises Environmental, Social and Governance (ESG) factors and relates to how Aker Horizons creates long-term value by implementing strategies that

incorporate ESG dimensions. These include environmental topics, such as biodiversity and circularity; social topics, such as human rights and local community impacts; and governance matters, such as responsible business conduct. Aker Horizons has identified its most material topics through a materiality assessment, a key building block in Aker Horizons' sustainability work.

Aker Horizons' Board of Directors has adopted the Sustainability Policy that guides the Company's business strategy, investment decisions and exercise of its ownership interests. In its role as owner, Aker Horizons is committed to ensuring that its portfolio companies have processes, solutions and products that are planet-positive and contribute to sustainable development, thereby providing long-term value creation for all stakeholders.

Aker Horizons aims to be an attractive employer and a preferred partner for business associates, as well as a respected member of society and corporate citizen. Aker Horizons' most important contribution to society is to solve fundamental problems relating to sustainable existence and create value by developing future-oriented companies that are run in a responsible manner. Sustainability and profitability are prerequisites for achieving these goals.

Aker Horizons is committed to safeguarding human rights and decent labor conditions, and has taken a number of steps to ensure that its human rights due diligence processes are robust. Aker Horizons commitment to protecting human rights and decent labor conditions and its strategy for protecting human rights is described in the chapter on Aker Horizons approach to Sustainability. A summary of Aker Horizons' assessment of human rights risks in its operations, its business partnerships and supply chains, as well as its human rights due diligence and related efforts pursuant to the Transparency Act, including potential and real impacts on human rights and decent labor conditions, is included in the Sustainability Report

The operating portfolio companies each publish separate accounts of how they work in the areas of sustainability and ESG, and how they impact and are impacted by the external environment. Aker Horizons' annual report also describes in detail Aker Horizons' and its portfolio's strategy, progress and



performance with respect to ESG indicators across its own operations and supply chain. For further information, see the sections [Sustainability Strategy](#), [Sustainability Progress Report](#), [Transparent reporting](#), and [Appendices](#), which include [EU Taxonomy](#) and [TCFD](#) reporting requirements.

People

Aker Horizons relies on a specialized and highly-skilled organization. Attracting and retaining talented employees is therefore key to realizing the Company's goals and strategy.

At year-end 2023, a total of 683 employees worked for companies in which Aker Horizons was the main shareholder, compared to 977 employees at year-end 2022. The decrease is due to the organizational restructuring of Aker Horizons Asset Development and Mainstream Renewable Power. The proportion of women employees remained at 35 percent across the portfolio of companies. The total workforce stood at 792 full-time equivalents (FTE), including all employees and contract staff, at year-end 2023.

Aker Horizons, including Aker Horizons Asset Development, consisted of 51 employees and four FTE contract staff at year-end 2023. In addition, Aker Horizons had one employee on long-term secondment in one of its portfolio companies. These employees are included in the headcount of the companies for which they work.

Aker Horizons employed 11 different nationalities in 2023. 29 percent of its workforce, excluding contract staff, were women. Compared to 2022, there has been a decrease in the percentage of women from 32 percent in 2022 to 29 percent in 2023. The Company will continue to focus on equality and diversity in 2024, and increase efforts to secure female candidates in all recruitment processes.

Aker Horizons embraces diversity and equal opportunities for all, and is strongly committed to building an inclusive environment for employees. Aker Horizons' Sustainability Policy commits the Company to ensuring equality, diversity and inclusion throughout its business. Aker Horizons does not tolerate any form of discrimination on the basis of, for example, gender expression, sexuality, disability, race or religious beliefs.



Throughout 2023, Aker Horizons continued the work initiated in 2022 to further strengthen its focus on diversity and equality. The company launched several diversity and inclusion initiatives to raise awareness and understanding and to foster a more inclusive environment. SuperNode received a bronze Award from the Center for Inclusion and Diversity for demonstrating a firm foundation and commitment to diversity and inclusion.

All of Aker Horizons' new-hires are onboarded and integrated into the Company's way of working. The Company provides mandatory training on sustainability and compliance.

At Aker Horizons, employees are offered competitive compensation and rewards, as well as varied career opportunities. There is a substantial amount of on-the-job training, contributing to knowledge-building and professional growth. There are also career opportunities across the wider Aker group of companies.

The Company offers its employees a flexible working model, with the opportunity to work from home and limited core hours. By providing flexibility, the Company aims to facilitate a favorable work-life balance.



Aker Horizons promotes ongoing dialogue between management and employee representatives in Aker and its portfolio companies. Aker Horizons' portfolio company Aker Carbon Capture has participated in meetings with the Global Works Council (GWC), which includes labor union representatives from several Aker companies across the world.

Aker Horizons has a procedure for the protection of whistleblowers' rights, which sets out the required steps for reporting and handling whistleblower cases. It ensures all allegations are investigated and feedback provided to those whistleblowers whose identity is known. At the end of 2023, two cases related to discrimination or other unacceptable behavior had been reported in the Aker Horizons Group.

The health of Aker Horizons' staff is important, and the Company offers healthcare and insurance plans, a wellness program and access to an on-site health and wellness center, with access to a physician, health counseling, and medical treatment. In 2023, the total rate of absence due to illness at Aker Horizons, including Aker Horizons Asset Development, came to 1.9 percent.

Health, Safety, Security and Environment (HSSE)

Aker Horizons' Sustainability Policy lays out the foundations for the Company's approach to health and safety. This document describes Aker Horizons' commitment to ensuring a secure working environment that provides a basis for a healthy and meaningful working situation, and that affords complete safety from harmful physical and mental influences. Furthermore, Aker Horizons strives for zero harm and continuous improvement throughout the value chain.

All of Aker Horizons' portfolio companies and business units manage their own health and safety. As an active owner, Aker Horizons sets clear expectations for high HSSE standards, including adequate work-related hazard identification, risk assessment, incident investigation, control and reporting routines. All of Aker Horizons' portfolio companies report to Aker Horizons on health and safety issues on a quarterly and annual basis. Aker Horizons expects its portfolio companies to

extend the Company's high HSSE standards not only to their own employees and contractors, but to their business partners as well.

Aker Horizons' wholly-owned asset development arm, Aker Horizons Asset Development, has a separate HSSE policy, which describes its commitment and behaviors across operations. In 2023, Aker Horizons Asset Development continued to use the management system developed in line with ISO 45001 and 14001 to support its project development and future operations.

Aker Horizons' portfolio companies are industrial developers of green energy and infrastructure. They have established sound management systems and obtained certifications to mitigate risk, avoid serious incidents, control and close nonconformances, and report in pursuit of continuous improvement. A detailed description of management processes at the level of Aker Horizons' portfolio can be found in the section Management systems under [Responsible business conduct](#) in the Sustainability Progress Report.

No work-related fatalities were registered across Aker Horizons' portfolio companies in 2023. There were zero work-related injuries (TRIs) reported among the Aker Horizons Group's employees, and thereby zero lost-time injuries (LTIs). Among contractors, there were seven work-related injuries, five of which were lost-time injuries (LTIs). Not included in the TRIs are First Aid Cases, which are tracked by Mainstream as per the industry standard, of which there were zero among employees and two among contractors' staff.

The Company has established an emergency preparedness and response capability. Aker Horizons is connected to the Aker Global Security Operations Center. This core team of security professionals operates a 24/7 center, servicing all Aker group companies. Aker Horizons has adopted a crisis management plan and implemented RAYVN, a cloud-based system for managing critical events. The application of the system includes regular training sessions and desktop drills for key staff and management.

For further information, see the section on [Health, safety and well-being](#) in the Sustainability Progress Report.

Risks and risk management

Aker Horizons is exposed to financial risk, in addition to strategic, market and regulatory risk, legal and compliance risks, climate risk, and project and operational risks in the portfolio companies. If one or more of these risks should materialize, it will impact the operations of the Company and may delay or even prevent the Company from reaching its goals and ambitions.

The Company has established an enterprise risk management (ERM) process to assess and monitor these risks, both at a group level and in relation to the portfolio companies' operations. Risks and how they are managed are reported to Aker Horizons' Board on a regular basis. Mitigating actions are devised for key risks and their implementation is verified and monitored.

Aker Horizons considers risk assessment to be a natural part of all business operations and works continuously to identify and address risks. Management of project and operational risk lies primarily with the portfolio companies, but Aker Horizons monitors and follows up risk through regular dialogue with portfolio companies' managements and through participation on their boards.

Aker Horizons depends on functioning debt and equity markets to fund operations and growth in its portfolio and bring projects to financial close, and relies on farming down at attractive terms during the development phase of projects. Aker Horizons and its portfolio companies seek to reduce risk by maintaining a solid liquidity reserve, by proactively planning refinancing activities, and by diversifying sources of funding.

Developments in the global economy, particularly in energy and carbon prices, inflation and interest rates, affect the Group's ability to secure and realize attractive projects, and influence the underlying value of Aker Horizons' assets. Immature technologies and supply chains pose a risk to securing bankable off-take agreements and project financing. Mainstream, which operates in growth markets with a high degree of market and regulatory uncertainty, is dependent on a favorable regulatory framework, in addition to its technologies and solutions being cost competitive in highly



competitive markets. Public policy engagement is a key element of risk management in this respect and involves contributing to public discussions on the best policies and measures needed to tackle climate change and energy market volatility.

Aker Horizons' portfolio companies undertake large and complex projects, including in emerging economies, which also expose them to project execution risk, dependence on key suppliers and sub-suppliers, as well as market-specific risks related to market design, grid infrastructure and permitting. In 2023, this became particularly evident in Mainstream's operations in Chile, where the power system is under severe stress due to grid capacity limitations and the structure of the Chilean power market.

As the Group's purpose is to develop green energy and green industry to accelerate the transition to net zero emissions, Aker Horizons' main climate-related risks are transition risks associated with the global ambition/implementation gap, and with the transition being implemented too slowly or incompletely. 2023 saw a favorable regulatory environment and strong political support for the energy transition in Europe and the US, as well as accelerating market activity. However, increasing geopolitical uncertainty and volatile financial, energy and commodity markets may limit or delay the impact of policies. Succeeding with the energy transition requires a massive growth in energy generation assets, but also large investments in transmission and storage systems. Inadequate policy design and a non-synchronized development may delay the overall speed of the transition. Regional variations in ambition and implementation speed also pose the risk of capital and resources being allocated incorrectly.

For further information, as well as details on how Aker Horizons identifies and manages climate-related risks, see the [TCFD assessment](#). For further information on Aker Horizons' work with risk management and internal control, see the report on [Corporate Governance](#).

Outlook

While some of the immediate pressures from the global energy crisis eased in 2023, geopolitical and macro-economic conditions remain volatile, creating risks for global energy markets. There are, however, signs that inflation and interest rates are cooling, which will help ease costs along supply chains and reduce borrowing costs for new energy projects.

The urgency of combating climate change was demonstrated at the COP28 UN Climate Change Conference held in November-December 2023 in Dubai, the United Arab Emirates. Here, a landmark agreement was signed by almost 200 countries, outlining a firm plan to limit global warming to 1.5°C. The agreement includes new global goals for 2030, such as transitioning away from fossil fuels, tripling renewable energy capacity, doubling energy efficiency progress and accelerating zero- and low-emission technologies. These also apply to Aker Horizons' core market segments - renewables, carbon capture and clean hydrogen.

The record-high investments in clean energy in 2023 raises the hope that the goals set for 2030 can be reached. The case for further stepping up investments is not just motivated by reducing emissions, but also by the energy security benefits renewables and more efficient technologies provide, as well as the favorable economic case for some of the mature clean technologies and the desire to create clean energy jobs.

Government policy support is, however, crucial to further accelerate developments in many segments needed for the energy transition. The US Inflation Reduction Act will boost clean energy investments in the US, but it will also have positive global spin-off effects, including further cost reductions in key technology areas such as carbon capture, utilization and storage (CCUS).

In Europe, the many policy packages enacted in 2023 will support the EU in meeting its targets for climate, energy security and for boosting industrial competitiveness. The Net-Zero Industry Act, seen as a response to the US' IRA, is aimed at accelerating manufacturing and deployment of technologies that will make a significant contribution to decarbonization, including CCS, wind and hydrogen

technologies. The Act introduced a landmark target of at least 50 million tonnes of CO₂ stored annually by 2030.

The EU's CCS ambitions were further strengthened with the Industrial Carbon Management Strategy published by the European Commission in early 2024. This sets a target for CO₂ capture of 280 million tonnes annually by 2040 and states that the EU will not reach its climate targets without CCS. The EU's comprehensive approach to industrial carbon management, with quantifiable and verifiable milestones, combined with the incentives introduced in the IRA, is setting the stage for a breakthrough for CCS deployment.

The EU's revised Renewable Energy Directive entered into force at the end of 2023. The binding 2030 targets set for all EU countries give a strong push for increased deployment. Overcoming the challenges facing the wind power sector will, however, be important if the targets are to be met. This is acknowledged by the EU through the measures launched in the Wind Power Package, including allowing for more flexibility in wind power auctions.

Offshore wind power in the North Sea holds the potential to supply a large share of European renewable electricity. Increased collaboration and coordination among the North Sea countries will be crucial for harvesting this potential. The agreement reached between eight EU countries and Norway at the annual North Sea Energy Cooperation Conference (NSEC) in November 2023 is an important step forward. The agreement includes coordination of tender planning and auctions with the ambition of awarding almost 100 GW between today and 2030.

The positive policy momentum in Europe supports an optimistic outlook for renewables. The IEA forecasts that with existing policies, global renewable capacity will reach 7,300 GW by 2028, up from 4,200 GW today. Renewables will surpass coal to become the largest source of electricity generation as early as 2025.

The outlook for renewable hydrogen is also strengthened by recent public funding scheme announcements, particularly in Europe. This includes the approval of EUR 6.9 billion in state-aid by the European Commission in February 2024 for



support of regional infrastructure clusters to be operational by 2029 across Europe under the Important Project of Common European Interest (IPCEI) scheme. This will significantly accelerate the ramp-up of renewable hydrogen infrastructure and pave the way for connecting hydrogen production with European off-take.

Funding opportunities for hydrogen production are also being stepped up. Germany is allocating EUR 3.5 billion to new subsidy auctions for renewable hydrogen and its derivatives this year. This comes in addition to the European Hydrogen Bank's announced EUR 2.2 billion auction later in 2024.

Taken together, the step-up of funding for hydrogen production and for infrastructure will support a ramp-up of renewable hydrogen supply in the next few years and will take Europe closer to meeting its ambitions of 10 million tonnes of renewable hydrogen production by 2030.

In the face of swiftly evolving market conditions, Aker Horizons is dedicated to its core segments — renewables, carbon capture and hydrogen hubs — advancing prioritized projects, while upholding financial discipline in investment decisions.

Fornebu, 18 March 2024

Board of Directors and CEO of Aker Horizons ASA

Øyvind Eriksen
Chair (non-independent)

Trond Brandsrud
Director (independent)

Kimberly Mathisen
Director (non-independent)

Lone Fønss Schrøder
Director (independent)

Kristian Røkke
CEO



Board of Directors



Øyvind Eriksen
Chair (non-independent)

Øyvind Eriksen (born 1964) is President and CEO of Aker ASA and holds a law degree from the University of Oslo.

Eriksen has held several board positions in different industries, including shipping, finance, asset management, offshore drilling, fisheries, media, trade and industry.

Eriksen currently chairs several of the boards of the Aker group's industrial and financial businesses. In addition, Eriksen serves on the boards of a number of non-profit organizations, including the Norwegian Cancer Society, Accenture Global Energy Board and the World Economic Forum C4IR Global Network Advisory Board.

As of 31 December 2023, Eriksen holds 285,714 shares in Aker Horizons (excluding indirect ownership through his indirect holding of 219,072 shares in Aker ASA, the parent of Aker Capital, and 100,000 B-shares in TRG Holding AS), and has no stock options. Eriksen is a Norwegian citizen. He has been elected for the period 2023-2025.



Trond Brandsrud
Director (independent)

Brandsrud (born 1958) serves as a non-executive director and industry advisor. From 2016 to 2019, he held several CEO and CFO roles in the European financial services companies Lindorff, Intrum and Lowell, and from 2010 to 2015, he served as the Group CFO of Aker. In the period from 2007 to 2010, he was the CFO of the Seadrill Group. Prior to these roles, Brandsrud had 23 years of experience from leading finance positions in Shell. Brandsrud is a non-executive director and board member of PGS, Aker BP, the Lowell Group (Simon Midco Ltd) and Waterise.

Brandsrud holds a Master of Science degree from the Norwegian School of Economics (NHH).

As of 31 December 2023, Brandsrud holds no shares in Aker Horizons, and has no stock options. He is a Norwegian citizen. He is elected for the period 2023-2024.



Kimberly Mathisen
Director (non-independent)

Mathisen (born 1972) is CEO of HUB Ocean (previously named C4IR Ocean). She has more than 25 years of experience working in industries, including Technology, Branded Consumer Goods, and Pharmaceuticals. Her roles have included General Manager of Microsoft Norway, CEO of Orkla Home & Personal Care, Global Vice President & Alliance Leader of Eli Lilly and General Manager, Germany and Norway of Eli Lilly. Mathisen has extensive board experience, currently serving on the boards of Bayer, Aker BioMarine, and Aize. Previous board roles include Yara, Abelia, NHST (parent of Dagens Næringsliv), Meda AB, Borregaard, and Kappa Bioscience. She is on the advisory board of Nysnø and Sintef, and a member of Friends of Ocean Action.

Mathisen has a BS in engineering from the University of Illinois, and an MBA from Harvard Business School.

As 31 December 2023, Mathisen holds no shares in Aker Horizons, and has no stock options. She is an American and Norwegian citizen. She is elected for the period 2023-2024.



Lone Fønss Schrøder
Director (independent)

Lone Fønss Schrøder (1960) is a senior executive and advisor.

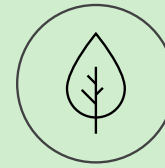
Fønss Schrøder is currently vice-chair of Akastor ASA and Volvo Cars AB and chair of its audit committees, and a director of Aker Solutions ASA, Geely Sweden Holdings AB and Ingka Holding B.V. (Ikea Group). Fønss Schrøder has more than 30 years of international senior executive experience in the A.P. Møller-Maersk group and as CEO for Wallenius Lines AB, Star Air and Concordium. She is an experienced director with current or former board positions in companies like Vattenfall, Dong Transmission, CSL Group, Inc. and Yara.

Fønss Schrøder holds a Master of Law (LL.M.) from the University of Copenhagen, and a Science degree in Economics and Business Administration from Copenhagen Business School.

As of 31 December 2023, Fønss Schrøder holds no shares in Aker Horizons, and has no stock options. She is a Danish citizen. She has been elected for the period 2023-2025.



Aker Horizons' Approach to Sustainability



This section introduces Aker Horizons' work on sustainability from a strategic, forward-looking perspective. The section touches upon the policy, ambitions and strategy, and external commitments, that underpin Aker Horizons' sustainability ambitions, as well as the materiality assessment that guides and informs our work. This section and the following section on Sustainability Progress also include Aker Horizons' reporting on human and labor rights due diligence, as required by the Norwegian Transparency Act.



Aker Horizons' Sustainability Policy

Aker Horizons is dedicated to developing green energy and green industrial solutions to accelerate the transition to net zero emissions. This is reflected in the Company's policies, ambitions and strategy, which are embedded at the highest levels of governance in the organization.

Aker Horizons' Sustainability Policy is approved by the Board of Directors, and governs environmental, social and governance (ESG) aspects of Aker Horizons' own performance and investment decisions, as well as its role as an owner of companies. The policy has been developed to meet all relevant regulations and expectations, including the Norwegian Transparency Act.

The following frameworks are core to Aker Horizons' Sustainability Policy and guide how Aker Horizons defines planet-positive impact and integrates sustainability in its work:

- The UN Sustainable Developments Goals and the UN Global Compact SDG implementation framework
- The nine planetary boundaries, as defined by the Stockholm Resilience Center
- EU's Sustainable Finance Package, including the EU Taxonomy Regulation, the Sustainable Finance Disclosure Regulation and the Corporate Sustainability Reporting Directive
- The OECD Guidelines for Multinational Enterprises and the UN Global Compact¹
- The Task Force on Climate-Related Financial Disclosure

The Sustainability Policy lays the foundations for Aker Horizons' incorporation of sustainability considerations into its activities, to ensure sustainable and responsible business practices. The policy is structured around four key topics: Planet-positive impact, Respect for people, Prosperity for all and Good governance. The [Sustainability progress report](#) follows the same structure.

For Aker Horizons, it is important that the Company's employees are well acquainted with the Sustainability Policy and its contents. Aker Horizons' employees are offered sustainability onboarding that covers a walk-through of the policy.

For further details on the policy's content and commitments, please see the Aker Horizons' Sustainability Policy, which is available on [Aker Horizons' website](#).

In addition to the Sustainability Policy, Aker Horizons has an anti-corruption policy and a Code of Conduct that relate specifically to ethical business practices and compliance with laws and regulations. Furthermore, Aker Horizons has a Business Partner Code of Conduct, which sets out minimum standards for business practices, as well as joint ambitions on central environmental, social and governance (ESG) topics. The Business Partner Code of Conduct has been developed as a foundation for engagement with various groups of business partners, including but not limited to, suppliers, customers, service providers, joint venture partners and other persons engaging in business with members of the Aker Horizons Group.

Both the Code of Conduct and the Business Partner Code of Conduct are [available on Aker Horizons' website](#).

¹ Since 2021, Aker Horizons has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor rights, the environment, and anti-corruption.



Strategy for Achieving Sustainability Impact and Protecting Human Rights

Aker Horizons takes a multidimensional approach to sustainability impact, which is reflected in all aspects of the Company's sustainability work. The Company's strategy focuses on maximizing positive impacts by expanding activities and prioritizing sustainability when assessing projects and making investment decisions. At the same time, the Company strives to minimize the footprint of such expansion and requires that account be taken of potential and actual adverse impacts across an array of sustainability topics. Aker Horizons' main focus is to find solutions that drive decarbonization globally, while simultaneously taking concrete steps to mitigate adverse impacts by safeguarding nature, ensuring social safeguards, and exploring low-carbon and circular solutions in its own value chain.

Sustainability impact and the Sustainable Development Goals

As a company that develops green energy and green industry to accelerate the transition to net zero emissions and promote sustainable living, Aker Horizons assumes a role and responsibility in delivering on the UN Sustainable Development Goals (SDGs). Companies that integrate these common goals into their business operations, strategy and targets not only provide sustainable value for all stakeholders, but are also more resilient and better positioned in the market and for future opportunities.

Aker Horizons recognizes the importance of all 17 Sustainable Development Goals and aspires to contribute to all of them. However, Aker Horizons prioritizes eight SDGs in which its investment philosophy is anchored.





Levers for sustainable impact

Aker Horizons realizes its sustainability ambitions at multiple levels of its work. The Company is an owner of industry-leading companies that drive decarbonization and sustainable development, a developer of projects that convert renewable energy into clean hydrogen and its derivatives, and an investor looking to identify new opportunities that contribute to Aker Horizons' mission of being planet-positive. The approach includes processes to evaluate, monitor and follow up of actual and potential adverse impacts on environment, human rights and decent working conditions, for potential new investments, current holdings and potential divestments. As a result, Aker Horizons' sustainability impact can be realized via two main levers:

Business development and investments

Responsible value creation and sustainability are at the core of Aker Horizons' investment strategy. A key task when assessing any investment opportunity is to establish how the opportunity contributes to Aker Horizons' planet-positive mission and subsequently to identify any activities that are not in line with our expectations or policies with regards to responsible conduct. This approach improves the resilience of Aker Horizons' portfolio investments and ensures the ultimate positive impact on people and the planet.



Active ownership

The Sustainability Policy, the Anti-Bribery Policy and the Managing Integrity Procedure guide Aker Horizons' behavior as a company and employer, and as an owner of companies.

From the Code of Conduct, it follows that Aker Horizons shall ensure that its business operations do not cause or contribute to any infringements to human and labor rights and that Aker Horizons is committed to implementing and enforcing effective systems to minimize risks of human and labor rights infringements in Aker Horizons' own operations and in the supply chain.

In addition to developing assets through the Asset Development business unit, Aker Horizons' core business is to invest in, own and operate companies and, when appropriate, to divest. Aker Horizons has therefore developed processes to evaluate, monitor and follow up on actual or potential adverse impacts on human rights and decent working conditions with respect to potential new investments, current holdings and potential divestments. Aker Horizons also expects all its portfolio companies to develop appropriate due diligence processes to identify, mitigate and prevent (as appropriate) any actual or potential adverse impacts on human rights and decent working conditions in their operations and supply chains, and to have mechanisms in place that allow for any grievances to be raised and adequately addressed.

Aker Horizons engages with its portfolio companies to ensure long-term value creation and to avoid corruption and environmental or human rights risks. This is achieved by using its influence as a shareholder, mainly through board positions (including by having Aker Horizons representatives on audit and sustainability committees). Aker Horizons also has continuous dialogue with key functions in the portfolio companies, including Legal, Compliance and Sustainability, across a range of areas, and monitors the performance and progress of portfolio companies through formal quarterly and annual reporting. Aker Horizons also works with its portfolio in their efforts to identify and assess any actual and potential adverse human rights impacts.

Aker Horizons' approach includes working to ensure that its portfolio has:

- A mission to solve fundamental challenges to sustainable existence
- Clear, forward-looking ambitions and a strategy that ensures real planet-positive impact
- Code of Conduct, and sustainability and integrity-related guidelines, processes and controls in place
- Governing documents and processes to ensure respect for and adherence to fundamental principles of human rights and labor rights
- Processes to assess and monitor sustainability and integrity risks, including actual or potential impacts on human rights and decent working conditions, with routines to prevent, mitigate and remediate such adverse impacts
- Procedures for performing sustainability and climate scenario risk analyses, and monitoring their own performance
- Transparent reporting on ESG issues and engagement with all relevant stakeholders



Aker Horizons' commitment to preventing adverse impacts on the environment, human rights and decent working conditions

Aker Horizons respects, supports and acknowledges the principles and values of fundamental human rights and decent working conditions, as well as commitments to protect the environment. Aker Horizons requires that its business operations, including its supply chain and business partner relationships, do not cause or contribute to, or are directly linked to, actual or potential adverse impacts on human rights and decent working conditions.

Aker Horizons is committed to respecting internationally proclaimed human rights, including the rights set out in the International Bill of Rights and the UN Guiding Principles on Business and Human Rights (UNGPs), the principles and rights described in the eight fundamental conventions identified in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work, as well as the United Nations Declaration on the Rights of Indigenous Peoples and the OECD Guidelines for Multinational Enterprises.

Aker Horizons' commitment to the environment, human and labor rights is embedded in the Company's governing structure. The Company's Sustainability Policy mandates that Aker Horizons shall ensure ESG emergency preparedness, including responsible remedy liability analysis, monitoring and equal access to remedy. Aker Horizons' efforts to comply with the requirements of the Transparency Act have the full support of the Company's Board of Directors.

The Board, through the Board's Audit Committee, receives regular updates on Aker Horizons' efforts to ensure compliance with the Transparency Act. The Company's CEO is responsible for overseeing the implementation of the work, which is jointly led by the respective heads of Sustainability and Compliance. The Sustainability function is responsible for maintaining Aker Horizons' policies and procedures relating to preventing adverse impacts on human rights and decent working conditions, whereas the Compliance function is responsible for preventing and addressing risks and issues in the Company's operations, supply chain and other business partner relationships, including the commitment to carry out risk-based due diligence to prevent Aker Horizons from – or identify instances of Aker Horizons – causing, contributing to or being

directly linked to adverse impacts on human rights and decent working conditions.

In addition to the Company's commitments and efforts in this area, all Aker Horizons employees are individually responsible for respecting human rights and decent working conditions. The expectations are set out in the company's Code of Conduct.

Environmental commitments

Aker Horizons is committed to The UN Sustainable Development Goals (SDGs) and the UN Global Compact SDG implementation framework, and has developed its definition of planet-positive impact based on globally recognized environmental standards described on page 34. The Company is also signatory to the UN Global Compact and the Sustainable Oceans Principles described on page 35. The company is further committed to the Race to Zero business ambitions and the Carbon Disclosure Project (CDP).

Human rights and labor rights commitments

Aker Horizons is committed to implementing and enforcing effective systems to minimize risks of human and labor rights infringements in its own operations and in the supply chain. Aker Horizons respects all human and labor rights and is committed to actively preventing child labor, forced labor and modern slavery in its own operations and the supply chain. Aker Horizons recognizes the rights to freedom of expression, privacy, association and collective bargaining.

Aker Horizons is covered by the Global Framework Agreement between Aker ASA, the Norwegian United Federation of Trade Unions (Fellesforbundet), IndustriALL Global Union, NITO and Tekna. The agreement commits Aker ASA and its portfolio

companies to respect and support fundamental human rights and union rights in societies where the companies operate.

Aker Horizons encourages works councils, and promotes the consultation and participation rights of workers through social dialogue. Aker has a long tradition of cooperation on employment matters between its main shareholder, board, management and employee representatives, as well as an open dialogue with authorities and other partners. This is referred to as the "Aker model". Aker Horizons' ambition is to carry this forward through the expansion of investments and the building of new industrial businesses and workplaces for a low-carbon future – and to embody the concepts of a just transition and decent green jobs. Aker Horizons has zero tolerance for discrimination in any form. Aker Horizons aims to ensure equality, diversity and inclusion throughout its business by providing equal opportunities and striving for a balance between the genders, increased diversity and inclusion at all levels and in all parts of the business. Aker Horizons' commitment to and work on equality, diversity and inclusion is described more in detail in the [section dedicated to the topic](#).

Finally, Aker Horizons recognizes and strives to obtain the free, prior and informed consent of indigenous communities that may be impacted by the company's operations, and is committed to interacting with indigenous communities in a way that respects their history, culture and customs. Climate solutions, like renewable energy, must be developed with respect and care for traditional knowledge and practices. That, in turn, will play a critical role in protecting the planet's biodiversity and in maintaining the overall health of ecosystems.



External Commitments and Initiatives

Aker Horizons has committed to several sustainability initiatives. External commitments and initiatives help to anchor sustainability ambitions within the organization, guide sustainability governance and implementation, and send a strong external signal of commitment. Aker Horizons continuously considers commitments and initiatives that are best adapted to the reality and needs of the Company, to reflect its sustainability ambitions as well as its strategy and sustainability impact levers.



UN Global Compact

Aker Horizons is committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor rights, the environment and anti-corruption.

Sustainable Ocean Principles

Aker Horizons is a signatory of the Sustainable Ocean Principles of the UN Global Compact Ocean Stewardship. The principles build upon and supplement the Ten Principles of the United Nations Global Compact, and highlight the company's commitment to healthy and productive oceans.



The Carbon Disclosure Project (CDP) 2023 disclosing company

In 2023, Aker Horizons reported to the CDP initiative. CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions, which helps them to manage their environmental impacts. It is one of the most important global initiatives for disclosures on climate-related impact, strategy, risks and opportunities.



Race to Zero

Business Ambition for 1.5°C

Aker Horizons has been committed to the Science Based Targets initiative (SBTi) since the beginning of 2022. Due to the changes to Aker Horizons' carbon accounting methodology, the process of developing and submitting science-based targets for approval at the group level has been put on hold until revised carbon accounts can provide the basis for such targets. Several of Aker Horizons' portfolio companies are in the process of setting science-based targets.

By committing to the SBTi and establishing the ambition to set long-term science-based targets to reach net zero and align its business with a 1.5°C future, Aker Horizons is also recognized as part of the Business Ambition for 1.5°C and the Race to Zero campaigns.

"I hereby express Aker Horizons' continued support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

We continuously strive to integrate the Ten Principles into our business strategy, culture and daily operations, and contribute to the United Nations goals, particularly the Sustainable Development Goals."

Kristian M. Røkke
CEO of Aker Horizons



Materiality Assessment

Materiality assessment as a building block

The materiality assessment is a key building block in Aker Horizons' planet-positive work. It enables the Company to stay up to date on sustainability, corporate strategy and risk management issues by providing insight into current business trends, stakeholders interests, and potential risks and opportunities to Aker Horizon's business. By focusing its sustainability work on material issues, Aker Horizons gains a comprehensive insight into the Company's impact, both actual and potential, and maximizes its positive impact on the environment and society.



While stakeholder engagement and materiality assessment are continuous processes at Aker Horizons, material topics are reviewed annually to ensure that they accurately reflect Aker Horizons' current business situation.

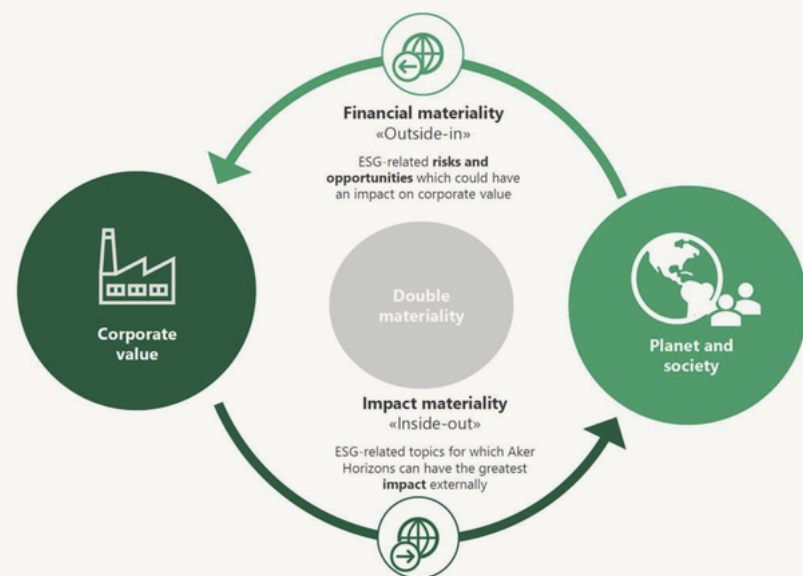
For 2023, Aker Horizons has internally reviewed and updated its independent double materiality assessment, which was performed in 2022, and which included the activities of its portfolio companies. The materiality assessment was conducted as described in the new EU requirements under the upcoming Corporate Sustainability Reporting Directive (CSRD).

Preparing for emerging regulation

The EU's Corporate Sustainability Reporting Directive (CSRD) introduces mandatory reporting according to the European Sustainability Reporting Standards (ESRS). Aker Horizons will be obliged to report in accordance with the ESRS in 2025 for the reporting year 2024. In the process of preparing for the reporting requirements under the EU's CSRD, Aker Horizons conducted its materiality assessment in accordance with the regulations. The adopted approach follows the concept of double materiality.

Double materiality – two interrelated dimensions of materiality

Currently, the CSRD has refined the concept of sustainability materiality by introducing "double materiality". Double materiality acknowledges that businesses should assess both the risks and opportunities linked to ESG topics that can influence enterprise value creation ("outside-in") and the ESG impacts that a company can have on the planet and society ("inside-out"). Impact materiality and financial materiality assessments are interrelated and Aker Horizons has considered the interdependencies between these two dimensions of its impacts in the process of materiality assessment.



Materiality process and approach

The 2022 materiality assessment process was based on a four-step approach: identifying impacts, risks and opportunities, prioritizing topics, validating and approving material topics and implementation. The process was conducted by an independent party with a series of internal workshops and interviews, and was informed by internal and external sources, such as portfolio companies, stakeholder engagement, and external benchmarking. While gathering feedback and insight from stakeholder engagement, Aker Horizons considered two groups of stakeholders: affected stakeholders and users of sustainability statements. For detailed information on Aker Horizons' stakeholder engagement in 2023, please see the table in the [Appendix](#).

The process incorporated input from a wide variety of internal functions, including Sustainability, Communications and External Relations, Risk, Finance, Investor Relations, People and Organization, Investments, and Insights and Market Analysis. The outcome of the analysis was validated internally by the Risk and Sustainability functions and approved by the CFO and CEO as well as submitted to the Audit Committee.

For 2023, Aker Horizons did not conduct a new, full materiality assessment, but reviewed its stakeholder engagement and received internal input across functions, before considering the continued validity of the identified material topics.

The following list of material topics emerged from the materiality assessment's application of the double materiality concept (both impact and financial). The [Sustainability Progress Report](#) presents material topics from the perspective of their impact. Financial materiality, highlighting ESG risks and opportunities that could potentially impact Aker Horizons' corporate value, is reflected in the [Board of Directors' Report](#).



Aker Horizons' Material Topics

	Material topic	Impact materiality	Financial materiality	How Aker Horizons understands the topic
Planet	Climate change			Mitigating and adapting to climate change through climate risk management and carbon capture technologies.
	Energy			Using energy responsibly and investing in renewable energy production and technologies.
	Biodiversity			Minimizing adverse impacts on biodiversity in supply chains and own operations.
	Circular economy			Sound resource utilization in our supply chains and realization of the circular economy.
People	Human and labor rights			Respecting human and labor rights, and protecting vulnerable individuals and groups of people affected by our business.
	Health, safety and well-being			Working systematically for health, safety and well-being while striving for zero harm and continuous improvement throughout the value chain.
	Diversity, equality and inclusion			Building a diverse and inclusive workforce, focusing on equal opportunities.
	Talent attraction			We rely on a highly specialized workforce, and recruiting and retaining skills and talent is of particular importance to us.
Prosperity	Local communities			Building trust among the local communities in which we operate. We support local, cultural and welfare initiatives.
Governance	Responsible business conduct			Acting responsibly in all areas of business. Protecting whistleblowers, avoiding corruption and bribery, and promoting a responsible corporate culture.
	Public policy engagement			Engaging with regulators to share knowledge, showcase available technology solutions to reduce emissions, and communicate the need for efficient support schemes for solutions that are initially dependent on government support.

| Low

 || Medium

 ||| High



Sustainability Progress Report

Aker Horizons has high ambitions for its business and portfolio companies within the area of sustainability. This section takes a deep-dive into the 2023 status and progress of sustainability in Aker Horizons and its portfolio.

This section presents four overarching topics, based on the World Economic Forum's (WEF) Stakeholder Capitalism Metrics:

- Planet-positive impact
- Respect for people (including reporting pursuant to the Norwegian Transparency Act)
- Prosperity for all
- Good governance

It also reflects on Aker Horizons' material topics. In addition to presenting progress across these four main topics, this section also contains individual sustainability summaries for the Aker Horizons Group companies, a one-page summary of the portfolio-wide status of the Principal Adverse Impact Indicators, and an EU Taxonomy assessment of Aker Horizons' investments.

For more information about the scope of the sustainability data collected and presented, and the methodologies used, see the section [Transparent Reporting](#).



Planet-Positive Impact

Aker Horizons is dedicated to developing green energy and green industry to accelerate the transition to net zero emissions. Understanding the impact of Aker Horizons and its portfolio companies on the climate and environment is viewed as key not only to understanding and minimizing adverse impacts, but as a guide to our efforts to contribute positively to sustainable development.

In this chapter, four material topics have been identified for Aker Horizons:

- Climate change
- Energy
- Biodiversity
- Circular economy



Climate change

Aker Horizons' overall business and strategy is founded on a commitment to create a planet-positive impact by developing green energy and green industry. This is anchored in a motivation for climate action and a drive to accelerate the achievement of Net Zero.

Aker Horizons' approach and performance

2023 saw a number of temperature records being broken, and a series of devastating climate change impacts and extreme weather events. Aker Horizons is committed to addressing its climate impact and climate-related risk, both through strategic ambitions for the expansion of planet-positive activities and goals for reducing emissions from our activities.

Aker Horizons' strategy for value creation is centered around developing and accelerating solutions that lead to the decarbonization of society. The company has a specific focus on hard-to-abate industries, by focusing on renewable energy and electrification, carbon capture and hydrogen.

Governance

Aker Horizons' commitment to climate action is embedded in the Company's governing structure and is reflected in its Board-approved Sustainability Policy. In this governing document, the commitment to scaling and commercializing climate solutions is set out. In accordance with its Sustainability Policy, Aker Horizons is committed to organizing its business activities such that its associated emissions are in line with the UN Framework Convention on Climate Change (Paris Agreement) and the 1.5-degree pathway.

Aker Horizons has active Board oversight of climate-related matters, and the Company's Audit Committee is mandated to oversee the management of sustainability and climate risks and opportunities, key performance indicators, and their relevance to corporate performance. Once a year, management presents the Audit Committee with the latest climate-related financial analysis, sustainability and climate risk materiality assessment, stakeholder analysis and mitigating actions being undertaken by the Company.

Carbon capture being delivered

In 2023 Aker Carbon Capture had site works at four locations, proving that carbon capture has gone beyond the PowerPoint stage, and marking an important step toward the realization of climate change mitigation.

The Company is proud to have been selected by Heidelberg Materials Norcem for the Brevik CCS delivery, the world's first industrial-scale carbon capture scheme at a cement facility. This followed the government's funding support for and launch of the Longship CCS project in 2020, of which Brevik CCS is a part. The Longship CCS project is the largest climate project ever undertaken by Norwegian industry. It is a full CCS value chain development including the transportation and storage project, Northern Lights.

Twence made the decision to deploy carbon capture at its waste-to-energy facility in Hengelo, the Netherlands, at the end of 2021. When the carbon capture plant becomes operational in early 2024, it will be the world's first modular carbon capture plant at a waste-to-energy facility. The captured CO₂ will be utilized in greenhouses in the region to boost yield growth, displacing the need for natural gas.

The Ørsted Kalundborg Hub was initiated in 2023, with the delivery of large-scale carbon removal already by the end of 2025. The Just Catch™ plants will be deployed at Ørsted's bioenergy facilities at Asnæs and Avedøre. This marks the first Financial Investment Decision for a full-scale CCS project within the European Union.

Rjukan as a green hydrogen frontrunner

Aker Horizons Asset Development originates and develops industrial-scale hydrogen projects to meet the growing demand for the decarbonization of energy-intensive, hard-to-abate industries.

The Rjukan green hydrogen project in Norway is an important frontrunner in Aker Horizons Asset Development's portfolio, serving as a blueprint to de-risk the Company's larger projects technically, financially and commercially. The project plans to reach a concept select decision (DG2) in 2024.

The Rjukan project will produce approximately 9 tonnes per day of green hydrogen from 20 MW electrolyzer capacity and aims to deliver compressed hydrogen to industry, shipping and mobility off-takers in Eastern Norway. The project team is also working closely with Tinn municipality, Rjukan Chamber of Commerce and local industrial actors to explore opportunities for utilizing the waste heat from hydrogen production for other industrial processes, thereby supporting local circular economic development.

In 2023, Innovation Norway announced the award of up to NOK 135 million in grants and loans for the Rjukan project. The development of a value chain for the sustainable production, distribution and use of hydrogen produced with no or low emissions is an important component of the Norwegian Government's Green Industrial Initiative roadmap.



Greenhouse gas emissions

Through the activities of the Aker Horizons Group, solutions are provided to a wide range of sectors, including hard-to-abate sectors like steel or cement, to reduce their emissions and reach their net zero ambitions. Scaling those solutions is critical in the global Race to Zero. Aker Horizons Group companies produced renewable energy replacing 1.71 million tonnes of CO₂ in 2023, and secured projects to reduce an additional 1.24 million tonnes of CO₂.

As an active owner, Aker Horizons engages with all its portfolio companies to ensure that the greenhouse gas (GHG) emissions for Scope 1, 2, and partly 3, are calculated and reported, and that the companies have set GHG emission-reduction ambitions. To monitor and track portfolio progress, Aker Horizons has been working to improve consistency in GHG emission reporting across the portfolio, and will continue to do so in 2024.

While data availability varies across the Group, all portfolio companies demonstrated commitment to increased reporting transparency in 2023, including Scope 3 emissions. There has been an increase in reported total market-based emissions from 27,938 tonnes CO₂e in 2022 to 37,992 tonnes CO₂e in 2023 which stems from increased data collection and reporting across the portfolio companies in Scope 3, category 1 Purchased Goods and Services. This progress paves the way for a more comprehensive understanding of the Group's overall environmental impact.

For further information about methodology and assumptions, see the section [Transparent reporting](#).

Greenhouse gas emissions of the Aker Horizons Group

	Aker Horizons Group (tonnes CO ₂ e)
Scope 1	1,321
Scope 2: Location-based	3,330
Scope 2: Market-based	719
Scope 3: Location-based	35,950
Scope 3: Market-based	35,953
Total: Location-based	40,601
Total: Market-based	37,992

Aker Horizons applies the financial control method for consolidation. Financially-controlled investees are now included in Aker Horizons' own emissions (Scopes 1-3 line by line), while equity accounted investees are included in Aker Horizons' Scope 3 Category 15 — Investments. The majority of Aker Horizons' Scope 1 and 2 emissions take place in Mainstream Renewable Power's operations. The emissions include consumption of diesel and petrol.

Aker Horizons has chosen not to have its 2023 carbon accounts audited, due to the remaining methodological gaps. Instead, it has focused its efforts on ensuring data completeness and internal controls for audit in 2024.

For the purpose of comparison with previously reported figures, the operational emissions of Aker Horizons Holding and Aker Horizons Asset Development for 2023 in isolation (i.e. notwithstanding other financially-controlled entities or investments) are as follows:

Greenhouse gas emissions of Aker Horizons Holding and Aker Horizons Asset Development

	Aker Horizons Holding (tonnes CO ₂ e)	Asset Development (tonnes CO ₂ e)	Total (tonnes CO ₂ e)
Scope 1	0	950	950
Scope 2: Location-based	3	2	5
Scope 2: Market-based	89	42	131
Scope 3: Location-based	0	204	204
Scope 3: Market-based	0	204	204
Total: Location-based	3	1,156	1,159
Total: Market-based	89	1,195	1,284

Setting goals for emissions reductions

As a developer of green projects, Aker Horizons and its portfolio companies are committed to reducing the footprint of their own operations, and cutting emissions in line with the Paris Agreement.

Aker Horizons has been committed to the Science Based Targets initiative (SBTi) since the start of 2022. Due to recent changes in the Aker Horizons Group's carbon accounting methodology, the process of developing and submitting targets for approval has been put on hold, with the ambition to re-initiate the process based on verified carbon accounts in 2024. By committing to the SBTi and establishing the ambition to set long-term science-based targets to reach net zero and align its business with a 1.5°C future, Aker Horizons is also recognized as part of the Business Ambition for 1.5°C and the Race to Zero campaigns.

Engagement with business partners and suppliers

For Aker Horizons and its portfolio companies, most of the emissions associated with operations will occur in the extraction and production of the materials used. While this work is still at an early stage, the Aker Horizons Group is taking concrete steps to explore measures for supplier engagement and emissions reduction.



Amongst others, Aker Horizons has developed and implemented the Business Partner Code of Conduct, and all other companies in the Group have, or are in the process of, adopting equivalent standards. These standards describe what Aker Horizons expects its business partners to do to establish climate and emission reduction targets, to establish methodologically-sound carbon accounting procedures and report openly on progress, to use renewable power and improve energy efficiency, and to find lower-carbon alternatives for products and services. For further information, the document can be accessed on [Aker Horizons' website](#).

Aker Horizons has set an ambition for its portfolio to commit to at least one sectoral commitment of the First Movers Coalition by 2025. The First Movers Coalition is a buyers' club set to fast-track the development of emerging green technologies, initiated by the World Economic Forum (WEF) and US Special Presidential Envoy for Climate John Kerry. Aker ASA, the majority-owner of Aker Horizons, is a founding member and will work together with some of the world's largest companies to create predictability around demand for sustainable and low-carbon materials and products. Over the coming years, Aker Horizons will actively engage and collaborate both with the companies in the Aker group and with external parties to unlock green supply chains and scale emission solutions that will enable industries, especially hard-to-abate ones, to reach their net zero ambitions.

Research and development

Aker Horizons and its portfolio have a strong focus on research and development. Addressing the crises the world faces today requires new thinking and new technologies. The total spent on research and development in 2023 across the portfolio was NOK 144 million. This figure includes all capitalized and non-capitalized research and development costs.

Transparent reporting

Aker Horizons strongly supports taking a transparent and data-driven approach to climate change mitigation (as well as other sustainability topics). In 2023, Aker Horizons reported to the Carbon Disclosure Project (CDP) initiative for the second time. CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions, to help them manage their environmental impacts. It

is one of the most important global initiatives for disclosures on climate-related impacts, strategy, risks and opportunities. For further information about Aker Horizons' climate-related risks and opportunities, see the [TCFD assessment](#).

Participation at COP28

Aker Horizons began participating at the annual UN Climate Change Conference, the Conference of Parties (COP), in 2021 as an official partner of the Bellona Pavilion in the Blue Zone, alongside the Norwegian Ministry of Foreign Affairs. In November 2023, Aker Horizons joined world leaders in Dubai for COP28, this time as a partner of the Norway Pavilion, organized by Innovation Norway.

For Aker Horizons, COP represents an important arena for engaging with and learning from key stakeholders, as well as showcasing the solutions of the Aker Horizons Group to a relevant audience. The conference brings together a multitude of stakeholders that are engaged in climate action – including, but not limited to, government representatives, businesses, research organizations and indigenous people.

Aker Horizons focused on three key themes at COP28: accelerating the energy transition, decarbonizing hard-to-abate industries and CCUS. These themes guided the panels that Aker Horizons hosted at the Norway Pavilion and the choice of external panels and events the Company's representatives participated in. All the panels hosted at the Norway Pavilion were co-organized with the International Energy Agency (IEA) and included representatives from industry, government, finance, NGOs and research institutions. Beyond these main topics, Company representatives participated in and learned from sessions on topics ranging from how to decarbonize maritime trade, overcoming today's challenges in offshore wind, the importance of market solutions towards a net zero pathway, and effective public-private collaboration for the green transition.

Since its inception, COP has evolved from a more narrow focus on negotiations between governments and national goal setting, to greater private-sector engagement, broader policy coordination and a focus on tracking and implementation. This year's COP was the largest to date, with over 80,000 participants. Engagement from business, finance and sub-

national governments was high, with significant initiatives launched on the sidelines of the formal negotiations.

The Parties at COP28 adopted a decision that recognizes the need for deep, rapid and sustained reductions in emissions in line with 1.5°C pathways. It encouraged parties to ensure their next nationally-determined contributions have ambitious, economy-wide emission reduction targets, covering all emissions, sectors, and categories, and aligned with limiting global warming to 1.5°C. Among other things, the decision called on parties to contribute, in a nationally-determined manner, to global efforts on:

- tripling renewable energy capacity globally and doubling the global average annual rate of energy efficiency improvements by 2030;
- accelerating efforts globally towards net zero emission energy systems, utilizing zero- and low-carbon fuels well before or by around mid-century;
- transitioning away from fossil fuels in energy systems, in a just, orderly and equitable manner, accelerating action in this critical decade, so as to achieve net zero by 2050 in keeping with the science;
- accelerating zero- and low-emission technologies, including, renewables, nuclear, abatement and removal technologies such as CCUS, particularly in hard-to-abate sectors, and low-carbon hydrogen production.

Aker Horizons and its portfolio companies provide several of the solutions and technologies required to enable emission reductions in line with 1.5°C pathways and therefore attracted a great deal of interest from COP28 participants. This provided the Group's representatives with the opportunity to showcase our projects, and technology solutions, as well as share our knowledge.

For further information on Aker Horizons' public policy engagement, see the [section dedicated to this topic](#).



A bird's eye view of Shetland's marine life

In 2023, an aerial survey campaign was launched to support the development of the Arven Offshore Wind Farm. The survey is compiling the first comprehensive record of wildlife activity off the Shetland Islands' eastern coast.

Detailed imagery of the proposed project area and its surroundings are being captured at monthly intervals by a specialized, high-definition camera rig mounted on an aircraft flying at heights of just 500m above the sea's surface. Over the two-year study period, data from the photographs and video footage will help to characterize the foraging areas and migration routes of the most common marine life in these waters.

Relatively little is known about the activities of bird species such as the Black and Common Guillemots (known by Shetlanders as Tystie and Longwi or Loom, respectively), Fulmar (Maalie), or marine mammals like the Harbour Porpoise (Neesick) in and around the Arven project area, which expanded its footprint by almost a third in August 2023 with the addition of a second site.

Arven, a 50:50 joint venture between Mainstream and Ocean Winds, is a floating offshore wind power project comprising a 1.8 GW site east of the Shetlands, and a 500 MW site a little further inshore. Once operational, it is expected to have the capacity to generate enough electricity to power the equivalent of more than two million homes, playing a key role in decarbonizing the UK power system and meeting Scotland's energy transition and net zero ambitions.



Performance commentary

Aker Horizons is pleased to see that its solutions are benefiting from increasing demand, and have great potential to contribute to the decarbonization of industry. The Company further observed progress in the pipeline of projects in areas such as renewable energy, the maturing of carbon capture projects that break new ground in pursuit of decarbonization, and the development of concepts for hydrogen value chains.

For further information on the progress of the Aker Horizons Group towards its strategic objectives and the performance of the individual companies, see the [Board of Directors' Report](#).

Simultaneously, Aker Horizons progressed its efforts to track and report its carbon emissions, and has taken the first steps towards engaging with its supply chain to address the broader footprint of its activities.

Going forward

Aker Horizons will continue to progress impact and climate mitigation projects, and take steps to remain at the forefront of solutions for the decarbonization of industry.

Furthermore, Aker Horizons will focus on both mapping and taking steps to reduce emissions in its own operations and value chains, track data across its portfolio and set science-based targets to reach Net Zero. All the companies in the Aker Horizons Group have a stated ambition of reducing the climate footprint of their own activities.



Energy

Investing in renewable energy production and technologies, as well as using energy responsibly, is at the very center of Aker Horizons' business strategy. The importance of this strategy was underscored in 2023 with world leaders pledging to triple the world's installed renewable energy generation capacity by 2030.

Aker Horizons' approach and performance

Green energy is the cornerstone of decarbonization and the green transition. By developing companies dedicated to renewable power generation capacity in many countries around the world, Aker Horizons is helping to increase the share of renewable energy produced locally in the countries where its portfolio companies operate, while also influencing the global energy mix.

As with carbon emissions, it is necessary for Aker Horizons and its portfolio companies to consider not only the positive impact of their activities, but also their energy footprint.

During 2023, the energy consumption of Aker Horizons in isolation (i.e. excluding financially-controlled entities or investments, but including Asset Development) totaled 524 MWh – of which 49 percent was electricity from the power grid, 32 percent was district heating and 19 percent was district cooling. The energy consumed was 98.5 percent renewable (location-based).



Focusing on minimizing our footprint across the portfolio with renewable energy

SuperNode has installed a state-of-the-art solar panel system at its Dublin headquarters. This installation is in line with SuperNode's commitment to be sustainable both in the development of its innovative superconducting transmission technology but also in its day-to-day business operations.

A 50 kWp solar panel system was installed on-site and since its commissioning, the solar panel system has been a significant contributor to SuperNode's energy portfolio. A key feature of the solar system is the capacity to export excess power back into the grid. This will primarily occur during summer weekends when demand is typically lower. This allows SuperNode to contribute to local decarbonization goals and support the efficient use of energy.

SuperNode continues to pioneer technological innovations in superconducting cable solutions which will be a critical enabling technology in the renewable energy transition, while also leading the way in sustainability efforts and living by SuperNode's core value of "Global Responsibility".

Leading the expansion of renewable energy globally

Mainstream Renewable Power is a leading pure-play renewable energy company, with wind and solar power assets across the globe, including Latin America, Africa, and Asia Pacific. In 2023, Mainstream had a portfolio of 20.6 GW, with 1.3 GW in operation and under construction at year-end. During 2023, Mainstream constructed 0.3 GW of renewable energy, and achieved significant progress with new prospects and projects across its markets. The company reached financial close on a 97.5 MW solar PV farm, with corporate PPAs, in South Africa. This project commences construction in 2024. Mainstream continued to own and manage 1.1 GW of fully operational wind and solar projects in Chile, developed from greenfield sites. In March 2023 Mainstream, alongside its partner Actis, closed the sale of the Lekela platform in Africa. Lekela is the African continent's largest independent pure-play renewable energy producer, with over 1 GW of fully operational wind power assets.



Energy consumption of Aker Horizons Holding and Aker Horizons Asset Development

	Aker Horizons Holding (MWh)	Aker Horizons Asset Development (MWh)	Total	Share renewable (location-based)
Grid electricity	174	83	257	97 %
District heating	109	60	170	100 %
District cooling	66	32	98	100 %
Total	350	175	524	98.53 %

Aker Horizons Holding and Aker Horizons Asset Development have quite a limited scope with regard to energy consumption, being predominantly office based, whereas the whole portfolio includes a number of sites which draw more energy from local grids, which is reflected in the following datapoints. The total amount of energy consumed by Aker Horizons, including portfolio companies, came to 8,246 MWh, 21 percent of which was renewable. Adjusted for Aker Horizons' proportionate ownership shares, the energy consumed amounted to 4,857 MWh, 22 percent of which was renewable. The low percentage of renewable energy is due to the use of fossil fuels at sites and in construction, as well as the grid mix in countries other than Norway, which contain a smaller proportion of renewables. This highlights the need to explore ways in which to switch to renewable energy sources wherever possible. Due to gaps in some of the data available, only renewable energy consumption for Mainstream's Norwegian office was calculated.

On the production side, a total of 2,311,936 MWh of renewable energy was produced over the course of the year. No non-renewable energy was produced.

For energy-intensive projects planned for the future, ways to improve energy efficiency are currently being explored. For instance, Aker Horizons aims to utilize the surplus heat from hydrogen production in connection with the Rjukan project. In this case, electrolysis of water will generate surplus heat that is captured in the system cooling circuit. Through a heat exchanger, this can be extracted and used for industrial processes and district heating.

Performance commentary

Aker Horizons notes the continued development of renewable energy projects, including promising new prospects in the global project pipeline by Mainstream. SuperNode progressed on its journey to unlocking new opportunities for energy transmission. For further information on the progress of the Aker Horizons Group towards its strategic objectives and the performance of the individual companies, see the [Board of Directors' Report](#).

While renewable energy production by the Aker Horizons Group significantly exceeds its energy consumption, Aker Horizons notes that energy consumption was less than 20 percent renewable. This leaves room for improvement.

Going forward

Aker Horizons will continue to support the expansion of renewable energy globally. Simultaneously, steps will be taken to increase the share of renewable energy consumed across the Group.

Furthermore, as other parts of the Aker Horizons Group become more operational and, in most cases, significant consumers of energy (which is the case for both hydrogen and carbon capture), steps will be taken to improve the solutions' energy efficiency. This includes decreasing the energy needed, as well as exploring options for recycling energy, particularly heat, to meet the needs of surrounding industry and society, and support further CO₂ abatement. In a world focusing more on energy security and volatile energy prices, this is of paramount importance to the expansion of energy-intensive industry.





Biodiversity

The strong interconnectedness between mitigating climate change and protecting biodiversity have come to the fore in 2023. Climate change is projected to become the strongest driver of biodiversity loss over the next decade. At the same time, nature-based solutions can contribute one third of the carbon sequestration and storage needed to meet our climate goals. Action to mitigate climate change is therefore also action to protect biodiversity, while action to prevent the loss of biodiversity will also support efforts to limit climate change.

Aker Horizons' approach and performance

Through the Kunming-Montreal Global Biodiversity Framework (GBF), adopted at the COP15 in Montreal in December 2022, world leaders agreed to protect or restore 30 percent of terrestrial and marine ecosystems by 2030. The agreement includes targets for businesses to regularly monitor, assess and transparently disclose their risks, dependencies and impacts on biodiversity. Aker Horizons and its portfolio companies operate in industries that are often land intensive, and therefore represent a risk of adversely impacting biodiversity if not adequately managed.

Aker Horizons' Sustainability Policy describes our commitment to minimizing our impact on ecosystems, particularly in relation to operations in or near biodiversity sensitive areas and operations that may affect endangered species. Furthermore, biodiversity impact is explicitly addressed in Aker Horizons' Business Partner Code of Conduct. Aker Horizons' responsibility for biodiversity extends to life in the ocean. Aker Horizons and Mainstream's offshore wind power division are signatories to the Sustainable Ocean Principles of the UN Global Compact Ocean Stewardship. The principles build upon and supplement the Ten Principles of the United Nations Global Compact and commit signatories to work for healthy and productive oceans.

As an active owner, Aker Horizons sets clear expectations for its portfolio companies, and while the operations vary in their maturity, this is high on the agenda across the Group. Data to monitor, assess and report our impact on land use and biodiversity is collected. In 2024 we will also continue our efforts to build a solid understanding of risks and dependencies.

All companies in the Group report on whether they own, lease or manage sites adjacent to protected areas and/or biodiversity-sensitive areas as defined by the Sustainable Finance Disclosure Regulation²; whether they have sites or operations that affect threatened species (as defined by the IUCN Red List); and whether they take part in conservation or reforestation efforts. In 2023, none of the companies in Aker Horizon's portfolio report having sites or operations with the impacts described above. However, the assessments and procedures to improve our full understanding of biodiversity impact and how it can be mitigated are under development across the portfolio companies.

All projects developed by the Aker Horizons Group are required to undergo Environmental Impact Assessments (EIAs), and Aker Horizons incorporates high-level considerations concerning biodiversity impact in early-stage investment processes.

Aker Horizons' own operations through the Asset Development business unit are at an early stage. The current impact of Aker Horizons in isolation is therefore limited. Aker Horizons, including Aker Horizons Asset Development, occupies a total of 1,167 hectares of land. Across Aker Horizons and its portfolio, total land occupation is 4,166 hectares. This number has been reduced in 2023, as Mainstream Renewable Power, with renewables assets equivalent to 1.3 GW in operation and under construction at the end of 2023, restructured parts of its portfolio.

Mainstream is committed to contribute to biodiversity net gain through protecting, preserving and restoring biodiversity in accordance with the mitigation hierarchy. Mainstream's practice and mitigation measures relating to biodiversity during construction, operations, maintenance and decommissioning

are included in the company's Global Development Standard. In 2023, the company conducted a biodiversity risk and dependency-assessment of its portfolio based on Axa Climate modeling.

Mainstream's search and rescue project to relocate protected plant species

As part of the development of a 97.5 MW solar PV plant in South Africa, Mainstream conducted a project to relocate protected plant species before the project enters the construction phase. While no threatened plant species were discovered during the site pre-construction survey, a number of species which are protected under local conservation laws were identified.

The survey, which took place in December 2023, aimed to identify, remove and, where possible, rescue or relocate species of concern, other rare species or plants that can help relocated species to thrive in their new locations. Following the survey, a plant search and rescue operation was conducted, with a total of 218 protected specimens removed and successfully replanted outside of the development footprint, with the project overseen by botanical experts.

Of the 218 plants relocated, 151 were Aloe Greadheadii, and 67 were Boophone Disticha.

² The definition provided by SFDR is: 'Biodiversity-sensitive areas' means Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas ('KBAs'), as well as other protected areas, as referred to in Appendix D of Annex II to Commission Delegated Regulation (EU) 2021/2139



Reforestation through community upskilling in the Philippines

A remote community in the uplands of the Philippines' Luzon island has been upskilling to support both its economy and its forested environment, as part of Mainstream's Libmanan wind farm project community initiative.

Construction on the project site, located on top of a forested mountain plateau, will require an area of up to 50 hectares to be cleared and the felling of an estimated 500 trees. As a condition, the project will have to replace every tree with 100 seedlings, and rather than source these from commercial suppliers, the opportunity was identified to create an economic benefit for the community.

In 2023, 165 residents of Pag-Oring Nuevo, a small "barangay" district in the province of Camarines Sur, attended a Tree Seedling Cultivation course that was hosted by Mainstream and our local joint venture entity, Cornerstone Energy Development Inc (CEDI).

Staff from the government's local Community Environment and Natural Resource Office (CENRO) instructed course participants in how to grow saplings and establish their own mini-nurseries from seeds of the Narra tree, a native hardwood species that, while over-logged nationally, is abundant in this region.

Aker Carbon Capture currently has limited direct impact on biodiversity – the deployment of carbon capture plants has a relatively small land footprint. While the plants are mainly placed in areas already targeted for industrial production, their local impact needs to be assessed on a case-by-case basis. However, indirect impacts may occur, through supply chains and natural resource needs. Through further maturation of its life cycle assessment, the company will gain a greater understanding of the key drivers of the solutions' indirect impact on biodiversity, indicating where further supplier collaboration and data gathering should be prioritized. Furthermore, biodiversity and land-use perspectives become more relevant whenever carbon removal credits are based on biomass in combination with carbon capture and storage. Maturing the framework for the voluntary market for carbon removal credits is important and part of Aker Carbon Capture's work to scale the deployment of engineered carbon removal solutions.



Performance commentary

Aker Horizons is pleased to observe the good work being done by Mainstream Renewable Power in its development and operation of renewables projects. Developing a portfolio-wide analysis of biodiversity risks and dependencies is a preparation towards aligning with reporting requirements under ESRS4 Biodiversity and Ecosystems. For the other activities in the Aker Horizons Group, biodiversity impact is currently limited, due to the early stage of the activities. Nevertheless, an early focus on mapping potential impacts is deemed a good starting point.

Going forward

For 2024 Aker Horizons will focus on building further capacity to understand and track biodiversity impacts, and analyze associated risks and dependencies across the Group. Aker Horizons will work to prepare to meet the requirements under ESRS4 Biodiversity and ecosystems, as minimizing adverse impacts on biodiversity in supply chains and the Company's own operations is considered a highly material topic.

Mainstream will continue working on sound environmental impact assessments for its assets, and exploring new methods to safeguard the environment – both for onshore and offshore assets.

A cross-cutting theme for all sustainability impacts in the Aker Horizons Group, including biodiversity, is the deepening of our work with supply chains, building an understanding of impacts beyond our own operations and how they can be mitigated in collaboration with our suppliers.

Aker Horizons will continue exploring opportunities for collaboration with academia to support research to find the best ways of mitigating adverse impacts on biodiversity. In the longer term, it is the ambition of Aker Horizons and the portfolio companies to explore and implement nature-based solutions on land and in the ocean that result in a positive ecological footprint across the Group's activities.



Circular economy

Circular economy solutions provide a roadmap for growing prosperity and resilience. By developing circular value chains, economic growth can be decoupled from resource use, while cutting greenhouse gas emissions, reducing impacts to biodiversity, and decreasing waste and pollution. With a business strategy anchored in creating planet-positive impact, circularity must necessarily be taken into consideration for Aker Horizons' solutions.

Aker Horizons' approach and performance

The concepts of the circular economy and circularity are viewed as key to sustainable development by Aker Horizons and its portfolio companies. Aker Horizons' Sustainability Policy sets out the ambition of zero waste, sound resource utilization and the realization of the circular economy. Furthermore, it describes Aker Horizons' commitment to ending pollution of the environment both on land and in the ocean. While it is widely recognized that circular economy solutions must be explored, the Aker Horizons Group companies are still at the early stages of developing an approach to circularity.

If the concept of circularity is extended to energy and CO₂, the solutions provided by Aker Horizons and its portfolio are enablers of the circular economy. For instance, carbon capture and utilization, particularly if the carbon is of biogenic origin, is a central piece in the puzzle of a circular carbon economy. This forms a backdrop to the exploration of new business opportunities.

Circularity represents the sound utilization of resources, and the abandonment of a linear approach to designing and using materials. In terms of physical resource utilization, Aker Horizons' efforts are currently focused on identifying and tackling waste streams as a concrete first step — although circularity is more than waste management.

Aker Horizons' own waste data is expressed as a pro rata share of the volume recorded at the Fornebuporten complex, where its offices are located. In 2023, 81 percent of the waste (residual mixed waste and hazardous waste) produced at these premises was not recycled. For reporting purposes, waste to energy recovery activities are not deemed as recycling. Aker Horizons' own operations, through Aker Horizons Asset Development, are at an early stage, so the current impact of Aker Horizons in isolation is limited. In 2023, the total amount of waste attributed to Aker Horizons, including

Asset Development, was 9.82 tonnes, while non-recycled waste totaled 7.93 tonnes (81 percent) and recycled waste totaled 1.89 tonnes (19 percent). The total amount of hazardous waste attributed to Aker Horizons, including Asset Development, was 0.021 tonnes.

Aker Horizons and its portfolio companies generated a combined total of 3,921 tonnes of waste, with Mainstream Renewable Power responsible for the bulk of this amount.

Mainstream was also the company with the lowest share of non-recycled waste (65 percent). As a result, the overall recycling rate for Aker Horizons, including portfolio companies, stood at 35 percent at year end. Together, Aker Horizons and its portfolio generated a total of 2,045.89 tonnes of hazardous waste. Building the capability to collect sound, portfolio-wide data takes time. Establishing further confidence and controls with respect to waste data will be a priority going forward.

Aker Carbon Capture: Applying the 9 Rs of Circularity

The required transition from a linear to a circular resource consumption is fundamental for a sustainable future and growth within the planetary boundaries. Aker Carbon Capture is working to expand its lifecycle assessment tool to cover a broader dataset. This will enable it to quantify recycled material volumes — pending supplier data availability and accuracy. The Company will assess how to facilitate the sharing of data at decommissioning of its plants to support a high degree of circularity, being re-use, re-purpose or recycling. Circularity starts with design. These are examples of how Aker Carbon Capture is applying the 9 Rs of circularity:

- **We Refuse** — to bring to market a technology that does not meet the strictest HSE requirements.
- **We Rethink** — the Just Catch™ modular and standardized design in combination with the Carbon Capture as a Service is a business model that enables use at multiple sites should a transfer be requested.
- **We Reduce** — material weight and optimize material selection for its purpose, and we reduce the energy required to operate the carbon capture plant.
- **We Reuse** — internal or external waste heat from host facilities to reduce the energy required, and the CO₂ captured may be reused in e.g. greenhouses to boost yield growth, such as in the case of the Twence project.
- **We Repair** — using replacement parts and a scheduled maintenance program, the design lifetime for the carbon capture plant is 25 years.
- **We Refurbish** — used products, bringing them up to date with the help of modular design and digitally enabled solutions.
- **We Remanufacture and Repurpose** — on the back of the solutions' modular design, although no identified use cases at this point.
- **We Recycle** — by ensuring that different materials may be separated at disassembly.
- **We Recover** — residual waste by redirecting it to waste-to-energy facilities rather than landfills.



Performance commentary

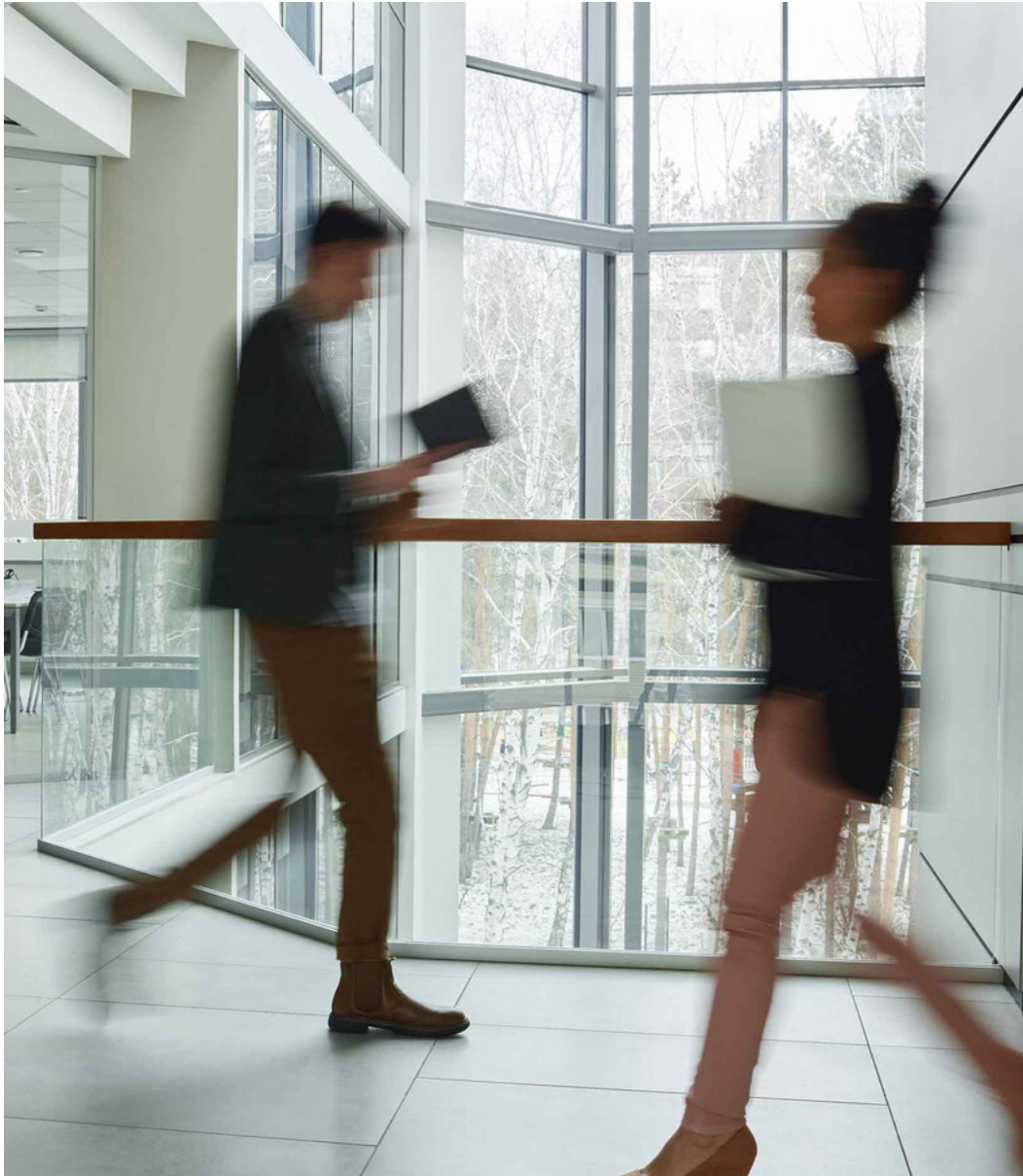
Since the circular economy is still a nascent focus area in the Group, Aker Horizons acknowledges that there is a significant potential for improvement across the portfolio. At the same time, Aker Horizons is pleased to see that there are efforts ongoing across the Group to develop systems for circular design, reuse and recycling.

Going forward

The circular economy and waste reduction are on the Aker Horizons Group's agenda. Aker Carbon Capture aims to expand its lifecycle assessment tool to cover a broader dataset, in order to quantify recycled material volumes, and will work with suppliers to access more granular data. Furthermore, it will continue to explore how information about material types can facilitate increased circularity in connection with plant decommissioning. Aker Carbon Capture is enabling circular carbon management through the facility the Company has under construction in the Netherlands.

Following the cradle-to-cradle process, Mainstream Renewable Power aims for zero waste to landfill in its projects. This ambition is anchored in Mainstream's Sustainability Policy.

Going forward, Aker Horizons will continue to encourage and support cradle-to-cradle design across its portfolio companies' activities, and aims to support an overall learning curve with respect to the circular economy and circular design within the Group.



Respect for People

Aker Horizons is committed to safeguarding and supporting the people associated with its activities. People are crucial for every organization, be they employees, contractors, customers, suppliers or external stakeholders. Contributing to improving people's well-being, prosperity and knowledge is an integral part of Aker Horizons' approach to being planet-positive.

In this chapter, four material topics have been identified for Aker Horizons:

- Human and labor rights
- Health, safety and well-being
- Diversity, equality and inclusion
- Talent attraction



At a Glance: Our People

Aker Horizons, including Asset Development

Employees

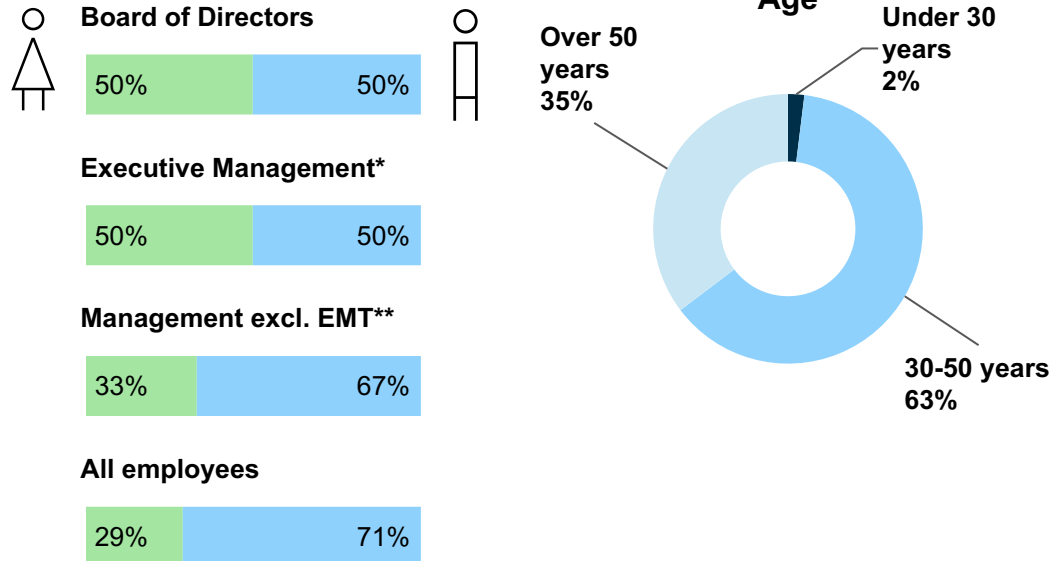
50_{FTE}
51_{HC}

Contract staff

4_{FTE}

Total workforce

54_{FTE}



Aker Horizons and portfolio companies

Employees

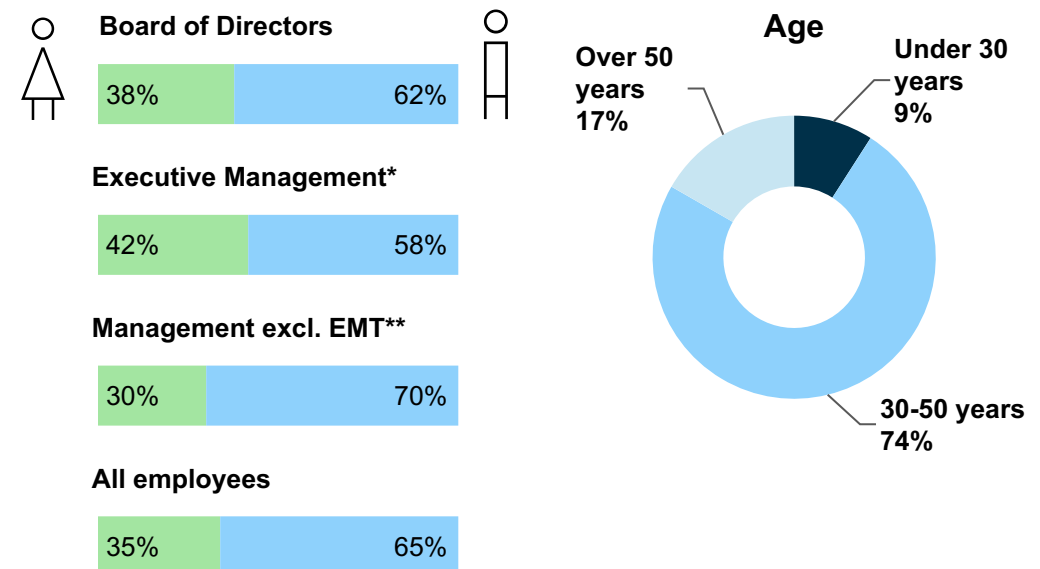
678_{FTE}
683_{HC}

Contract staff

114_{FTE}

Total workforce

792_{FTE}



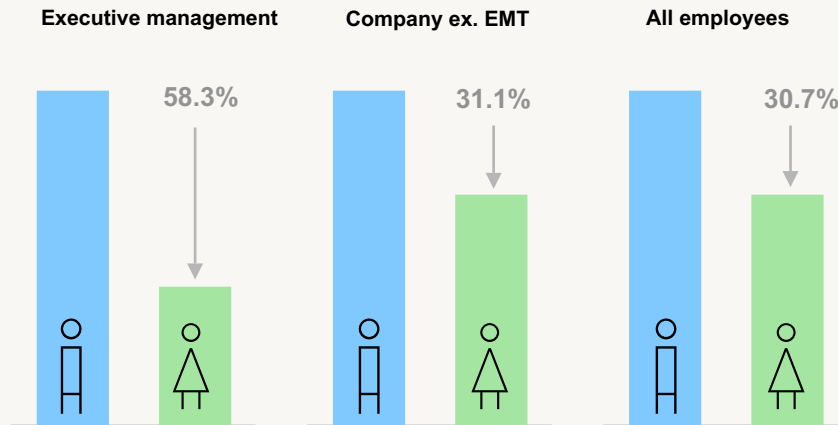
* Executive management team (EMT) defined as in remuneration report, if applicable

** Management defined as all employees who have employees reporting directly to them and/or are responsible for managing a discipline



Deep-dive: Aker Horizons (Including Asset Development)

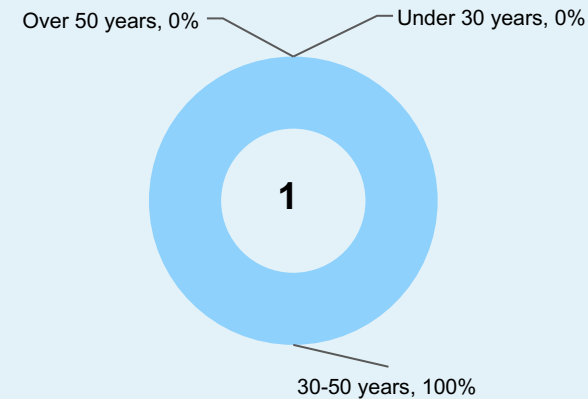
Gender pay gap



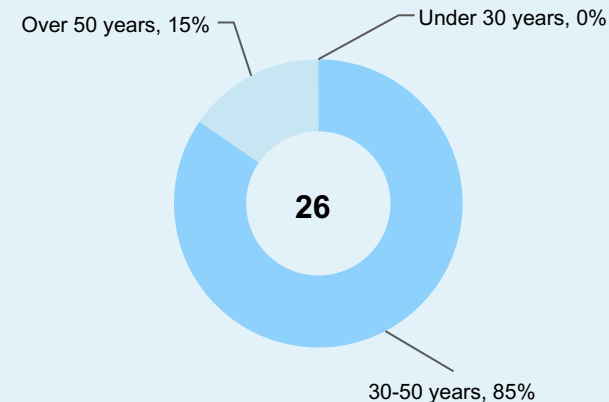
* Executive management team (EMT) in Aker Horizons is only the CEO and CFO

Profiles of new hires and leavers

Total new hires



Total leavers



Average age

46



Nationalities

11



Training and development

59

Hours (offered)



Human and labor rights

Aker Horizons and its portfolio companies operate in industries and geographies that involve potential adverse human rights impacts. Aker Horizons took a number of steps to enhance its efforts to safeguard human rights and decent working conditions in 2022 and 2023.

Aker Horizons' approach and performance

Aker Horizons is committed to respecting internationally proclaimed human rights, including the rights set out in the International Bill of Rights and the UN Guiding Principles on Business and Human Rights (UNGPs), the principles and rights described in the eight fundamental conventions identified in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work, as well as the United Nations Declaration on the Rights of Indigenous Peoples and the OECD Guidelines for Multinational Enterprises. Since 2021, Aker Horizons has been committed to the UN Global Compact corporate responsibility initiative and its principles in such areas as human and labor rights. Aker Horizons respects all human and labor rights and is committed to actively preventing child labor, forced labor and modern slavery in its own operations and supply chain. Aker Horizons recognizes the rights to freedom of expression, privacy, association and collective bargaining.

Aker Horizons took a number of steps to enhance its efforts to safeguard human rights and decent working conditions in 2022 and 2023. In 2023, Aker Horizons updated its Integrity Due Diligence Procedure to ensure that human rights and labor rights risks are considered before entering into any binding agreement. We also worked to ensure that our new business partners are committed to human rights standards by signing our "Business Partner Code of Conduct".

A focus has also been on the community impact of our projects, in particular the impact on indigenous communities potentially affected by Mainstream's operations in Chile. Aker Horizons also performed a Human Rights Audit on our site in Narvik to ensure that labor standards and HSE are robustly protected.

In 2023, executives from Aker Horizons and its portfolio companies participated in meetings of Aker's Global Works Council (GWC), which includes labor union representatives from several Aker companies worldwide. The council

continually works to ensure alignment on corporate responsibility efforts in Norway and internationally.

The Chair of Aker Horizons, in his capacity as CEO of Aker ASA, takes part in the annual employee representative conferences organized by the Norwegian trade unions and employee associations, and also has frequent informal conversations with employee representatives. This gives Aker ASA and Aker Horizons valuable insights and facilitates the implementation of active employment representation. Aker ASA has also extended employee representation to its Board of Directors. Three members of Aker ASA's Board of Directors are elected by and from among employees - including the portfolio companies' employees.

Governance

Aker Horizons' commitment to human and labor rights is embedded in the company's governing structure and reflected in both our Code of Conduct and Sustainability Policy.

Responsibility for managing human rights in Aker Horizons is shared between the Sustainability and Compliance functions, and is overseen by both the Audit Committee and the Board of Directors. Updates on human rights-related activities and matters are given to the Audit Committee on a quarterly basis and to the Board once a year. All Aker Horizons employees are individually responsible for respecting human rights and safeguarding decent working conditions.

Training and awareness-raising are important tools to equip employees with the necessary skills to take responsibility for and contribute to the identification, mitigation and prevention of adverse impacts on human rights and decent working conditions in Aker Horizons' operations and supply chain. Aker Horizons aims to continuously strengthen internal competence with respect to human rights, and has a dedicated online human rights training program for all employees of Aker Horizons, Aker Horizons Asset

Scope of the Norwegian Transparency Act

Aker Horizons is an investment company that exerts active ownership over its portfolio companies. The Norwegian Transparency Act specifies that a parent company's own operations include the operations of its subsidiaries, irrespective of where those subsidiaries are registered or operate. It therefore follows that Aker Horizons' human rights due diligence of its own operations must also take account of risks in the operations of its subsidiaries. The reporting covers all legal entities of Aker Horizons. Aker Horizons has three subsidiaries that are either majority owned or that the Company consolidates for accounting purposes: Aker Carbon Capture ("ACC"), Mainstream Renewable Power ("Mainstream") and Aker Horizons Asset Development ("Asset Development" or "AAD"). Aker Carbon Capture falls within the scope of the Act and is required to report on the company's human rights due diligence work separately. Aker Carbon Capture's Transparency Act report can be found on the company's website [here](#).

Mainstream does not fall within the scope of the Act, but is considered part of Aker Horizons' own operations. It is therefore indirectly impacted by the Act's requirements through Aker Horizons' reporting obligations.

Asset Development and Aker Narvik are also considered to be Aker Horizons' own operations and have been assessed jointly for the purposes of Aker Horizons' human rights impact assessment.

Equity-accounted investees that are not majority owned or controlled by Aker Horizons are not considered subsidiaries of Aker Horizons – and therefore not included in Aker Horizons' reporting on human rights progress (numbers and activities). They are however, part of Aker Horizons' work with human rights more generally, as described on pages 26-30.



Development and Mainstream Renewable Power. Aker Carbon Capture is providing specialized online training to its employees based on risk exposure. In 2023, all employees were reminded about the company's commitment to safeguarding human rights and decent working conditions as part of the annual Code of Conduct training. New employees received onboarding training, including mandatory e-learning specifically about human rights.

Preventing adverse impacts on human rights and decent working conditions

Following the entry into force of the Norwegian Transparency Act, Aker Horizons has updated internal procedures and processes to include measures to identify, assess, prevent and respond to (i.e. cease or mitigate) negative human rights impacts in its operations, supply chain and business partner relationships. Notably, the Integrity Due Diligence Procedure has been updated to expressly integrate human rights impact assessments into Aker Horizons' integrity due diligence process, which is carried out on prospective and existing suppliers and business partners. Taking account of human rights is not, in and of itself, new. With the updates, however, the Integrity Due Diligence process must specifically consider the risk that a supplier or business partner could cause, contribute to, or be linked to adverse impacts on fundamental human rights and decent working conditions. If there are concerns, weaknesses or red flags associated with a business partner, Aker Horizons will engage the business partner in dialogue and identify measures to enable them to work towards attaining the integrity standards stipulated by Aker Horizons' Code of Conduct for Business Partners. Furthermore, Aker Horizons has updated its procedure for integrity management within its own operations to ensure human rights impact assessments are included in the Company's regular integrity risk assessments.

In 2024, Aker Horizons plans to strengthen its efforts to assess human rights and decent working conditions in projects and M&A processes, to ensure early identification of potential impact and a more comprehensive approach to the relevant risks.

Aker Horizons' human and labor rights risk

The Aker Horizons Group is committed to conducting periodical human rights impact assessments, which examine

the scope, nature and impact of existing activities and business relationships. During 2022 and 2023, Aker Horizons carried out a human rights impact assessment, using a combination of quantitative and qualitative methods to map and assess the Company's potential adverse impact on human and labor rights in its own operations and supply chain, and in other business partner relationships. The findings are described below, covering the period from 1 January 2023 to 31 December 2023.

The risks of actual or potential adverse impacts on human rights and decent working conditions by the Aker Horizons Group is considered low. Identified risks and mitigating measures for each part of the Group are described below.

Inherent risks in green industries

In green industries generally, there is an inherent risk of adverse impacts on local communities affected by renewable energy development projects. Wind and solar farms require large areas of land, which can displace people or affect areas used for farming, animal grazing, water access or other activities which, in turn, may affect livelihoods. The inherent risk is generally higher where communities that are affected include indigenous people or other vulnerable groups. This is particularly relevant where land use is changed to accommodate energy projects or where multiple projects are established in the same area.

There is an inherent risk of adverse impacts associated with the renewable energy sector's supply chains, as these are often concentrated in high-risk markets where there is low transparency. One example of such a high-risk market is China in general and the Xinjiang province in particular, as well as other relevant high-risk markets such as Brazil, Chile and South Africa. Furthermore, the mining and processing of metals and minerals – an important aspect of many green energy and green industry projects – is associated with a high inherent risk of adverse impacts, due to the nature and location of such operations. In the construction of infrastructure for green energy and green industry projects, there is also an inherent risk of adverse impacts due to labor-intensive work, often executed by contract workers.

Detailed below are the actual and potential risks and impacts identified in the operations and supply chains of Aker

Horizons (including Asset Development and Narvik) and Mainstream resulting from the human rights impact assessment and due diligence performed in 2023. Since Aker Carbon Capture is itself subject to the Transparency Act and it's report on human rights risk is available on its website, the company's assessment is only briefly summarized in this report.

Through its human rights due diligence in 2023, Aker Horizons did not identify any actual adverse impact on

Aker Carbon Capture

Aker Carbon Capture's 2023 human rights impact assessment did not identify any actual adverse impacts on human rights in or associated with its operations, but potential risks were identified. Generally, there are inherent risks of adverse impacts on human and labor rights, such as forced labor and poor and unsafe working conditions, associated with the company's operations and the industries and third parties that it interacts with. However, the company considers that the residual risk is reduced due to its imposition of compliance obligations on third parties and performance of due diligence, training and awareness, reviews and audits. Furthermore, the company has established a reporting channel for its stakeholder to which grievances can be reported, although no reports were received in 2023. Nevertheless, the company acknowledges that it is exposed to potential adverse impacts on human rights in its supply chain. Therefore, the company will continue to work proactively with its critical suppliers to identify, assess and prevent potential negative impacts on human rights. Key focus areas in this work will be occupational health and safety, forced labor and decent working conditions. For further details about Aker Carbon Capture's human rights impact assessment, including measures taken to reduce risks of adverse impacts, see Aker Carbon Capture's Transparency Act report which is available on the company's website.



fundamental human rights or decent working conditions in the Company's operations, its supply chain or its business partner relationships.

Aker Horizons' and Aker Horizons Asset Development's own operations

This section includes Aker Horizons Holding AS, Aker Horizons Asset Development (AAD) and Aker Narvik. Aker Horizons', AAD's and Aker Narvik's offices and operations are currently all located in Norway. The most significant potential link to adverse impacts on fundamental human rights and decent working conditions in Aker Horizons' own operations are generally related to construction work in AAD projects and Aker Narvik.

In 2023, the only Aker Horizons, AAD and Aker Narvik operations that involved construction related to Aker Narvik's Kvandal site, as the land was being prepared for further development. During 2023, Aker Narvik finalized its early stage construction work and moved on to a pre-FEED stage, with the focus on studies to plan project execution. AAD has projects under development at varying stages, although none of these are yet operational.

Aker Horizons Sustainability and Compliance personnel undertook a human rights audit at Aker Narvik's Kvandal site in July 2023 to assess the human rights and labor conditions. The purpose of this audit was to investigate the risk associated with Aker Narvik's tier 1 suppliers at the site, as well as to gain insight into its JV partner Nordkraft's procedures and work on human rights due diligence and the assessment undertaken in selecting suppliers for the ongoing construction. No material concerns were identified during the audit, but both Aker Horizons and Aker Narvik management appreciated the dialogue created on the topic. Risks may become more significant as the projects develop, but are considered low due to the project's location in Norway – with its high standards for labor rights – and the fact that the workers involved are primarily local (as opposed to migrant) workers. The residual risk is considered mitigated by Aker Horizons, through its JV partner, Nordkraft, exercising close oversight, including frequent on-site visits, as the project develops.

Aker Horizons has established a communication channel for reporting concerns, which is open to third parties and available through the company's website. This may serve as a mechanism for reporting grievances. All Aker Horizons Group companies have their own whistleblowing channels to receive and manage grievances.

Aker Horizons, AAD and Aker Narvik remain mindful of the potential future risks that may crystallize once projects under development enter construction and operational phases, and will ensure that these risks are closely monitored and addressed as and when construction and development commences on the relevant projects.

Mainstream's own operations

In its assessment of human rights for 2023, Mainstream has not identified actual adverse impacts on fundamental human rights or decent working conditions in the company's operations or supply chain or in relationships with other business partners. Through the year, risk reduction measures and mitigating actions have been put in place to manage identified potential adverse impacts.

Mainstream develops, builds, and operates renewable energy projects across a wide range of markets and technologies, in collaboration with local and international business partners. The human rights risk associated with Mainstream's engagement with local communities and indigenous people is considered high for markets where indigenous people are affected by project developments. Managing and mitigating such impacts can be challenging as the same people can be affected by the totality of impacts from several infrastructure developments by unrelated developers in the same area. Mainstream recognizes the importance of early and frequent engagement and therefore establishes community liaison officers and investment plans for all project locations to understand communities' needs or concerns. Mainstream follows the International Finance Corporation (IFC) guidelines for project development, including the principle of free, prior and informed consent, which is an integrated part of the Company's Global Development

Puelche Sur (in operation): Relations with the community and compliance with the commitments by the Environmental Qualification Resolution (RCA) have been maintained in a timely manner. A decision was made to reduce the project by one wind turbine due to an ancestral land claim filed with the government by the Weichan Mapu indigenous community.

Ckhúri wind farm (under construction): The project is located in an area which affects the Atacameños, Quechuas and Aymaras indigenous peoples. Three of four communities have raised concerns related to archaeological heritage impacts. Project construction is on hold while work is being executed to comply with the requirements of the Council of National Monuments regarding archaeological information and protection measures for archaeological sites.

Caman wind farm (under construction): The project is located in an area that encompasses nine organizations, four of them from the Mapuche indigenous people. All organizations, through working groups, are periodically informed about progress in the construction process. The organizations are involved in the implementation of community investment funds (FIC) and have space to present and resolve concerns with the company. Local community groups participate in community monitoring to verify the progress of the project in situ. The project is now on hold due to issues associated with the restructuring of the MRP business. Additionally, this project experienced an arson attack in June, which is currently under investigation by the Chilean authorities.

Entre Ríos wind farm (pre-construction): The project is located in an area which affects the Mapuche indigenous people. The main concern that the five communities have with respect to the construction stage relates to vehicular traffic along the local road, the distance to the location of the wind turbines and possible archaeological finds. The community has been kept informed about the status of the project and the signing of collaboration agreements has been managed.



Standard and our Community Charter. Mainstream has a Speak Up Line where communities can raise their concerns anonymously, should they not feel comfortable raising concerns with the liaison officers directly. Mainstream has processes in place to receive and manage grievances in relation to their projects. In 2023, none of these channels identified adverse impacts on human rights.

Human and labor rights risks are monitored through quarterly updates of Mainstream's Enterprise Risk Management system, with the main risks reviewed by the Board's Audit Committee.

In 2023, Mainstream's main governing document, the Global Development Standard, was updated with enhanced descriptions and requirements for community engagement, workers' rights and human rights.

Mitigating measures and tracking progress

Although Aker Horizons did not identify any actual adverse impacts on human rights and decent working conditions in its own operations, supply chain or business partner relationships, Aker Horizons is taking concrete steps to mitigate the potential risks outlined above.

Human rights risks in supply chain and business partner relationships

In its human rights due diligence in 2023, Aker Horizons did not identify any actual adverse impacts on fundamental human rights or decent working conditions in the Company's supply chain or in relationships with other business partners.

In 2023, Aker Horizons – including Asset Development and Aker Narvik – had a total of 277 active suppliers and business partners (as defined by the Transparency Act). The accounting system does not differentiate between suppliers which deliver products and services that are included in the companies' energy projects and more indirect suppliers, such as office providers, accounting services, etc. (respectively suppliers and business partners as defined in the Transparency Act). A more granular overview of suppliers will be considered for future reporting.

Considering the total of Aker Horizons', AAD's and Aker Narvik's direct suppliers and business partners, 72.8 percent are based in Norway, while the remainder are from countries in Europe. No direct supplier or business partner is based in a country considered high-risk with regards to human rights and labor conditions.

The top 10 suppliers and business partners represent 74 percent of total spend. These suppliers provided construction and infrastructure services, project consulting services, property, inventory and office rental, and legal and accounting services. Compared to 2022, the share of suppliers in EPC and construction is reduced, which was expected as the project in Narvik has entered a pre-FEED phase.

Aker Horizons has identified the following categories of suppliers in its supply chain as representing a potential risk to human rights and decent labor conditions: construction, electronics and computer equipment; software and IT services; hospitality (including office rental and meetings/events); office supplies; and recruitment services. The potential risks of adverse impacts associated with these sectors generally will serve as a basis for Aker Horizons' targeted mitigation work. Assessments will consider health and safety, excessive working hours, forced labor, child labor, collective bargaining and freedom of association, indigenous people's rights and affected communities, and equality, diversity and inclusion.

In 2023, a social audit was undertaken at the Kvandal site. The audit considered Nordkraft's procedures for human rights due diligence in the supplier selection process, but also investigated key risks among the tier 1 suppliers. No actual adverse impacts were identified in this project.

The risk remains, however, for Kvandal and other projects, that the Company could be directly linked to adverse impacts through its indirect suppliers, particularly in the construction and electronics categories, sectors with typically higher supply chain risks.

Aker Horizons regularly works with partners in various set-ups. We work with strategic partners to own and operate our portfolio, and with project partners to develop and mature projects. However, before any binding commitments are

agreed, all partners are subject to an integrity due diligence process, during which human rights and other integrity risks are assessed. We have also agreed partnerships relating to potential future work, which we consider to constitute a limited current risk of Aker Horizons causing, contributing to or being linked to adverse impacts on human rights and decent working conditions. Once projects move from the planning phase to operations, the risk picture may change. Aker Horizons will work closely with our project partners to continuously address human rights risks, to ensure early identification and mitigation.

Requirements to suppliers and business partners

Aker Horizons' efforts to prevent and mitigate any adverse impacts on human rights by business partners include addressing suppliers, customers, service providers, joint venture partners and other persons and entities engaging in business with members of the Aker Horizons Group. Aker Horizons has implemented a Business Partner Code of Conduct which sets out what Aker Horizons requires of its business partners. This includes an expectation that they respect fundamental human rights, provide decent working conditions and carry out human rights due diligence to understand and mitigate potential and actual adverse impacts on human rights and working conditions. The Code of Conduct for Business Partners includes specific contractual clauses authorizing Aker Horizons to terminate a contract in case of material breach of human rights by a business partner. Contractual clauses also allow audits of business partners to verify their compliance with the Code. At the end of 2023, 100 percent of Aker Horizons' portfolio companies have either Codes of Conduct outlining their commitments to human and labor rights or Codes of Conduct specifically encompassing business partners. Aker Horizons has also adopted measures to ensure that all written agreements with business partners incorporate Aker Horizons' Code of Conduct for Business Partners.

Aker Horizons' Integrity Due Diligence (IDD) procedure specifies steps that must be taken to assess and monitor integrity risks relating to new and existing business partners. The IDD Procedure is risk based. As a result, business partners with direct involvement in the construction, infrastructure or extractives and mining industries, and/or business partners located in medium or high-risk countries,



will be subject to additional due diligence. Additional due diligence may include self-assessment questionnaires, use of external intelligence providers and direct engagement with relevant stakeholders.

Integrity due diligence in Aker Horizons is an ongoing, risk-based process. At minimum, it involves continuous monitoring of Aker Horizons' current and prospective business relationships, using an external screening system and compliance database (Compliance Catalyst) for human rights risks and other potential risks, such as sanctions, corruption, environmental offenses and economic crimes. Higher risk suppliers will also be subject to more in-depth follow-up, including audits if necessary.

Aker Horizons is committed to conducting audits in projects where we have identified risks, and responding to adverse impacts commensurate with our level of influence and control. If there are concerns, weaknesses or red flags associated with a business partner, Aker Horizons will engage them in dialogue and identify measures to enable them to work towards attaining the integrity standards stipulated by Aker Horizons' Code of Conduct for Business Partners.

Mainstream supply chain and business partner relationships

The risk of Mainstream being linked to adverse human rights impacts through its supplier relationships is considered high, as it is challenging to achieve full transparency of the renewable energy supply chain and therefore to uncover aspects that require mitigating actions. As part of the company's efforts to uncover and avoid such aspects a number of new processes and procedures were implemented in 2023.

A Business Partner Code of Conduct was developed and has been shared this year with a selection of strategically important suppliers of wind turbines and solar modules. All companies approached accepted the contents.

Mainstream has developed and implemented enhanced standard contractual clauses covering compliance and human rights that must be included in all agreements Mainstream enters into with business partners. This includes Non-Disclosure Agreements, Memorandums of Understanding, supplier and joint venture agreements. In addition, the Mainstream integrity due diligence questionnaire for business partners was updated to include a section focusing on sustainability and human rights.

Mainstream regularly engages with a selection of tier 1 module suppliers on their evolving transparency arrangements. These are developing rapidly and allow for tailored transparency requirements in various markets. Direct engagement with three leading module suppliers in 2023 will enhance ability to increase supply chain transparency in future projects.

The above items highlight the significant progress made during 2023 but also highlight the scale of the challenge to achieve full transparency in the wind and solar power supply chain, all the way back to raw materials. Feedback received from suppliers noted that some are not yet able to identify every supplier in their supply chains for every component. This limits their – and Mainstream's – ability to carry out due diligence.

A risk-based process is followed to prioritize transparency efforts and associated due diligence in those areas of known risk e.g. solar modules. Mainstream will continue to engage with suppliers through 2024 to progressively increase wider supply chain transparency.

No actual adverse impacts were uncovered in Mainstream's supply chain or business partner relationships in 2023. However, several risks of potential adverse impacts were identified:

Project	Risk identified	Preventive action implemented
General	Human rights breaches such as use of forced labor identified in any part of Mainstream's supply chain.	- Business Partner Code of Conduct is included in supplier engagement and to be incorporated in all contracts. - Enhanced contractual clauses are developed and integrated in new contracts and collaboration agreements. - Engagement with key suppliers and industry bodies is increased to maintain visibility on market transparency developments.
Camarines Sur Onshore Wind, Philippines	Mainstream is a minority shareholder in the joint venture. It does not therefore have full responsibility for the procurement workstream.	- Close collaboration with JV partner on procurement activities. - Human rights is part of the joint venture compliance plan approved by the CEDI board, to ensure there are no violations of Human and labor rights (HLR) in procurement and local stakeholder processes. - The plan includes requirements re. standard compliance and human rights clauses for procurement agreements and the due diligence of suppliers. - HLR training for employees will be given to employees hired directly by or seconded to CEDI in 2024.
Korea Floating Wind & East Blue Power Offshore wind, South Korea	Mainstream is a minority shareholder in the joint venture and is not leading the procurement workstream.	- Collaboration with the joint venture partner Ocean Winds on procurement engagement and strategy. - Code of Conduct includes HLR requirements. It is publically available and shared with all potential suppliers. - Project staff are trained in code of conduct including HLR requirements. - Integrity due diligence process is applied to all suppliers.
Solar PV plant, South Africa	Solar PV project under construction, 49 percent MRP-owned. Risk associated with the procurement of solar modules as described above.	EPC Contract includes enhanced contractual clauses. Selection of module supplier is subject to Mainstream approval.



Performance commentary

In 2023, Aker Horizons continued to build on the progress made in 2022 to improve its understanding of human rights risks through training, implementation of internal processes, and interaction with suppliers and business partners, including reviews, due diligence processes and audits. Human rights risks continue to be a complex area for most companies operating in the energy sector, in particular where large energy projects are being constructed. Some risks of adverse human rights impacts can be significantly reduced through the development and implementation of internal procedures and processes. Others are more profoundly challenging, particularly where such risks are inherent in the nature of current global value chains in the green transition – such as the need for metals and minerals, and the current concentration of the production of input factors in challenging geographies. To the extent possible, efforts have been made to mitigate these risks by enhancing policies and procedures across the Aker Horizons' Group. This includes the Business Partner Code of Conduct and Integrity Due Diligence, as well as group-wide human rights training.

Going forward

Going forward, Aker Horizons will focus on its risk-based approach to human rights and human rights due diligence. This includes following up on newly introduced processes to ensure all new suppliers are screened using social criteria. The Company will also work continuously to further embed human rights assessments across the portfolio. For Aker Horizons' own operations, this includes working with specific suppliers identified as representing or exposed to a higher risk, to understand how they implement human rights due diligence in their own operations and supply chains.

In 2024, Aker Horizons plans to strengthen its efforts to assess human rights and decent working conditions in M&A processes, to ensure early identification of potential impacts and a more comprehensive approach. We also aim to further improve our approach to human rights risks in projects by promoting broader project assessments and skills development across the portfolio.





Health, safety and well-being

Maintaining a positive, safe and healthy work environment for all employees in our portfolio and in our value chain is Aker Horizons' key priority. Health and safety management is of particular importance in projects that have reached construction and operation phases, and therefore entail a higher risk. Aker Horizons is strongly committed to ensuring the health, safety and well-being of people as a way of creating long-term societal and economic value.

Aker Horizons' approach

Aker Horizons' Sustainability Policy lays out the foundation for the Company's approach to health and safety. Accordingly, Aker Horizons is committed to ensuring a secure working environment that provides the basis for a healthy and meaningful working situation, and that affords full safety from harmful physical and psychological influences. Furthermore, Aker Horizons strives for zero harm and continuous improvement throughout its value chain.

Health and safety

All Aker Horizons' portfolio companies and business units manage their own health and safety. As an active owner, Aker Horizons sets clear expectations for high HSSE standards, including adequate work-related hazard identification, risk assessment, incident investigation, control and reporting routines. All our portfolio companies report to Aker Horizons on health and safety issues on a quarterly and annual basis. Aker Horizons expects its portfolio companies to ensure that these high HSE standards cover not only their own employees and contractors, but also extend to their business partners. Due to this approach, Aker Horizons does not have a separate health and safety policy.

Aker Horizons' fully owned asset development arm, Aker Horizons Asset Development, has a separate HSSE policy, which describes its commitments and behaviors across its operations. In 2023, Aker Horizons Asset Development continued to operate a management system in accordance with ISO 45001 and 14001 to support its project development. Aker Horizons' Narvik project is at an early stage of EPC activity, while Aker Horizons Asset Development does not yet have any assets in operation.

Thus, the current health and safety risk is predominantly located in Aker Horizons' portfolio, in particular those of Mainstream Renewable Power's projects where large-scale

construction of renewables infrastructure progressed during 2023.

Performance

Through 2023, health and safety remained a priority for Aker Horizons and its portfolio. Below is a performance overview for 2023. Incident rates for individual companies can be found in the [Full ESG Performance metrics](#).

Incidents in Aker Horizons and its portfolio

	Own employees	Contractors
Fatalities	0	0
Lost-time injuries (LTI)	0	5
Medical treatment cases (MTC)	0	2
Total recordable injuries (TRI)	0	7

Mainstream Renewable Power

Mainstream continued its focus on health and safety in 2023, a year in which almost 1.7 million employee and contractor hours were recorded in the build-out and operation of multiple wind and solar power assets.

There were no fatal events, and the number of environmental, health and safety events with a high risk of serious injury or death, known as a Significant Incidents with Potential (SIPs), fell well below the target limit of 4.0 per million hours worked, achieving a rate of 1.93 across all Mainstream activities. There were no SIPs among Mainstream employees.

The Lost Time Incident (LTI) rate of 4.83 for contractors, with no Lost Time Incidents recorded among company employees, resulted in an overall rate of 2.96, which was below the target rate of 3. In 2024, Mainstream intends to further centralize safety processes and procedures to both streamline and strengthen the company's safety work.

Aker Carbon Capture

Aker Carbon Capture operates with a zero harm mindset and the belief that all incidents can be prevented. As construction activities commenced at the Brevik CCS and the Twence CCU projects, several operational safety-related procedures and measures were implemented, with continuous improvements throughout 2023. Zero incidents occurred during the year. Aker Carbon Capture obtained ISO 45001 certification for Occupational Health and Safety in 2022, and conducted mandatory HSSE training sessions for relevant employees.

Aker Horizons Asset Development

The same was the case for Aker Horizons' EPC work in Narvik, where no injuries were recorded beyond two low-impact first-aid cases. The day-to-day site-based activities for this project are managed by Nordkraft, Aker Horizons' JV partner in Narvik. Follow-up measures in 2023 included participating in weekly progress meetings where HSE was a standing agenda item, stringent HSE requirements communicated to contractors, site visits and inspections, and following up any identified deviations and improvements. At the start of 2023, the Norwegian Labor Inspection Authority made an unannounced visit to the site. The inspection report concluded that there were no deviations and that health and safety was considered well maintained.

Further details on management processes at the level of Aker Horizons' portfolio companies can be found in the chapter on [Responsible Business Conduct](#), under "Management systems".

Well-being

Aker Horizons' ambition is to foster well-being in the workplace by providing a good and inclusive work environment, enabling low levels of absence due to illness and retaining a highly skilled and motivated workforce. Aker Horizons strives to offer flexible working hours and safeguard



employees' preferred work-life balance. These ambitions are also expected from portfolio companies. In 2023, several of the Aker Horizons companies underwent organizational changes, and annual employee engagement surveys were postponed to 2024.

The well-being of people across the portfolio is high on the agenda for the other companies in the Aker Horizons Group. Aker Carbon Capture conducts regular employee well-being surveys and follows up the results through dedicated working groups and Working Environment Committee (AMU). The results from the last survey indicate that the selected initiatives have been sound. The survey results and the actions derived from them are presented in townhall meetings.

Aker Horizons has kept a flexible working model with opportunities to work from home. By offering flexibility, the Company aims to support a healthy work-life balance. Ensuring a healthy work-life balance will continue to be a focus going forward. Alongside competitive compensation, Aker Horizons offers comprehensive benefit packages to all its employees regardless of their type of employment contract. Aker Horizons also offers an insurance package, which covers occupational injuries, personal accidents, sickness, disability and travel, as well as group life insurance.

Health promotion

In addition to healthcare and insurance plans, Aker Horizons offers a comprehensive wellness program for all employees. This includes access to an on-site private health center, where Aker Horizons employees have access to a physician, health counseling and medical treatment.

Aker Horizons also focuses on addressing non-occupational aspects of life, such as healthy diets and physical activity, by providing access to healthy food options at its head office canteen and membership of the on-site Lifestyle fitness center. All Aker Horizons employees are also offered membership of the training and lifestyle portal Aker Active. To provide adequate flexibility, all services for physical activity can be used by our employees during paid working hours as well as after work.

In 2023, excluding several internal career moves across the Aker Group, staff turnover at Aker Horizons was 35.9 percent. The turnover rate for Aker Horizons and its portfolio totaled 37.5 percent. In addition, a business transfer was conducted early 2023, whereby 20 Aker Horizons employees were transferred to Aker Solutions.

Performance commentary

Aker Horizons notes the extensive efforts being made across the Group to safeguard employee health, safety and well-being. The Group also notes the low numbers of LTIs (0 for employees, 5 for contractors) and TRIs (0 for employees, 7 for contractors). Aker Horizons was pleased to see an increase in HSE training across the Group, and supports the continuation of this endeavor.

Aker Horizons also observed that investing in its people through social activities, health promotion initiatives and flexible working agreements contributed to a positive working environment and low sick-leave numbers in a period of staff-reorganizations for several companies across the Group. Nonetheless, the well-being of our people will continue to be a priority.

Going forward

As Aker Horizons matures its operations in projects, the Company will focus its efforts on ensuring that the health, safety and well-being of its people are always a priority.

In Narvik, across both the land portfolio and our flagship hydrogen asset, we will continue to focus on preparations for the construction phase, with safe and efficient operations as a priority. The HSE strategy has been matured in line with the overall execution strategy and the risk picture.

Aker Horizons will continue to set high health and safety expectations for its business units and portfolio companies, requiring them to manage risks and create a strong and proactive HSE culture. Aker Horizons will also continue to closely monitor health and safety performance across the Group.





Diversity, equality and inclusion

A diverse and inclusive workforce is the foundation for building an agile and future-fit business, and for driving progress. As a socially-conscious company, Aker Horizons plays a role in promoting equal opportunities.

Aker Horizons' approach

Through Aker Horizons' Sustainability Policy, the Board of Directors has established the commitment that the company will strive to ensure equality, diversity and inclusion throughout its business. Aker Horizons shall ensure equal opportunities and strive for a balance between the genders and increased diversity and inclusion at all levels and in all parts of the businesses. Aker Horizons does not tolerate any form of discrimination on the basis of, for example, gender expression, sexuality, disabilities, race or religious beliefs.

Aker Horizons has implemented "Guidelines for equality, diversity and inclusion for governing bodies and executive management", a requirement under the Norwegian Accounting Act. These are available on Aker Horizons' [website](#). According to the guidelines, Aker Horizons' Board of Directors should consider a variety of perspectives in its decision-making process. This may be facilitated through diversity in gender, background, education, experience, expertise and other factors, as well as the inclusion of independent directors. Other Aker Horizons' governing bodies, and governing bodies in the portfolio companies, are also encouraged to ensure a gender balance, as well as diversity in age, background, experience and skills.

All of the companies within the Aker Horizons Group focus on strengthening diversity and inclusion in their organizations. Aker Carbon Capture has implemented concrete measures to prevent unconscious bias in the recruitment process, and has implemented specific inclusion ambitions for gender representation across board, management and workforce.

Aker Horizons aims to ensure equal pay for work of equal level, scope and responsibility. Variations may occur due to differences in the level of skills and experience employees bring to the role. The companies within the Group continuously monitor gender pay gaps which are reported in the People section in the ESG metrics appendix on page 173 of this report. As a way of promoting a diverse workforce in

portfolio companies, Aker Horizons collects data related to diversity and inclusion from all its companies across the portfolio. Performance on diversity is reported to Aker Horizons on an annual basis, in accordance with the Norwegian Diversity Report. The Company has introduced four gender options in its systems and reporting; male, female, other* (*gender specified by the employees themselves) and not disclosed. No other genders than male and female were reported in 2023.

Initiatives to ensure fairness in their recruitment processes have been implemented in several of the portfolio companies and all companies have Codes of Conduct that specifically address equal treatment and non-discrimination in the workplace, regardless of gender identification.

Performance

The percentage of women at Aker Horizons at year-end constituted 29 percent of the workforce. This is still below our ambition, and Aker Horizons will continue to implement measures to increase diversity, with a special focus on gender. There is great diversity in the nationalities represented in Aker Horizons' workforce, with a total of 11 different nationalities reported at year-end. This is an important contributor in building a strong, diverse and capable workforce. The average age of our employees is 46 years old.

As the owner of portfolio companies, Aker Horizons aims to have diversity in capabilities, and highly qualified board members and managers who serve as role models in their companies. Aker Horizons, including three portfolio companies, currently have 25 percent female CEOs, this is a decrease of 25 percent from last year. Their management teams consist of 42 percent women, which is an increase since year-end 2022.

The number of employees working for Aker Horizons and its portfolio companies decreased during 2023. The percentage

of women employed was unchanged from the year before, at 35 percent across the whole portfolio.

People from 43 different nationalities are employed by Aker Horizons Group, including all portfolio companies. The reduction from 2022 is largely due to restructuring. 43 nationalities is still a strong number and Aker Horizons aims to continue to foster diversity in national origin and background in its organization going forward.

SuperNode received Bronze Award from the Centre for Inclusion and Diversity

Being welcoming and inclusive is a core value in SuperNode. In 2023 the company worked with the Irish Centre for Diversity and Inclusion, which has developed Ireland's only Diversity and Inclusion mark for business. SuperNode facilitated an audit of its governing documents and procedures such as the Company Handbook in order to be awarded and recognized as a company that has a strong foundation and good practices in place for enhancing diversity and inclusion.

In addition to a company documentation audit, SuperNode completed two workshops: Inclusion Diversity for Leaders (for our Senior Leadership Team), and Introduction to I&D with unconscious bias (for the wider teams) These activities were implemented and confirmation of the Bronze Award was received in May 2023.



All those employed by a Norwegian Aker Horizons entity, are entitled to parental leave. To better support its employees, Aker Horizons offers full wages for primary caregivers in connection with childbirth or adoption. Aker Horizons also pays full wages when employees' family members are ill, provided that the Norwegian National Insurance Scheme's criteria for payment of care benefits or attendance allowance are met. In 2023, six employees took parental leave. The women took an average of 21.1 weeks' parental leave during 2023, while the men took on average seven weeks. This number is not adjusted for parental leave being distributed across different years.

In 2023, two cases related to discrimination, harassment or other unacceptable behavior were reported in the Aker Horizons Group. One case has been closed and addressed in the organization, while the other is under consideration. For further information on procedures to enhance ethical behavior, see the section [Responsible business conduct](#).

Performance Commentary

During 2023, Aker Horizons continued the work initiated in 2022 to further strengthen its focus on diversity and equality. The Company launched several diversity and inclusion initiatives to raise awareness and understanding, and foster a more inclusive environment. SuperNode received a Bronze Award from Ireland's Centre for Inclusion and Diversity for demonstrating a firm foundation and commitment to diversity and inclusion.

The high level of nationalities represented strengthens the diversity of the workforce, both in Aker Horizons and across the portfolio. Nevertheless, the Company still has a way to go to reach its ambition of gender diversity at all levels and in all parts of the business.

Going forward

Going forward, Aker Horizons will continue working purposefully to create a workplace that not only promotes diversity but creates a sense of inclusion and allows our people to be themselves and feel appreciated.

In 2024, our main focus area will be to work on increasing gender diversity. We will also continue developing and rolling out diversity and inclusion initiatives through combined efforts between the relevant functions in the Company and across the Group.

Diversity Month at Aker Horizons

Aker Horizons, together with the broader Aker group, celebrated Diversity Month in June.

Conversation cards were distributed around the office to spark reflection and increase awareness and knowledge about LGBTQ+ rights and diversity more broadly. Furthermore, Aker Horizons sponsored Amnesty International Pride bracelets for all its employees. The money raised went to support Amnesty's work for LGBTQ+ rights internationally.





Talent attraction and development

Aker Horizons and its portfolio rely on highly skilled people, and in a competitive market, talent attraction and development is central to realizing Aker Horizons' ambitious climate goals and delivering on our strategy.

Aker Horizons' approach and performance

Aker Horizons' approach to talent attraction involves participating in career days at universities and schools. In 2023, representing companies across the Aker family, the Aker group staged its own career day at the Norwegian University of Science and Technology (NTNU). This was an opportunity to showcase the breadth of competence areas and opportunities available in the Aker Group. Aker Carbon Capture and Mainstream run annual internship programs.

Aker Horizons' employees are offered competitive compensation and rewards, and varied work opportunities. All Aker Horizons' new hires are onboarded and integrated into the Company's way of working. The Company provides mandatory training on sustainability and compliance, and Aker Horizons and portfolio companies actively promote skills development by providing employees with various training opportunities. In 2023 Aker Horizons Asset Development implemented a new training portal called Coursera, where employees can join courses and training on various levels and topics.

Competence development is also stimulated by ongoing professional growth, largely through on-the-job training and working on different projects. To ensure and stimulate professional development, all employees in Aker Horizons and across the portfolio participate in yearly performance reviews where training opportunities are discussed.

There are also cross-Aker initiatives, such as the CXO program, Aker Talent Student Challenge and Aker Scholarship. Furthermore, talent attraction and development to fill career opportunities across the Aker Horizons Group and wider Aker group of companies is actively managed. The combination of initiatives described above is expected to help make Aker stand out when it comes to attracting talent, reducing staff turnover, building skills within the organization, and enabling personal and professional growth for its employees.



Performance commentary

In 2023, Aker Carbon Capture continued to successfully attract and hire talent at all levels of the organization. Aker Carbon Capture also appointed a new CEO in 2023, the new CEO was promoted internally and was a participant in the CXO program in 2022. Although the other portfolio companies did not expand their workforce in 2023, internal reorganizations provided opportunities to switch roles and competence development across several companies in the Group.

Going forward

Building the Company's employer proposition and securing the required competence will continue to be a focus in 2024.

Along with other Aker group talent initiatives, the CXO program will continue in 2024. The program's new cohort of executive talent includes participants from Aker Horizons, Aker Carbon Capture and Mainstream.

The focus on regular development dialogues, skills training and other leadership development programs across Aker Horizons and its portfolio companies will continue in 2024.



Aker-wide initiatives for talent attraction and development

CXO program

In 2022, the Aker group initiated a new, year-long leadership program, named CXO, to develop its future executives. The pilot launched in March and included 10 men and 10 women from different Aker companies, including Aker Horizons' portfolio companies. The CXO program focuses on expanding business acumen as well as personal leadership development. This includes building greater self-awareness, goal setting and stakeholder management. Overall, it is designed to develop an understanding and shared perspective of what it takes to be an executive in the Aker group and how to make a positive difference. In February 2023, another 12 men and 12 women from Aker companies began a similar journey. Through a series of five modules, participants will deepen their insight into each Aker company, learn about different segments within renewable energy, work on personal leadership, and build a personal executive leadership toolbox. A mentoring process is also part of the program, to help participants apply what they have learned to their daily practice.



Aker Scholarship– investing in future leaders

Aker Scholarship assists talented Norwegians from all fields of study to take Master and Ph.D. degrees at nine world-leading universities. Seeking to develop future leaders for business, academia and society at large, the students are secured full funding for their studies as well as substantial guidance and practical support during their studies and early career. Since 2015, 191 students have started their studies with an Aker scholarship. An additional 25 new students were offered scholarships in 2023. The grant is awarded by Anne Grete Eidsvig and Kjell Inge Røkke's Charitable Foundation for Education, which is privately funded by Kjell Inge Røkke. Aker is responsible for operating the foundation.





Prosperity for All

Aker Horizons and its portfolio companies contribute to prosperity for all through the development of green industries and the creation of long-term value for the communities we operate in. To realize this ambition, Aker Horizons and its portfolio companies create jobs, develop skills for the future, innovate and invest in research and development. Aker Horizons' purpose to solve fundamental challenges to sustainable existence is, at its core, about protecting, preserving and restoring prosperity for all.

In this chapter, one material topic has been identified for Aker Horizons:

- Local communities



Local communities

Being a planet-positive company entails being respectful of the rights of the communities in which Aker Horizons and its portfolio companies operate, and creating long-term value for them. Engaging in dialogue with, and understanding the needs and expectations of, local communities is critical to building mutual trust. It is also a prerequisite for obtaining a social license to operate.

Aker Horizons' approach and performance

Aker Horizons is committed to using its presence in local communities as an opportunity to have a positive impact. As Aker Horizons and its portfolio companies expand operations globally and mature projects, they will continue striving to create long-term value for the local communities in which they operate.

Across Aker Horizons and its portfolio companies, there is a strong focus on building intellectual capital, with a focus on research and development. Investing in, and sustaining, innovation is viewed as a key success factor for such knowledge-based businesses. Aker Horizons can contribute to the prosperity of local communities through economic development and job creation, or by supporting cornerstone industry development, thereby also contributing to thriving communities in small or remote locations.

At the same time, Aker Horizons and its portfolio work through all stages of project development to prevent, detect and address any potentially adverse environmental and social impacts.

Further information on how Aker Horizons and its portfolio companies are investing in innovation and research and development can be found in the chapter on [Planet-positive impact](#).

Building trust

Aker Horizons and its portfolio companies are committed to engaging fully with local communities. To obtain a license to operate and receive valuable input, they work continuously to build trust with local communities through direct dialogue as well as through media communication and participation at relevant conferences.

Mainstream Renewable Power is the company with the longest operational track record in Aker Horizons' portfolio. For many years, it has been actively building relationships with local communities. The company practices early and regular engagement, starting at the outset of a project to understand any concerns local communities may have. These can then be taken into account during the project design phase. Mainstream has dedicated community liaison officers for all its project locations to ensure that communities' needs and concerns are well understood. The company has established a Global Development Standard and a Community Charter that guide its engagement with local communities. Its Global Development Standard outlines a stakeholder engagement approach that is aligned with international performance standards, such as the International Finance Corporation's Sustainability Framework and the Equator Principles.

While Mainstream has long-standing underlying procedures for engagement with local communities, the rest of the portfolio is focusing on building strong and productive engagements with the communities in which their projects are under development.



12

new jobs
created in Aker
Carbon Capture

Creating jobs and building skills for the future

As Aker Horizons and its portfolio companies expand their outreach, they also create new jobs and provide training opportunities that will boost the communities in which the projects are located. While the total number of employees working for Aker Horizons and the portfolio companies decreased in 2023, due to the organizational restructuring of Asset Development and Mainstream, 12 new jobs were created during the period in Aker Carbon Capture as well as 8 in SuperNode. By the end of 2023, Aker Horizons and its portfolio companies together employed the equivalent of 678 full-time employees (FTE).

Throughout its portfolio, Aker Horizons promotes investments in development, training and future skills in the local communities in which it operates.

Collaboration with academia

Both Aker Horizons and its portfolio companies have established collaborations with various universities to support research and build future skills that may contribute to sustainable industrial development.

In Narvik, Aker Horizons has established a collaboration with the Arctic University of Norway (UiT) Faculty of Engineering Science and Technology to develop the skills and competencies required for the green industrial jobs of the future. The collaboration is part of Aker Horizons' development of a green industrial hub in Narvik, Northern Norway, where UiT offers several engineering programs. Since Aker Horizons' project in Narvik will require a vast array of technical skills, partnering with the UiT is a way to support the university with its educational and research programs in the field of engineering and technology, while simultaneously building the required skills among the local workforce. For further information on Aker Horizons' work on talent attraction and development, see the [dedicated section](#).



Mainstream Renewable Power is also actively engaged in collaborations with various local universities. To support research and local skills development, Mainstream has signed an agreement with the University of Antofagasta in Chile to educate workers on environmental management, fauna rescue and rehabilitation. The company has also collaborated with academic institutions on environmental studies of costal birdlife in Chile, as well as partnering with several Norwegian universities and research projects to support the development of sustainable offshore wind power projects.

Aker Carbon Capture views collaboration with universities and scientific institutions as an important tool for innovation, and is member of a range of collaborations within the CCUS domain. For example, it is a member of the Norwegian CCS Center (NCCS), hosted by the Norwegian organization SINTEF, and the Norwegian University of Science and Technology (NTNU). The company is also collaborating directly with SINTEF, one of Europe's largest independent research organizations.

Investing in communities

Mainstream has been supporting local value creation for years through its contribution to community development and economic prosperity where it operates. In 2023, Mainstream, together with project development partners, invested EUR 1.3 million in community initiatives, benefiting an estimated 30,086 people in South Africa, Chile, Vietnam and the Philippines.

Performance commentary

Building on the strong foundation laid in 2022, Aker Horizons and its portfolio companies continued to strengthen and deepen relationships with local communities throughout 2023. The ongoing engagement in Narvik, where the company is developing a flagship project, exemplifies this commitment. Aker Horizons has a collaborative partnership with, and actively seeks valuable input from, the Narvik community, as seen in the number of public meetings held over the past year. This continued engagement promises to unlock even more productive collaboration and thereby build mutually beneficial relationships with local stakeholders.

Among Aker Horizons' portfolio companies, Mainstream in particular has a solid track-record of investing in local

community developments as part of their project plans. Some positive examples of how this was done in 2023 include providing freshwater access to communities in Chile, supporting local female business initiatives with water infrastructure in Chile, supporting local community training and tree planting initiatives in the Philippines, and supporting female business initiatives in South Africa.

Partnerships with academic institutions form an important part of Aker Horizons' community engagement. The Company's aim is to support research that will further develop green technologies and climate solutions.

Going forward

Further developing a close cooperation with local communities and stakeholders remains a priority for Aker Horizons in order to foster mutual trust, learn from local insights, and earn the Company's social license to operate.

Sharing skills for educational programs in Chile

In 2023, higher education course directors and tutors from the INACAP institute in Los Angeles, Chile, were given clear insights about the skills their students will require to drive their country's energy transition.

The group from the Renewable Energies and Engineering course at the local INACAP Los Angeles institute toured the Alena Wind Farm and its substation as part of Mainstream's Guided Visits Program.

Plant manager Filippo Smerghetto, his Operations & Maintenance colleague Benjamin García, Environmental Co-ordinator Daniela Andrade and Valeria Toro, Community Relations Leader, all shared their knowledge as the discussions moved from the technical aspects of running the wind farm and generating energy, to the turbines' noise emissions and shadow effect, to the company's reforestation and social investment initiatives.





Good Governance

Aker Horizons is committed to creating long-term value and views governance as interconnected with economic, environmental and social impact. Good governance is necessary to safeguard the interests of all stakeholders, including shareholders. Furthermore, good governance provides the necessary tools for Aker Horizons to navigate risks and embrace opportunities.

In this chapter, two material topics have been identified for Aker Horizons:

- Responsible business conduct
- Public policy engagement

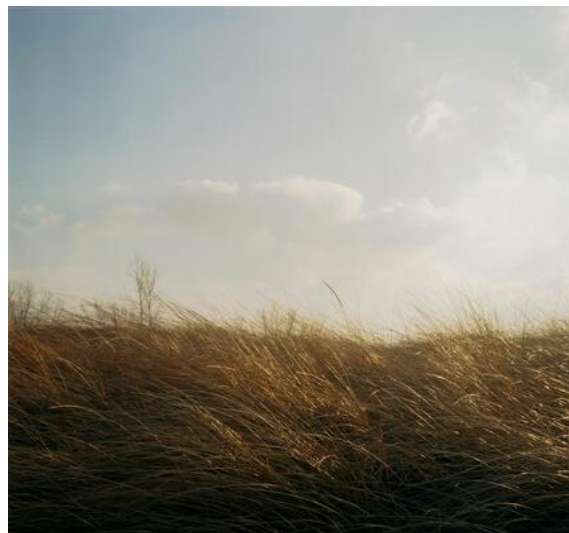


Responsible business conduct

Aker Horizons recognizes that its investments include projects and operations in sectors and geographies that might be exposed to high compliance risks. That is why responsible business conduct is a key priority. Aker Horizons' ambition is to develop companies that solve current global challenges while promoting ethical and transparent business conduct. Responsible business conduct and good and effective corporate governance also provide the foundation for Aker Horizons' realization of its sustainability objectives.

Aker Horizons' approach and performance

Aker Horizons is committed to conducting its business based on the principles of integrity, transparency and respect for people and the planet. These principles underpin Aker Horizons' approach to investment, ownership and project development, as well as secure value creation for Aker Horizons' shareholders and other stakeholders.



Tone from the top

Responsible business conduct is a key concern for Aker Horizons' Board of Directors. The Board sets the Company's ambitions and commitments, targets, strategies and risk profile. This is in line with the general mandate of the boards of directors across the Aker group. Such policies should be suitable to manage the business, meet stakeholder

expectations and address specific challenges relevant to the company. Aker Horizons' Board also receives and reviews updates on key risks, sustainability, compliance and the Company's corporate governance at least once a year. The Aker Horizons Audit Committee has a defined responsibility to oversee corporate governance and to review the Company's policies and procedures to ensure that they adequately address compliance risk and facilitate reporting of potential breaches.

Aker Horizons' Compliance function is responsible for the implementation and day-to-day follow-up of compliance in Aker Horizons, including risk-based monitoring and controls. The Chief Compliance Officer reports directly to both the General Counsel and Aker Horizons' Audit Committee, with the latter receiving compliance updates at least quarterly.

Aker Horizons' commitment to good governance extends to its role as an active owner. Aker Horizons has clear expectations with respect to its portfolio companies' adherence to responsible business conduct and adoption of relevant governing documents. In addition, Aker Horizons actively encourages cooperation and transparent dialogue between Aker Horizons' representatives and portfolio company managements. In practice, day-to-day informal exchanges and interactions built on mutual trust, openness and respect, play an even greater role in our approach to active ownership and form the foundation for cooperation on development, productivity and improvements.

Compliance program

Aker Horizons' compliance program is anchored in the Company's Code of Conduct, Anti-Corruption Policy, Sustainability Policy and Management of Integrity Procedure. Together these documents set out the minimum requirements for integrity standards and integrity compliance programs in

the Aker Horizons Group. These documents are further supplemented by governing documents that set out requirements and provide guidance on important aspects of business ethics and integrity.

Aker Horizons' compliance program is comprehensive and risk-based, and includes regular integrity risk assessments and internal monitoring processes to detect integrity risks. The compliance program aims to prevent, identify and address unlawful conduct, as well as other integrity and sustainability risks, ethical misconduct and adverse impacts on human rights in Aker Horizons' operations and supply chain. The program comprises multiple, interlinked factors, including, but not limited to, specific procedures, integrity due diligence processes, training and awareness-raising, investigation requirements and reporting mechanisms.

The compliance priorities for 2023 were approved by the Audit Committee based on an integrity risk assessment undertaken in Q4 2022. This included awareness raising in those parts of the company where awareness was assessed to be weak, formalizing annual code of conduct training, strengthening our GDPR compliance and improving work with third parties to address compliance risks. The company also finalized a new conflict of interest procedure and ran an awareness campaign focusing on conflicts of interests. A formalized systems for registering conflicts of interest as well as gifts and hospitality was completed in Q1. During 2023, the compliance program was also strengthened with new updated procedures within Human Rights, GDPR, M&A and Business Partners, and we implemented targeted training and awareness-raising activities across the Company.

Aker Horizons sets high expectations for its portfolio companies' compliance programs. Aker Horizons' portfolio companies implement their own codes of conduct that



adequately address the same principles for ethical behavior, and implement a similar system for training, awareness raising, business partner assessments, whistleblowing, investigation principles and reporting. Aker Horizons follows up to ensure that its portfolio companies implement and meet its expectations. Compliance-related performance indicators are reported quarterly and annually to Aker Horizons, and the reports submitted to Aker Horizons' Audit Committee on a quarterly basis include key data from across the Group.

Legal compliance

In all material respects, Aker Horizons complies with applicable laws and regulations, and conducts its business with integrity, respecting cultures and the dignity and rights of individuals everywhere it operates. In the event of discrepancy between laws and regulations and the standards set out in Aker Horizons' Code of Conduct, the highest standards consistent with applicable local laws shall be applied.

In 2023, Aker Horizons and the Group Companies were not subject to any legal proceedings associated with corruption, fraud, insider trading, anti-competitive behavior, market manipulation, other economic crime, malpractice or violations of other related industry laws or regulations that ended with a penalty.



More information on Aker Horizons' compliance program can be found in the remainder of this section and in the [Corporate Governance Report](#).

Anti-corruption

Aker Horizons has zero tolerance for all forms of corruption, bribery, money laundering, insider dealing or any other financial crimes. Aker Horizons is subject to the anti-corruption provisions of the Norwegian Penal Code, as well as similar provisions in other countries where Aker Horizons operates. Compliance with relevant anti-corruption laws and requirements is a priority for the Company. In practice, this priority is manifested through the compliance program, which has established rigorous controls to identify and prevent both internal and external corruption risks. These controls include a comprehensive compliance risk assessment of Aker Horizons' operations, diligent third party monitoring, and employee training. Employees in roles considered more exposed to corruption risks receive additional in-depth training tailored to their specific areas.

Training and awareness

All Aker Horizons employees are expected to be familiar with the Code of Conduct, the Anti-corruption Policy and the Sustainability Policy, and are required to complete a mandatory onboarding training program which is mandatory for all employees and contract staff engaged for an extended period.

Participation is logged and included in quarterly reports to management and the Audit Committee. All employees also receive annual classroom training on a selection of topics from Aker Horizons' Code of Conduct. Employees in higher-risk roles from an integrity risk perspective, notably the investment and procurement teams, receive additional in-depth training on relevant issues. Aker Horizons' portfolio companies have in place similar integrity risk training programs.

In 2023, anti-corruption training was rolled out in all the portfolio companies. Aker Horizons annual code of conduct training was implemented in November and December 2022, and again in January and February 2024. Participation rates for current staff are at 95 percent of Aker Horizons' employees, 100 percent of Aker Carbon Capture employees, 83 percent of Mainstream Renewable Power employees and 100 percent of SuperNode employees. Training will continue in 2024.

Conflicts of interest

Aker Horizons has norms and requirements for avoiding and managing conflicts of interests, as defined in the Code of Conduct.

The Code of Conduct regulates actual and potential conflicts of interest where a person's personal relationships, participation in external activities or interest in another venture could influence or be perceived to influence a person's decision-making when acting on behalf of Aker Horizons. All business transactions must be entered into solely in the best interests of Aker Horizons. Any conflicts of interest that cannot reasonably be avoided shall be made transparent and reported in accordance with the Code of Conduct and its Related Party Principles. Aker Horizons' managers, together with the Chief Compliance Officer, are responsible for evaluating such disclosures, taking mitigating actions and ensuring that these are implemented.

Aker Horizons established a Conflict of Interest Procedure in 2023, to emphasize the regulations relating to potential, real and perceived conflicts of interests, and the process for registering and managing such conflicts.

All types of professional engagements carried out by Aker Horizons' employees in other enterprises which have, or may be expected to have, commercial relations with Aker Horizons, must be approved in writing by Aker Horizons.

Reporting concerns

Aker Horizons encourages reporting of concerns or breaches of our ethics framework and has internal routines in place for how to report a concern. There is a third party whistleblowing channel, which is open both to internal and external parties and which allows for anonymous reporting. Through awareness-raising initiatives and internal training, Aker Horizons enables parties to raise concerns and report suspected infractions, including violations of human and labor rights. The company Whistleblowing Procedure encourages reporting of unethical and illegal behavior, and sets out regulations for the protection of whistleblowers. The procedure also prescribes the mandatory steps the company must take to investigate and manage whistleblower reports. Whistleblowing disclosures reported either to managers and board members or through the integrity channel will be managed according to the same procedure.



Whistleblower reports on matters in portfolio companies are managed via their respective legal and compliance teams. In addition, they have dedicated internal reporting routines. Aker Horizons' Audit Committee receives reports on how matters are handled and may become involved in cases concerning breaches of high-risk compliance matters or where Aker Horizons personnel are prevented from handling the case due to potential conflicts of interest.

In 2023, five whistleblower reports were received across the Aker Horizons Group. Aker Horizons provides ad hoc support when requested to the Group's companies on the follow-up of whistleblower reports, albeit always on a strictly need-to-know basis. Whistleblowing awareness campaigns were organized in 2023 in ACC, AKH and AAD, while Mainstream had broad code of conduct campaigns which included information about whistleblowing. The reporting possibilities and routines are also promoted via posters.



Responsible supply chain management

While Aker Horizons has limited procurement activities, as described in the section on [Human and labor rights](#), responsible supply chain management is important for Aker Horizons as a developer of projects and an owner of companies. Aker Horizons encourages its portfolio companies to ensure responsible procurement and to unlock green supply chains by setting expectations, monitoring and mitigating risks, combating corruption and working actively to prevent and mitigate adverse environmental and social impacts in their supply chains.

Across the Aker Horizons Group, due diligence is conducted on all material potential and existing business partners, with enhanced due diligence conducted on third parties operating in high-risk countries or sectors (or otherwise considered to be high risk). Aker Horizons' due diligence process screens for risks related to aspects such as the environment, corruption, human and labor rights, financial crime and sanctions. All third parties are subject to ongoing monitoring for the duration of the business relationship.

The Norwegian Transparency Act, which entered into force on 1 July 2022, has highlighted the importance of assessing actual and potential adverse impacts on human rights and decent working conditions in the supply chain. A description of the human rights impact assessment conducted across Aker Horizons' own operations and supply chains is set out in the chapter on [Human and labor rights](#).

Data privacy

During 2023, Aker Horizons continued its work to implement a data privacy program which addresses the collection, use, sharing and retention of user data, including data transferred to third parties, in compliance with the EU's GDPR and the Norwegian Personal Data Act (in Norwegian: *Personopplysningsloven*). The data privacy program is based on a comprehensive risk assessment covering both Aker Horizons' own operations and its third party relationships.

In 2023, the company implemented of a number of new data privacy procedures, along with a governance structure for data privacy management and implemented general and function specific training.

Information security

Information security in Aker Horizons is centrally managed by Aker IT Services (AITS) on behalf of a number of Aker companies. In Aker Horizons, good security risk management involves recognizing the value of assets and information, identifying threats and making informed decisions based on a holistic view of relevant risks (including across the areas of cyber security, physical security and personnel security).

Aker Horizons and AITS are committed to continuously improving information security in the Aker group. Underpinning this commitment is a robust governance

structure for security management, with clear roles and responsibilities. Risk, threat and incident monitoring is in place, supported by plans for mitigating actions and operational response measures if incidents do occur.

All Aker Horizons employees receive regular training on information security. In addition, AITS conducts regular vulnerability assessments and testing, as well as emergency preparedness training for relevant personnel.

Risk and opportunity oversight

Managing financial risk, strategic, market and regulatory risks, legal and compliance risks, climate risk, and project and operational risks is an integral part of a comprehensive system for risk management and internal control. Aker Horizons' objective for risk management and internal control is to be aware of and understand risks and to mitigate risks in the best possible way. Risk management helps to safeguard assets and the Company's ability to create value and attractive shareholder returns.

Aker Horizons' enterprise risk framework covers all material risks. This includes financial and ethical risk associated with corruption and bribery, tax transparency, compensation and remuneration. Environmental, climate, social and human rights risks are also considered within this framework, including within the supply chain. The result of the enterprise risk assessment, comprising material risks and mitigating actions, is reviewed by the Audit Committee on a quarterly basis.

Aker Horizons assesses its own and its portfolio companies' exposure to climate-related risks and opportunities. Aker Horizons assesses portfolio and enterprise-level risk and opportunity exposure qualitatively across various topics on a quarterly basis through the enterprise risk management (ERM) process described above. It assesses climate risk in-depth qualitatively and at a high level quantitatively on an annual basis. For further information on Aker Horizons' climate risk governance, management and identified risk profile, see the [TCFD assessment](#) in the appendix to this report.

**Tax governance**

Aker Horizons' view is that transparent tax reporting builds trust with societies and governments in the areas where we operate. Aker Horizons' overall tax principles are set out in the Sustainability Policy approved by the Board. Tax risks are identified, assessed and managed in the portfolio companies in collaboration with Aker Horizons' Head of Tax, and monitored through quarterly tax risk reviews, which include the CFO and General Counsel. Material tax risks are reported to the Audit Committee as part of Aker Horizons' risk management process. Aker Horizons' tax principles are reviewed annually, taking changes in international tax regulations into consideration.

Management systems

The companies in the Aker Horizons Group are industrial enterprises engaged in the development, construction and operation of infrastructure and other industrial development projects. Establishing sound management systems and certifications is therefore important to mitigate risk, avoid serious incidents, exercise control and enable reporting on continuous improvement.

Aker Horizons Asset Development

Aker Horizon's wholly-owned asset development arm was established following the merger between Aker Horizons and Aker Clean Hydrogen in 2022. The business unit remains in place to originate, develop and operate industrial-scale hydrogen projects to meet growing demand for solutions to decarbonize energy-intensive, hard-to-abate industries such as shipping, steel and fertilizers. Focus areas include green ammonia, green methanol and opportunities for greening the steel industry. Currently, Aker Horizons Asset Development does not have any operating assets. The company has proactively embarked on implementing a management system aligned with ISO 45001 and 14001. This system, currently in its early stages, will be further developed to support both projects and future operations alongside established HSSEQ policies and relevant targets for the business unit.

Aker Carbon Capture

Since the company's establishment, Aker Carbon Capture has maintained a certified operating model, with certifications

within Occupational Health and Safety Management System standard ISO 45001:2018, the Environmental Management System standard 14001:2015 and Quality Management standard 9001:2015. In addition to the office in Norway, the offices in the UK and Denmark have been added to the certification scope.

Mainstream Renewable Power

Occupational health, safety and wellbeing are paramount to Mainstream in constructing and operating energy projects. The safety management systems, which are ISO 45001 certified in Ireland, Chile, South Africa and Vietnam, signal the company's commitment to worker health and safety.

At the end of 2023, Mainstream had its recertification audits for both ISO 20000-1:2018 (IS Service Management) and ISO 27001:2022 (Cybersecurity), with this latter also including an upgrade from the 2013 version of the standard to 2022. The scope considers all Mainstream IS (global IS and cybersecurity processes) with the physical considerations focused on its corporate head office in Dublin. These recertifications are valid for three years, with surveillance audits every six months during that period.

Performance commentary

By implementing new policies and procedures in 2022 and 2023, conducting training sessions, and strengthening its reporting mechanisms through awareness-raising initiatives, Aker Horizons has made significant progress in bolstering its compliance program and promoting responsible business conduct across the portfolio over the past year.

As a result of Aker Horizons' portfolio-wide endeavors to deliver training on integrity and ethics to employees (including temporary staff), the bulk of the workforce has increased its competence in this area. The Company considers that this is an important factor that contributes towards reducing the risk of compliance violations, while recognizing that continued efforts remain necessary.

Going forward

Priorities for Aker Horizons going forward include closely monitoring the evolving regulatory landscape, with its increasing requirements regarding responsible business conduct. These developments are welcomed by Aker

Horizons, as they are aligned with the Company's own sustainability and compliance ambitions.

For instance, there is increasing focus on responsible supply chain management. The Norwegian Transparency Act is one example of this, another is the EU Corporate Sustainability Due Diligence Directive, negotiations for which have been completed. The finalized text is expected to be approved by the European Parliament and Council in early 2024, and enter into force by the end of the year.

This EU directive will go even further, requiring companies to identify and, where necessary, prevent, end or mitigate adverse impacts on human rights and the environment resulting from their activities. As part of the efforts to accelerate the green transition, the Company will continue to focus on preventing unethical behavior in its operations and projects.

Initiatives planned for 2024 include audits of internal operations and business partners, as well as a continued focus on internal competence building, training and awareness-raising. Human rights, corruption and sanctions risks, gifts and hospitality conflicts of interest and insider information are areas that will be covered in training and awareness. An assessment will also be made of whether additional tools should be developed to facilitate effective compliance.



Public policy engagement

A world dominated by climate crisis, geopolitical tensions, energy security concerns and market volatility calls for strong public policy responses. Aker Horizons' public policy engagement aims to help accelerate the formulation and implementation of effective responses, in line with our climate ambitions.

Aker Horizons' approach and performance

Public policy engagement is a topic of high strategic and financial importance to Aker Horizons. The markets for many of the solutions that the Company and its portfolio are developing depend on some form of government support during an introductory phase in order to drive down costs and enable the solutions to become commercially viable. This may take the form of subsidies, carbon prices, contracts of difference, regulations or other active industrial policies. Engaging in the development and formulation of public policy is thus a tool for managing climate-related transition risk, which is described more in detail in the section [TCFD assessment](#).

Aker Horizons' public policy engagement is aligned with the company's strategic ambitions to maximize positive impact by driving the green transition, prioritize sustainable projects and make socially and environmentally sound investment decisions that create long-term value for people and the planet. Public policy engagement activities by and on behalf of Aker Horizons are aligned with the objectives of the Paris Agreement and consistent with our climate-related goals.

Working with government relations is even more relevant for Aker Horizons, given the step-up of policy responses to address the energy security situation following Russia's invasion of Ukraine. Providing energy security and fighting climate change through the energy transition is a public good. This points to the importance of active government policies and measures, which affect Aker Horizons both as a producer and a consumer of energy.

Aker Horizons considers it to be of high importance that we share our knowledge and understanding, and join in public discussions about how best to develop policies and measures to face the joint challenges of climate change and energy security. Aker Horizons has a dedicated research and analysis team that continuously monitors climate-related policies, regulations and technology, as well as commercial and market developments that feed into the company's strategy, investment decisions and project development activities. This mandate involves identifying relevant issues and developing positions on emerging and existing policies.

Aker Horizons engages with governmental and non-governmental actors and industry groups, and is active in relevant arenas to share knowledge and showcase technological solutions that can enable the energy transition. We focus on providing advice and views in a transparent manner, recognizing the potential adverse impact of political lobbying. For this reason, our engagement complies with the principles of transparency and good business conduct, with the Code of Conduct and Sustainability Policy as guiding documents. Aker Horizons does not provide any kind of political contributions. In all respects, Aker Horizons' engagement is closely aligned with the Company's sustainable strategic ambitions and is driven by the ambition to achieve responsible value creation.

Aker Horizons' public policy engagement can be divided into five categories:

- a. **External appearances.** This includes direct engagement and knowledge sharing, for instance by participating in conferences and seminars. As described in the section on [Climate change](#), Aker Horizons was a partner in the Norway pavilion at COP28 in Dubai and hosted sessions and panels with both national and international political actors.
- b. **Direct dialogue with key stakeholders.** Aker Horizons has been involved in ongoing dialogue focused on providing knowledge of markets and our projects, as well as suggesting policy responses that take into account the interests of society, both nationally (parliament, government) and locally (e.g. Narvik municipality). In Rjukan, there has been close dialogue with Tinn municipality as well as with the municipality's wholly-owned industry accelerator. In Narvik, this dialogue has taken place at several levels, including with the mayor's office, the municipal director and the municipal director's industry group. There has also been close dialogue on zoning and permitting processes with the administrative planning and building authorities within the municipalities.
- c. **Industry associations.** Participation in industry organizations, such as the broadly focused Confederation of Norwegian Enterprises (NHO) and the Federation of Norwegian Industries (Norsk Industri), as well as more narrowly focused organizations within Aker Horizons' specific areas of investment, such as the Global Wind Energy Council. These organizations constitute platforms for coordinating policy input with other industry actors, through initiatives, groups and discussion forums on relevant topics. Moreover, they constitute channels for more broadly and indirectly engaging with policy makers.

**Performance commentary**

In 2023, Aker Horizons has continued developing a structured approach to public policy engagement, in light of the importance of policy for the realization of Aker Horizons' strategic ambitions.

Analyzing the possible impact on markets and projects of policies as they are announced has been a priority in 2023. This serves both to increase Aker Horizons' own understanding as well as to provide advice to policy makers.

Aker Horizons has also focused on following and analyzing policy developments in Europe, both through internal analyses and through contact with European experts and policy makers. This work has been an important basis for the development of our position on how policy responses in Norway may be formulated to align with the EU's policy developments.

Furthermore, Aker Horizons has engaged with local authorities on the development of our projects in Narvik and Rjukan, which both take an active facilitator role for local green industry development.

Going forward

In 2024 Aker Horizons will continue to prioritize analytical activities related to the development of public policies and regulations. This includes working with international organizations such as the IEA and WEF. We will emphasize communicating the results and implications of this work to policy makers and, when relevant, to the general public.

Engagement with respect to public policy development in the EU will continue to be important, as the EU is taking increasingly ambitious steps to address climate and energy security as well as industrial competitiveness. Discussions with Norwegian policy makers on what developments in the EU may signify for Norway will also be a priority.



Aker Horizons and the Portfolio's Sustainability Summary

This section contains one-pagers summarizing the sustainability work performed by each of the Aker Horizons Group companies, and presenting the scorecard for selected sustainability KPIs.

For a detailed guide on how to read and understand these one-pagers, see the guide under the section [Transparent Reporting](#).



AKER HORIZONS

Chair: Øyvind Eriksen
CEO: Kristian M. Røkke

Aker Horizons is dedicated to developing green energy and green industry to accelerate the transition to net zero emissions.

Corporate purpose: The Company's aim is to develop companies and projects that reduce greenhouse gas emissions and promote sustainable living, while providing substantial value creation over time through active ownership.

Sustainability governance: The Board of Directors and Audit Committee have the overall responsibility and oversight over sustainability work. The Company's Sustainability Director is responsible for overseeing sustainability performance on a day-to-day basis.

2023 highlights: 2023 saw global investments in low-carbon energy technology climb to record highs, a positive momentum which was reflected in Aker Horizons' portfolio. Aker Carbon Capture was awarded a large-scale carbon capture project in Denmark by Ørsted, with an expected contract value of EUR 200 million. The award brought Aker Carbon Capture's total number of carbon capture units under delivery to seven by year-end. Mainstream streamlined operations and focused on executing on its near-term pipeline of solar PV and offshore wind projects, having successfully concluded the restructuring of the debt of its Huemul and Condor portfolios in Chile. Aker Horizons Asset Development benefited from positive commercial and regulatory developments. The unit's projects are progressing well, with the Rjukan green hydrogen project being awarded up to NOK 135 million in grants and green loan from Innovation Norway. Statkraft joined the green ammonia project in Narvik as an industrial partner. Earlier in the year, the Narvik project entered a 10-year PPA with Statkraft.

Board of Directors

- Sustainability policy
- Independence
- ESG competence

ESG implementation

- Targets
- Strategy
- Reporting

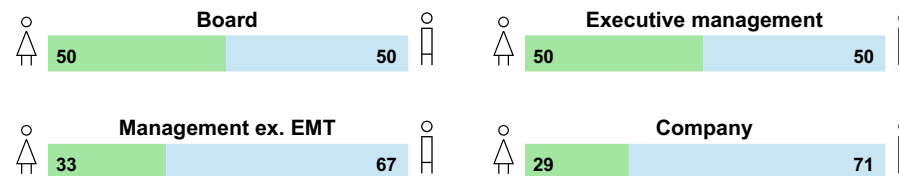
ESG management

- Materiality assessment
- ESG risk management
- Supply chain monitoring

External commitments



Selected SDGs

Greenhouse gas emissions (tonnes CO₂e): Aker Horizons Group

SCOPE 1	SCOPE 2		SCOPE 3		TOTAL	
1,321	3,330	719	35,950	35,953	40,601	37,992
Location based	Location based	Market based	Location based	Market based	Location based	Market based

P = Policy T = Target S = Strategy R = Reporting

Aker Horizons Holding and Asset Development only

SDGs	P	T	S	R	Indicator	2023
Planet						
Climate change	✓	✓	✓	✓	Scope 1 and 2 GHG emissions (location-based, tonnes CO ₂ e)	955
Nature loss	✓			✓	# sites in/adjacent to protected or biodiversity-sensitive areas (# sites)	0
Water scarcity	✓			✓	Water withdrawn in water stressed areas (ML)	0
Waste and circularity	✓			✓	Non-recycled waste (tonnes)	5
People						
Dignity and equality	✓	✓	✓	✓	Pay equality (gap, expressed as percentage of men's salary)	41
Health & well-being	✓		✓	✓	Rate of work-related recordable injuries (employees)	0
Skills for the future	✓				Average hours of training per employee	59
Human rights	✓			✓	% of staff completing human rights training	63
Prosperity						
Employment and wealth generation	✓		✓	✓	Total wages and benefits paid (NOK million)	208
Innovation in better products, services	✓		✓	✓	Total R&D expenditure (NOK million)	0.2
Community and social vitality	✓		✓	✓	Total tax paid (NOK million)	105
Governance						
Ethics and integrity	✓	✓	✓	✓	% of staff completed training on ethics, integrity and anti-corruption	95
Legal compliance	✓	✓	✓	✓	# legal proceedings relating to non-compliance with laws and regulations	0



Chair: Kristian M. Røkke

CEO: Egil Fagerland

Aker Carbon Capture is a pure-play carbon capture company. The company has a proprietary and field-proven solution to enable carbon emission reduction and removal from hard-to-abate industries and energy solutions.

Corporate purpose: The Company's aim is to mitigate climate change by enabling carbon reduction and removal from industries and energy solutions.

Sustainability governance: The Board of Directors is the highest authority that oversees the sustainability work in Aker Carbon Capture. The sustainability policy, material aspects, sustainability targets and key priorities, as defined in the corporate strategy, are approved by the Board of Directors. Status on progress and developments are reported to the Board's Audit Committee on a quarterly basis. Climate risks and other sustainability related risks are discussed with the board as part of the company's Enterprise Risk Process.

2023 highlights: Aker Carbon Capture took several important steps to further develop the company. One priority was to initiate sustainability dialogues with selected critical suppliers to further support the transition required by the supply chains, an initiative to be continued and matured in 2024. Collaboration with suppliers is key to identify any impacts, risks and opportunities in the value chain. The progress made through the year has also set the foundation for a continued strong growth of the organization through 2024, and the company is planning to recruit a significant number of new employees over the next period. A testament to how the green transition creates new opportunities for employment.

Board of Directors

- Sustainability policy
- Formalized responsibility
- ESG competence

ESG implementation

- Targets
- Strategy
- Reporting

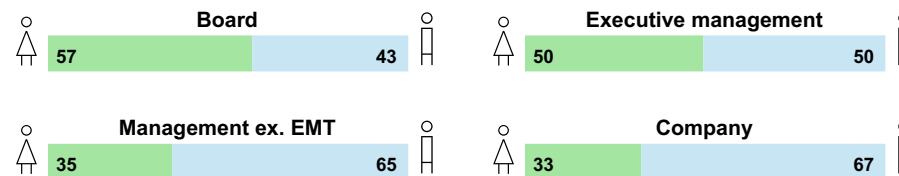
ESG management

- Materiality assessment
- ESG risk management
- Supply chain monitoring

External commitments



Selected SDGs



Greenhouse gas emissions (tonnes CO₂e)

SCOPE 1	SCOPE 2		SCOPE 3		TOTAL	
0.3	45	52	17,191	17,194	17,236	17,246
Location based	Location based	Market based	Location based	Market based	Location based	Market based

P = Policy T = Target S = Strategy R = Reporting

SDGs	P	T	S	R	Indicator	2023
Planet						
Climate change	✓	✓	✓	✓	Scope 1 and 2 GHG emissions (location-based, tonnes CO ₂ e)	45
Nature loss	✓			✓	# sites in/adjacent to protected or biodiversity-sensitive areas (# sites)	0
Water scarcity	✓			✓	Water withdrawn in water stressed areas (ML)	0
Waste and circularity	✓			✓	Non-recycled waste (tonnes)	181
People						
Dignity and equality	✓	✓	✓	✓	Pay equality (gap, expressed as percentage of men's salary)	4.4
Health & well-being	✓	✓	✓	✓	Rate of work-related recordable injuries (employees)	0
Skills for the future	✓	✓	✓	✓	Average hours of training per employee	49
Human rights	✓	✓	✓	✓	% of staff completing human rights training ³	62
Prosperity						
Employment and wealth generation	✓	✓	✓	✓	Total wages and benefits paid (NOK million)	217
Innovation in better products, services	✓	✓	✓	✓	Total R&D expenditure (NOK million)	139
Community and social vitality	✓			✓	Total tax paid (NOK million)	81
Governance						
Ethics and integrity	✓	✓	✓	✓	% of staff completed training on ethics, integrity and anti-corruption	100
Legal compliance	✓	✓	✓	✓	# legal proceedings relating to non-compliance with laws and regulations	0

³ Risk-based approach to selecting target groups for broader training. Includes both employees and contract staff. 100% of target group completed training.



Chair: Kristian M. Røkke

CEO: Mary Quaney

Mainstream Renewable Power is a pure-play renewable energy company with a mission to lead the global transition to renewable energy. The Company is dedicated to creating positive long-term value for stakeholders, planet and society through socially and environmentally sustainable project development.

Corporate purpose: Mainstream's purpose is to develop renewable energy assets around the globe and in doing so, to electrify the world with renewable energy.

Sustainability governance: Mainstream's Audit Committee reviews sustainability compliance and performance on an annual basis, and performs risk reviews including sustainability risks on a quarterly basis. The committee is comprised of directors and senior executives from Mainstream, Aker Horizons and Mitsui knowledgeable in sustainability.

2023 highlights: In Chile, Mainstream successfully restructured the debt of the Condor (591 MW) and Huemul (630 MW) portfolios. In South Africa, Mainstream reached financial close on a 97.5 MW solar PV farm, with corporate PPAs. In floating offshore wind, Mainstream and Ocean Winds partnered to develop a second site (500 MW), expanding the overall Arven project to 2.3 GW.

Board of Directors

- Sustainability policy
- Formalised responsibility
- ESG competence

ESG implementation

- Targets
- Strategy
- Reporting

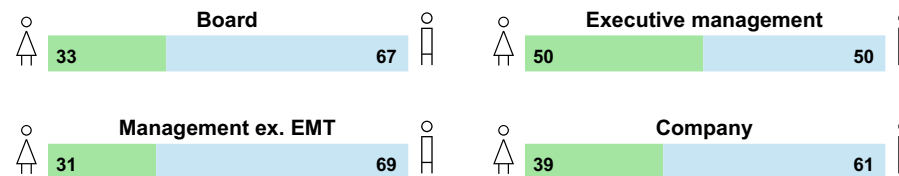
ESG management

- Materiality assessment
- ESG risk management
- Supply chain monitoring

External commitments



Selected SDGs



Greenhouse gas emissions (tonnes CO₂e)

SCOPE 1	SCOPE 2		SCOPE 3		TOTAL	
371	3,281	536	18,421	18,421	22,072	19,328
Location based	Location based	Market based	Location based	Market based	Location based	Market based

P = Policy T = Target S = Strategy R = Reporting

SDGs	P	T	S	R	Indicator	2023
Planet						
Climate change	✓	✓	✓	✓	Scope 1 and 2 GHG emissions (location-based, tonnes CO ₂ e)	3,652
Nature loss	✓	✓	✓	✓	# sites in/adjacent to protected or biodiversity-sensitive areas (# sites)	N.A.
Water scarcity	✓	✓	✓	✓	Water withdrawn in water stressed areas (ML)	22 720 litres
Waste and circularity	✓	✓	✓	✓	Non-recycled waste (tonnes)	2,344
People						
Dignity and equality	✓	✓	✓	✓	Pay equality (gap, expressed as percentage of men's salary)	24
Health & well-being	✓	✓	✓	✓	Rate of work-related recordable injuries (employees)	0
Skills for the future	✓	✓	✓	✓	Average hours of training per employee	40
Human rights	✓	✓	✓	✓	% of staff completing human rights training	83
Prosperity						
Employment and wealth generation	✓	✓	✓	✓	Total wages and benefits paid (NOK million)	804
Innovation in better products, services	✓	✓	✓	✓	Total R&D expenditure (NOK million)	12
Community and social vitality	✓	✓	✓	✓	Total tax paid (NOK million)	131
Governance						
Ethics and integrity	✓	✓	✓	✓	% of staff completed training on ethics, integrity and anti-corruption	83
Legal compliance	✓	✓	✓	✓	# legal proceedings relating to non-compliance with laws and regulations	0



Principal Adverse Impact Indicators

The Sustainable Finance Disclosure Regulation (SFDR) and its Principal Adverse Impact (PAI) indicators aim to provide information about potential adverse impacts associated with Aker Horizons' business and investments. The table below shows ownership-adjusted numbers across Aker Horizons portfolio of investments, which consists of Aker Horizons Asset Development, Aker Carbon Capture, Mainstream Renewable Power and SuperNode. The table below indicates the proportion of the total portfolio for which data is available. For further details on the calculation methods, see the section on sustainability accounting principles and methodology under the section [Transparent Reporting](#).

		Aker Horizons Holding	Portfolio	Data coverage
	GHG emissions: Scope 1 (tonnes CO2e)	0	1,166	100%
	GHG emissions: Scope 2 (tonnes CO2e)	3	1,949	100%
	GHG emissions: Scope 3 (tonnes CO2e)	0	18,462	100%
	GHG emissions: Total (tonnes CO2e)	3	21,578	100%
	Carbon footprint (tonnes CO2e)	N.A.	27	100%
	GHG intensity of investee companies (tonnes CO2e)	N.A.	N.A.	100%
	Share of investments in companies active in the fossil fuel sector (percent)	0%	0%	100%
	Share of non-renewable energy consumption and production (percent)	13%	0%	100%
	Energy consumption intensity per high impact climate sector (GWh per million EUR invested)	N.A.	N.A.	100%

		Aker Horizons Holding	Portfolio	Data coverage
	Activities negatively affecting biodiversity-sensitive areas (percent)	0	0	100%
	Emissions to water (tonnes per million EUR invested)	0	0	100%
	Hazardous waste (tonnes per million EUR invested)	0	1,195	100%
	Violations of UNGC principles and OECD Guidelines for Multinational Enterprises (share of investments)	0	0	100%
	Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises (share of investments)	0%	0%	100%
	Unadjusted gender pay gap ⁴	41%	23%	99%
	Board gender diversity (ratio)	50%	90%	100%
	Exposure to controversial weapons (share of investments, percent)	0%	0%	100%

⁴ Pay equality women to men (average salary in the organization regardless of employment level). Base Salary.



Taxonomy Status

The figures presented account for 100 percent of Aker Horizons' portfolio calculated on a consolidated basis.

Taxonomy accounting guidelines

The key performance indicators (KPIs) presented in this report include Turnover, CapEx and OpEx for the reporting period 2023. The KPIs have been calculated according to Annex 1 of the Art 8 Delegated Act, and include Aker Horizons' consolidated share of taxonomy-eligible turnover, CapEx and OpEx in relation to total turnover, CapEx and OpEx, as presented in the consolidated financial statements.

Approach to classifying activities

Eligibility. A taxonomy-eligible activity means an economic activity that is described in the delegated acts supplementing the Taxonomy Regulation, regardless of whether that activity meets the technical screening criteria laid down in the respective acts. Similar, non-eligible activities are defined as activities not described in the delegated acts.

Alignment. A taxonomy-aligned activity means an eligible economic activity that also complies with all of the technical screening criteria:

- Substantial contribution: The economic activity contributes substantially to one or more of the environmental objectives
- Do no significant harm: No significant harm on any of the environmental objectives
- Minimum safeguards: Compliance with the minimum safeguards
- The activity complies with technical screening criteria in the delegated acts supplementing the Taxonomy Regulation.

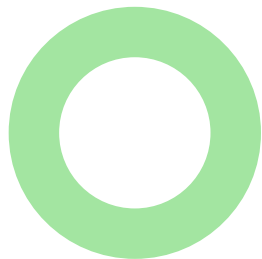
Aker Horizons and its portfolio companies have policies and procedures in place that are aligned with the OECD Minimum Social Safeguards, and with the Do No Significant Harm requirements of the technical screening criteria. Projects that are developed outside the EU are developed in accordance with the Equator Principles for

project development, the IFC Performance Standards on Environmental and Social Sustainability, and the World Bank's construction and environmental, health and safety guidelines which ensure that projects are developed with EU-equivalent requirements for Environmental and Social Impact Assessments (EISA).

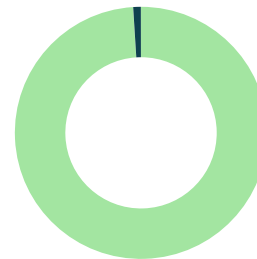
As such, we have assessed that the Group's projects are aligned with the Taxonomy Regulation. On this basis we have calculated the share of CapEx, OpEx and Turnover in Aker Horizon and its portfolio companies on a consolidated basis in the graphic on this page.

For further details, refer to the sustainability accounting principles and methodology in the section [Transparent Reporting](#).

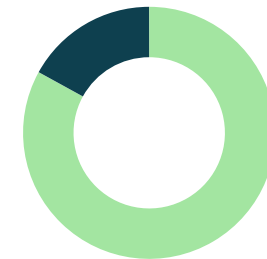
Turnover



CapEx

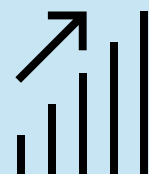


OpEx





Financials and Notes



Aker Horizons Consolidated Accounts

- > **Income Statement**
- > **Statement of Comprehensive Income**
- > **Balance Sheet**
- > **Statement of Cash Flows**
- > **Statement of Changes in Equity**
- > **Notes to the Financial Statements**



Contents

General

- 1 General information
- 2 Basis of preparation

Performance

- 3 Operating segments
- 4 Revenue and other income
- 5 Employee benefits
- 6 Other operating expenses
- 7 Financial income and expenses
- 8 Tax
- 9 Earnings per share

Assets

- 10 Property, plant and equipment
- 11 Intangible assets and goodwill
- 12 Impairment
- 13 Investments in associates and joint ventures
- 14 Inventories
- 15 Trade and other receivables
- 16 Cash
- 17 Assets held for sale

Liabilities and equity

- 18 Share capital and capital reserves
- 19 Borrowings
- 20 Leasing
- 21 Provisions and non-current liabilities
- 22 Trade and other payables

Financial and capital management

- 23 Capital management
- 24 Financial risk and exposure
- 25 Climate risk
- 26 Financial instruments
- 27 Derivative financial instruments

Group composition

- 28 Subsidiaries
- 29 Non-controlling interests

Other

- 30 Capital commitments, guarantees and contingencies
- 31 Related party transactions





Income Statement

Consolidated statement for the year ended 31 December

Amounts in NOK million	Note	2023	2022
Revenues	3, 4	3,649	2,371
Other income	4	198	1,918
Revenues and other income		3,847	4,289
Materials, goods and services		(3,220)	(2,898)
Salaries, wages and social security costs	5	(1,188)	(1,000)
Other operating expenses	6	(1,534)	(1,186)
Operating expenses		(5,942)	(5,084)
Operating profit (loss) before depreciation, amortization and impairment		(2,095)	(795)
Depreciations and amortizations	10, 11, 20	(643)	(494)
Impairments	10, 11, 12	(5,768)	(4,405)
Operating profit (loss)		(8,506)	(5,694)
Financial income		3,889	197
Financial expenses		(2,400)	(1,001)
Net financial expenses	7	1,489	(804)
Profit (loss) from equity-accounted investees	13	159	(152)
Profit (loss) before tax		(6,858)	(6,650)
Income tax benefit (expense)	8	(398)	1,402
Profit (loss) continuing operations		(7,256)	(5,248)
Profit (loss) discontinued operations		—	30
Profit (loss) in the period		(7,256)	(5,218)
Profit (loss) for the period attributable to:			
Non-controlling interests (NCI)	29	(2,776)	(2,585)
Equity holders of the parent company		(4,479)	(2,633)
Profit (loss) for the period		(7,256)	(5,218)
Basic and diluted earnings (loss) per share (NOK) continuing operations attributable to ordinary equity holders of the company	9	(6.49)	(4.08)
Basic and diluted earnings (loss) per share (NOK) attributable to ordinary equity holders of the company	9	(6.49)	(4.03)



Statement of Comprehensive Income

Consolidated statement for the year ended 31 December

Amounts in NOK million	Note	2023	2022
Profit (loss) for the period		(7,256)	(5,218)
Other comprehensive income			
Cash flow hedges, effective portion of changes in fair values	27	45	1,772
Cash flow hedges, reclassification to income statement	27	(396)	59
Discontinuation of hedge accounting	27	(1,424)	—
Tax on cash flow hedges	27	561	(517)
Net change in cash flow hedge reserve		(1,215)	1,315
Currency translation differences - foreign operations		759	1,830
Equity-accounted investees - share of OCI		(72)	180
Total items that may be reclassified subsequently to profit or loss, net of tax		(528)	3,325
Total comprehensive income (loss) for the period, net of tax		(7,784)	(1,893)
Total comprehensive income (loss) for the period, attributable to:			
Equity holders of the parent		(4,783)	(603)
Non-controlling interests		(3,001)	(1,290)
Total comprehensive income (loss) for the period, net of tax		(7,784)	(1,893)



Balance Sheet

Consolidated statement for the year

Amounts in NOK million	Note	31 Dec 2023	31 Dec 2022
Assets			
Non-current assets			
Goodwill	11	1,515	1,417
Intangible assets	11	351	2,040
Right-of-use assets	20	859	734
Property, plant and equipment	10	13,530	15,912
Deferred tax assets	8	1	132
Equity-accounted investees	13	578	1,163
Non-current interest-bearing receivables	31	477	447
Derivative financial instruments	27	13	1,938
Other non-current receivables		20	—
Total non-current assets		17,344	23,783
Current assets			
Inventories	14	836	952
Trade and other receivables	15	1,662	1,577
Current interest-bearing receivables	31	162	—
Restricted cash	16	1,538	2,076
Cash and cash equivalents	16	5,499	8,683
Assets held for sale	17	190	268
Total current assets		9,887	13,555
Total assets		27,232	37,339

Amounts in NOK million	Note	31 Dec 2023	31 Dec 2022
Equity and liabilities			
Equity			
Paid-in capital		15,670	15,670
Reserves		1,848	4,188
Retained earnings and other equity		(15,190)	(12,763)
Total equity attributable to the parent	18	2,328	7,096
Non-controlling interests	29	3,859	6,519
Total equity		6,187	13,615
Non-current liabilities			
Non-current borrowings	19	17,388	19,102
Non-current lease liabilities	20	729	626
Other non-current liabilities	21	73	84
Provisions	21	280	317
Deferred tax liabilities	8	224	554
Total non-current liabilities		18,694	20,683
Current liabilities			
Current borrowings	19	48	871
Current lease liabilities	20	65	61
Trade and other payables	22	2,237	2,110
Total current liabilities		2,350	3,041
Total liabilities		21,045	23,724
Total equity and liabilities		27,232	37,339

Fornebu, 18 March 2024

Board of Directors and CEO of Aker Horizons ASA

Øyvind Eriksen
Chair (non-independent)

Trond Brandsrud
Director (independent)

Kimberly Mathisen
Director (non-independent)

Lone Fønss Schrøder
Director (independent)

Kristian Røkke
CEO



Statement of Cash Flows

Consolidated statement for the year ended 31 December

Amounts in NOK million	Note	2023	2022
Cash flow from operating activities			
Profit (loss) for the period continuing operations		(7,256)	(5,248)
Profit (loss) for the period discontinued operations		—	30
<i>Adjustments for:</i>			
Income tax expense (benefit)	8	398	(1,402)
Net financial items		(2,456)	802
Depreciation, amortization and impairment	10, 11, 20	6,411	4,907
Share of (profit) loss from equity-accounted investees	13	(159)	152
Other non cash effects and gains in investments		270	(1,918)
Profit (loss) for the period, adjusted		(2,792)	(2,678)
Changes in operating assets, liabilities and derivative financial instruments		2,014	(725)
Cash generated from operating activities		(778)	(3,403)
Interest paid		(735)	(381)
Interest received		265	123
Income tax paid		(67)	4
Net cash from operating activities		(1,315)	(3,658)

Amounts in NOK million	Note	2023	2022
Cash flow from investing activities			
Acquisition of property, plant and equipment	10	(1,331)	(3,006)
Payments for capitalized development	11	(112)	(65)
Payments for shares in subsidiaries, net of cash acquired		(30)	(61)
Proceeds disposal of shares in subsidiaries		30	(13)
Payments for equity-accounted investees	13	(155)	(211)
Proceeds equity-accounted investees	13	971	2,951
Proceeds related to other investments		—	700
Payments related to interest-bearing receivables	31	142	28
Proceeds related to interest-bearing receivables	31	(327)	(277)
Change in restricted cash		689	102
Net cash from investing activities		(123)	148
Cash flow from financing activities			
Proceeds from borrowings	19	5	1,360
Transaction costs related to loans and borrowings		(9)	—
Repayment of borrowings	19	(1,825)	(604)
Transaction costs related to issue of share capital		—	(27)
Payment of lease liabilities	20	(51)	(49)
Proceeds from capital increase from non-controlling interest		54	5,569
Net cash from financing activities		(1,826)	6,249
Effect of exchange rate changes on cash and bank deposits		80	532
Net increase (decrease) in cash and bank deposits		(3,184)	3,271
Cash and cash equivalents at the beginning of the period		8,683	5,412
Cash and cash equivalents at the end of the period		5,499	8,683



Statement of Changes in Equity

Amounts in NOK million	Note	Share capital	Other paid-in capital	Retained earnings	Other equity	Cash flow hedge reserve ¹	Share option reserve	Currency translation reserve	Equity attributable to parent company	Hybrid capital	Non-controlling interests	Total equity
Equity as of 1 January 2022		610	13,755	(2,082)	(6,644)	(73)	4	155	5,724	17	4,244	9,985
Profit (loss) for the period				(2,633)	—	—	—	—	(2,633)	—	(2,585)	(5,218)
Other comprehensive income				—	—	832	—	1,198	2,030	—	1,295	3,325
Total comprehensive income		—	—	(2,633)	—	832	—	1,198	(603)	—	(1,290)	(1,893)
Transaction with owners of the company												
Share issues	18	81	1,242	(547)	—	—	—	—	776	—	(775)	1
Transaction costs, share issues		—	(17)	—	—	—	—	—	(16)	—	—	(16)
Share options	5	—	—	—	—	—	20	—	20	—	14	34
Total contributions and distributions		81	1,225	(547)	—	—	21	1	780	—	(761)	18
Changes in ownership interests												
Issuance of shares in subsidiaries ²				—	1,295	—	—	—	1,295	—	4,328	5,623
Acquisition of a minority without change in control				—	(100)	—	—	—	(100)	(17)	—	(118)
Total change in ownership interests		—	—	—	1,195	—	—	—	1,195	(17)	4,328	5,505
Equity as of 31 December 2022		690	14,980	(5,262)	(5,449)	759	25	1,353	7,095	—	6,519	13,615

1) Amount does not include portion allocated to non-controlling interests.

2) NOK 50 million of share issues in subsidiaries with minorities was implemented as a conversion of debt, and remaining as cash contribution.



Amounts in NOK million		Share capital	Other paid-in capital	Retained earnings	Other equity	Cash flow hedge reserve ¹	Share option reserve	Currency translation reserve	Equity attributable to parent company	Non-controlling interests	Total equity
Equity as of 1 January 2023		690	14,980	(5,262)	(5,449)	759	25	1,353	7,095	6,519	13,615
Profit (loss) for the period				(4,479)	—	—	—	—	(4,480)	(2,776)	(7,256)
Other comprehensive income				—	—	(758)	—	455	(303)	(225)	(528)
Total comprehensive income		—	—	(4,479)	—	(758)	—	455	(4,783)	(3,001)	(7,784)
Transaction with owners of the company											
Share options	5			—	—	—	14		14	10	25
Total contributions and distributions		—	—	—	—	—	14	—	14	10	25
Changes in ownership interests											
Conversion of debt	19			—	—	—	—	—	—	277	277
Issuance of shares in subsidiaries				—	—	—	—	—	—	55	55
Total change in ownership interests		—	—	—	—	—	—	—	—	331	331
Equity as of 31 December 2023		690	14,980	(9,741)	(5,449)	1	39	1,808	2,328	3,859	6,187

1) Amount does not include portion allocated to non-controlling interests.



Notes to the Financial Statements

1 General information

Aker Horizons is a limited liability public company incorporated and domiciled in Norway, whose shares are traded on the Oslo Stock Exchange. Aker Horizons was incorporated on 1 November 2020 and became the parent of the consolidated group through an internal reorganization in the Aker ASA group in January 2021. The registered office is located at John Strandruds vei 10, Bærum, Norway.

Aker Horizons is indirectly majority-owned by Aker ASA, a Norwegian industrial holding company listed on the Oslo Stock Exchange, through its subsidiary Aker Capital AS. The ultimate parent company is The Resource Group TRG AS.

Aker Horizons' overarching business model is to incubate and invest in companies within green energy and green industry, and subsequently grow and develop them to create value for Aker Horizons' shareholders.

Aker Horizons' current portfolio secures established positions in verticals such as carbon capture, renewable energy and hydrogen and its derivatives. The portfolio is composed of Aker Carbon Capture, Mainstream Renewable Power and SuperNode and the business unit Aker Horizons Asset Development.

The consolidated statements include all entities controlled by Aker Horizons ASA, see information on the Group's principal subsidiaries in Note 28 Subsidiaries. The consolidated financial statements of Aker Horizons ASA and its subsidiaries are collectively referred as Aker Horizons or the Group, and separately as group companies. Investments where the Group has significant influence or joint control are accounted for according to equity method, see Note 13 Investments in associates and joint ventures.

These consolidated financial statements were issued by the Board and CEO of Aker Horizons on 18 March 2024, to be approved by the Annual General Meeting on 17 April 2024.



2 Basis of preparation

The basis for preparation and most important accounting policies used in the preparation of the consolidated financial statements are described below or in the respective notes. The basis and policies are applied consistently in all of the periods presented, unless the description states otherwise.

Statement of compliance

Aker Horizons' consolidated financial statements have been prepared in accordance with IFRS® accounting standards as adopted by the EU, and disclosure requirements pursuant to the Norwegian Accounting Act as of 31 December 2023.

Basis of measurement

The Group's financial statements have been prepared on the basis of historical cost with the exception of derivative financial instruments which are measured at fair value on each reporting date.

The consolidated financial statements are presented in Norwegian Kroner (NOK). Amounts are rounded to the nearest million, unless otherwise stated. As a result of rounding adjustments, amounts and percentages may not add up to the total.

Foreign currency translation and presentation currency

Transactions in foreign currencies are translated into the respective functional currencies of group companies using the average exchange rate for the year, calculated on the basis of average of daily rates.

Going concern

The consolidated financial statements have been prepared on the assumption that the Group is a going concern.

Changes to accounting policies and disclosures

Revisions to standards and interpretations that did not come into force for the Group for the year that ended 31 December 2023 are evaluated not to have any significant effect for the Group. Furthermore, none of the recently issued IFRS Interpretations Committee agenda decisions are expected to significantly change Aker Horizons' accounting policies or practices.

Use of estimates and assumptions

The preparation of annual financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. Actual results may differ from amounts arrived at based on these assumptions. Estimates and underlying assumptions are reviewed and assessed on an on-going basis, and are based on historical experience, consultations with experts, trends and other methods which management considers reasonable under the circumstances.

Changes to accounting estimates are recognized in the period in which the estimates are revised and in future periods if affected. The Group's operational companies operate in different markets and are thus affected differently by the uncertainties that characterize the different markets. Areas in which, in applying the Group's accounting principles, there tends to be uncertainties as to material estimations and critical assumptions and assessments, are described in the following notes:

- Note 8 Tax
- Note 12 Impairment
- Note 19 Borrowings
- Note 27 Derivative financial instruments



3 Operating segments

Operating segments

Operating segments are identified on the basis of the Group's internal management and reporting structure. The Group's chief operating decision maker, who is responsible for the allocation of resources and assessment of performance in the different operating segments, is defined as the CEO.

Recognition and measurement applied to segment reporting is consistent with the accounting principles applied when preparing the financial statements, except for Aker Horizons and holdings, see more information below. Transactions between segments are conducted in accordance with the Group's transfer pricing policy.

Overview of reportable segments

Aker Carbon Capture (ACC)

Aker Carbon Capture is a pure-play carbon capture company serving a range of industries with carbon emissions, including the cement, bio and waste-to-energy, gas-to-power and blue hydrogen segments. Aker Carbon Capture's proprietary and field-proven carbon capture technology offers modular and configurable capture units for reducing and removing CO₂ emissions.

Asset Development (AAD)

Aker Horizons Asset Development is a wholly-owned asset development arm set up to originate, develop, own and operate industrial-scale hydrogen projects to meet growing demand for the decarbonization of energy-intensive, hard-to-abate industries such as shipping, steel and fertilizers. Initial focus areas include green ammonia, green methanol and green iron. AAD includes the investments in the Narvik region.

Mainstream Renewable Power (Mainstream)

Mainstream Renewable Power is a pure-play renewable energy company with a global footprint and a proven track record in onshore and offshore wind and solar power generation across Europe, South America, Asia and Africa.

Aker Horizons and holdings

The combined financial statements of Aker Horizons ASA and holding companies are prepared in order to present Aker Horizons' financial position as a parent holding company. The traditional financial statement of the parent company has been extended to include all subordinate administrative service and holding companies that are wholly-owned by Aker Horizons ASA and have balance sheets containing only investments, bank deposits and debt. Listed investments are reported at quoted market prices and unlisted investments are reported at cost price, adjusted for any impairments.

Other

"Other" consists of Aker Horizons' 50 percent investments in SuperNode, a global technology development company that designs and delivers superconducting systems to connect renewable generation and increase grid interconnection in mature markets.



Amounts in NOK million	Note	Aker Carbon Capture	Asset Development	Mainstream	Aker Horizons and holdings	Total reportable segments	Other and eliminations	Total
2023								
Income statement								
External segment revenue & other income	4	1,604	14	2,227	—	3,845	—	3,845
Inter-segment revenue		1	3	10	128	141	(140)	2
Total segment revenue		1,605	17	2,237	128	3,987	(140)	3,847
Operating profit (loss) before depreciation, amortization and impairment (EBITDA)		(195)	(223)	(1,581)	(108)	(2,107)	12	(2,095)
Depreciations, amortizations and impairment	10, 11, 20	(16)	(3)	(6,382)	—	(6,401)	(9)	(6,411)
Operating profit (loss) (EBIT)		(211)	(226)	(7,963)	(108)	(8,508)	3	(8,506)
Share of profit (loss) equity accounted investees	13	—	(41)	224	—	183	(24)	159
Interest income		41	5	91	203	340	(64)	276
Interest expense		(1)	(29)	(1,419)	(504)	(1,953)	63	(1,890)
Other financial items	7	(1)	(1)	3,099	(1,785)	1,313	1,791	3,103
Profit (loss) before tax		(172)	(292)	(5,968)	(2,194)	(8,625)	1,769	(6,858)
Tax expense	8	—	—	(398)	—	(398)	—	(398)
Profit (loss) for the year		(172)	(292)	(6,366)	(2,194)	(9,023)	1,769	(7,256)



Amounts in NOK million	Note	Aker Carbon Capture	Asset Development	Mainstream	Aker Horizons and holdings	Total reportable segments	Other and eliminations	Total
2023								
Balance sheet								
Equity-accounted investments	13	—	31	375	210	616	(38)	578
Other non-current assets		306	769	15,646	13,474	30,195	(13,429)	16,766
Current operating assets		270	65	2,287	132	2,754	(93)	2,660
Cash and marketable securities	16	1,112	93	2,514	3,317	7,037	—	7,037
Assets held for sale	17	—	—	190	—	190	—	190
Segment assets		1,687	959	21,013	17,133	40,792	(13,560)	27,232
Borrowings	19	—	66	11,061	6,309	17,436	—	17,436
Non-current operating liabilities		40	77	1,152	—	1,269	37	1,306
Current operating liabilities		945	120	1,261	62	2,389	(87)	2,302
Segment liabilities		985	263	13,475	6,371	21,094	(50)	21,045
Equity		702	696	7,538	10,762	19,698	(13,510)	6,187
Non-controlling interest		—	155	268	—	423	3,436	3,859
Total equity attributable to equity holders of the parent		702	541	7,270	10,762	19,275	(16,946)	2,328
Net current operating assets (liabilities)		(671)	(54)	942	41	258	3	261
Net cash (debt)		1,112	28	(8,547)	(2,992)	(10,399)	—	(10,399)
- of which restricted cash		—	—	1,552	—	1,552	—	1,552



Amounts in NOK million	Note	Aker Carbon Capture	Asset Development	Mainstream	Aker Horizons and holdings	Total reportable segments	Other & eliminations	Total
2022								
Income statement								
External segment revenue	4	773	9	1,856	8	2,647	1,642	4,289
Inter-segment revenue		8	—	4	164	176	(176)	—
Total segment revenue		781	9	1,860	172	2,823	1,466	4,289
Operating profit (loss) before depreciation, amortization and impairment (EBITDA)		(212)	(335)	(1,759)	(136)	(2,441)	1,646	(795)
Depreciations and amortizations	10, 11, 20	(11)	(4)	(4,879)	—	(4,894)	(6)	(4,900)
Operating profit (loss) (EBIT)		(223)	(338)	(6,638)	(136)	(7,335)	1,641	(5,694)
Share of profit (loss) equity accounted investees	13	—	(19)	(94)	—	(113)	(39)	(152)
Interest income		18	—	—	77	97	(2)	94
Interest expense		(1)	(2)	(2)	(423)	(428)	2	(425)
Other financial items	7	2	(4)	(476)	(2,878)	(3,356)	2,883	(473)
Profit (loss) before tax		(203)	(362)	(7,210)	(3,360)	(11,135)	4,484	(6,650)
Tax expense	8	—	—	1,402	—	1,402	—	1,402
Profit (loss) for the year		(203)	(362)	(5,808)	(3,360)	(9,732)	4,484	(5,248)



Amounts in NOK million	Note	Aker Carbon Capture	Asset Development	Mainstream	Aker Horizons and holdings	Total reportable segments	Other & eliminations	Total
2022								
Balance sheet								
Equity-accounted investments	13	—	74	999	118	1,191	(28)	1,163
Other non-current assets		128	487	21,964	14,818	37,397	(14,777)	22,620
Current operating assets		76	49	2,396	37	2,557	(28)	2,529
Cash and marketable securities	16	1,093	167	5,383	4,116	10,759	—	10,759
Assets held for sale	17	—	—	268	—	268	—	268
Segment assets		1,297	776	31,010	19,089	52,171	(14,833)	37,339
Borrowings	19	—	66	13,857	6,050	19,973	—	19,973
Non-current operating liabilities		3	77	1,501	—	1,581	—	1,581
Current operating liabilities		415	171	1,513	82	2,181	(11)	2,170
Segment liabilities		418	314	16,871	6,133	23,735	(11)	23,724
Equity		879	462	14,139	12,956	28,436	(14,822)	13,615
Non-controlling interest & hybrid capital		—	—	—	—	—	6,519	6,519
Total equity attributable to equity holders of the parent		879	462	14,139	12,956	28,436	(21,341)	7,096
Net current operating assets (liabilities)		(333)	(120)	917	(45)	419	—	419
Net cash (debt)		1,093	101	(8,473)	(1,934)	(9,214)	—	(9,214)
- of which restricted cash		5	3	2,076	5	2,089	—	2,089



Geographical information

Geographical revenue is presented on the basis of geographical location of the Group companies selling to the customers. Non-current segment assets and capital expenditures are based on the geographical location of the assets.

Amounts in NOK million	Revenues		Non-current assets excluding deferred tax assets and financial instruments	
	2023	2022	31 Dec 2023	31 Dec 2022
Norway	1,599	810	1,126	635
US	5	3	—	—
Korea	2	—	—	—
Ireland	4	7	1,566	1,468
Chile	1,899	1,512	13,533	17,981
South Africa	71	27	10	12
UK	54	8	—	—
Vietnam	7	2	—	1
Other	2	2	20	5
Total	3,649	2,371	16,255	20,102

Major customers

In 2023, revenues in Aker Carbon Capture were mainly related to the EPC deliveries to Norcem Heidelberg Materials (Brevik CCS project), Ørsted Kalundborg CCS and the Twence CCU project in the Netherlands.

In Chile, the Andes Renovables platform is split in three portfolios (Condor, Huemul and Copihue). These have been awarded in total seven different 20-year Power Purchase Agreements with distribution companies in Chile. In addition, the portfolios have entered into bilateral agreements. Revenues from two of the customers exceeded 10 percent of the Group's revenue; NOK 591 million and NOK 546 million (2022: NOK 501 million and NOK 389 million).

See Note 4 Revenue and other income for disaggregation of revenues from contracts with customers.



4 Revenue and other income

The revenue in Aker Horizons ranges from complex construction contracts, man-hour based sale of engineering or maintenance services, and the sale of electricity generated from power generation assets in solar and wind parks.

Construction and service contracts

Aker Carbon Capture delivers specialized products built to a customer's specification under construction contracts. Deliveries in the contracts are reviewed to identify distinct performance obligations. This assessment may involve significant discretionary judgment.

Revenues in Aker Horizons Asset Development relate to delivery of services related to development projects. Revenues for such services are recognized over time using a cost progress method or according to delivered time and materials.

Power generation contracts

Mainstream owns and operates power generations assets, such as solar PV and wind farms. Mainstream recognizes revenue from the generation and subsequent sale of electricity from generation assets. Revenue is recognized from the generation and subsequent sale of electricity from generation assets. The performance obligation is to deliver a series of distinct goods (power) and the transaction price is the consideration Mainstream Renewable Power expects to receive, whether at spot price, regulated price or contract price. The performance obligation is satisfied over time, which means that revenue should be recognized for each unit delivered at the relevant injection node.

In arrangements where Mainstream Renewable Power sells power on an exchange (e.g. National Electricity Coordinator in Chile), the exchange is determined to be the customer. This relates to the enforceable contracts Mainstream Renewable Power has with the exchanges.

Judgments and estimates

In many contracts it can be challenging to estimate the expected revenue and cost in the Group's various customer contracts, in particular if there are operational challenges related to the delivery. The most significant judgments and estimates in the customer contracts are described below:

Performance obligations

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

Total contract cost

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



Disaggregation of revenue from contracts with customers

Amounts in NOK million	ACC	AAD	Mainstream	Other and eliminations	Total
2023					
Construction contracts	1,563	—	13	—	1,576
Services	41	14	112	2	169
Power generation	—	—	1,904	—	1,904
Total	1,604	14	2,029	2	3,649
2022					
Construction contracts	736	—	5	—	741
Services	45	7	17	(4)	66
Power generation	—	—	1,564	—	1,564
Total	781	7	1,587	(4)	2,371

Timing of revenue

For Aker Carbon Capture, performance obligations in customer contracts vary from a few months to as long as five years. The order backlog as of 31 December 2023 was NOK 2.6 billion, mainly consisting of the Brevik CCS project, Ørsted Kalundborg CCS, Hafslund Oslo Celsia FEED and Uniper Grain Power Station FEED. The revenue is expected to be recognized over the years 2024-2025.

Mainstream has entered into several Power Purchase Agreements for the Andes Renovables platform, all starting in 2021 and 2022 and lasting for 20 years. These agreements are not included in the Group's order backlog as the performance obligations are decided by the right to invoice at any time, which correspond to the power produced and delivered.

Contract balances

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

The change in contract assets and liabilities relates to natural progression of the project portfolio, as well as the current project mix.

Overview of contract assets and contract liabilities from contracts with customers

Amounts in NOK million	Note	2023	2022
Trade receivables	15	623	517
Customer contract assets	15	137	13
Customer contract liabilities	22	(372)	(91)

The full amount of NOK 91 million recognized as customer contract liability as of 31 December 2022 has been recognized as revenue in 2023.

Other income

Amounts in NOK million	Note	2023	2022
Reversal of contingent consideration	22	82	77
Gain on sale of associates	13	127	1,642
Gain on sale of joint ventures	13	—	142
Gain on acquisition of joint venture (Redwood)		—	54
Loss on sale of subsidiary ¹		(19)	3
Other		8	—
Total		198	1,918

¹) Loss on sale of subsidiary relates to sale of a subsidiary in South Africa. The share sales agreement includes earn out mechanisms that can potentially result in the recognition of future gains up to NOK 253 million.



5 Employee benefits

Amounts in NOK million	Note	2023	2022
Salaries and wages, including holiday allowances		1,030	803
Share-based payments		25	34
Social security contribution		95	80
Pension cost		52	41
Other employee benefits		52	85
Total salaries, wages and social security costs		1,254	1,043
Of which capitalized	14	66	43
Net		1,188	1,000

Shared based payments

Mainstream operates a share option program, which allows employees in Mainstream to acquire shares in the parent company Aker Mainstream Renewables AS. The fair value of options granted is recognized as a charge to the income statement, with a corresponding increase in equity. The fair value is measured at grant date and spread over the term during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using a binomial lattice model, taking into account the terms upon which the options were granted as well as market-based conditions. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate of shares that will eventually vest.

The Group's pension plans

Defined contribution plans

All employees are offered participation in a defined contribution plan. The annual contributions expensed for the Norwegian plans in 2023 totaled NOK 26 million (2022: NOK 40 million).

Compensation plan

Employees in Norwegian entities who were employed by Aker Solutions in 2008, when the company changed to defined contribution plans, are part of a compensation plan. The compensation amount is adjusted annually in accordance with the adjustment of the employees' pensionable income, and accrued interest at the market rate. The compensation plan is an unfunded plan and is calculated using an earned balance method. Total liability as of 31 December 2023 amounts to NOK 8 million (2022: NOK 9 million), see Note 21 Provisions and non-current liabilities.



6 Other operating expenses

Amounts in NOK million	Note	2023	2022
Write downs of inventory and other	14	386	140
External services and hired-ins		974	678
IT and office supplies		105	170
Other operating expenses		68	198
Total		1,534	1,186

Audit fees

The Group's auditor is PricewaterhouseCoopers (PWC). The table below summarizes audit fees split per audit company, as well as fees for audit-related services, tax services and other services incurred by the Group. The amounts are net of VAT.

Amounts in NOK thousand	2023	2022	2023	2022	2023	2022
	Aker Horizons ASA		Subsidiaries		Total	
Audit	1,629	315	14,250	8,316	15,879	8,631
Other assurance services	—	71	616	383	616	454
Other non-audit services	101	—	343	—	444	—
Tax services	—	—	274	—	274	—
Total PricewaterhouseCoopers¹	1,730	386	15,483	8,699	17,213	9,085
Other auditors	—	1,784	—	2,204	—	3,988
Total	1,730	2,170	15,483	10,903	17,213	13,073

1) Auditor from 2022 onwards.

7 Financial income and expenses

Amount in NOK million	Note	2023	2022
Interest income on cash and cash equivalents and investments at amortized cost		276	126
Gain on refinancing of mezzanine debt	19	2,140	—
Foreign exchange gain (loss)		39	68
Discontinuation of hedge accounting	27	1,424	—
Other financial income		10	3
Total financial income		3,889	197
Interest expense on financial liabilities measured at amortized cost		(1,244)	(806)
Loan costs expensed at derecognition of project finance debt	19	(431)	—
Other costs related to refinancing of debt	19	(564)	—
Lease interest expense	20	(32)	(26)
Other financial expenses ¹		(129)	(169)
Total financial expenses		(2,400)	(1,001)
Net financial expenses		1,489	(804)

1) Includes NOK 84 million in termination fee for interest swaps (2023) and NOK 97 million in financial guarantee cost (2022) in Mainstream.

Refinancing of debt

Financial income and expenses for Aker Horizons in 2023 have been materially impacted by accounting effects from the refinancing of debt related to Mainstream's Chile operations, as described in further detail in Note 19 Borrowings and Note 27 Derivative financial instruments.



8 Tax

Judgments and estimates

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

Tax expense in income statement

Amounts in NOK million	2023	2022
Withholding tax	(67)	—
Origination and reversal of temporary differences	(331)	1,402
Income tax benefit (expense)	(398)	1,402

Effective tax rate

The table below reconciles the reported income tax expense to the expected income tax expense according to the Norwegian corporate income tax rate of 22 percent. It also discloses the main elements of the tax expense.

Amounts in NOK million	2023		2022	
Profit before tax	(6,858)		(6,650)	
Income tax benefit (expense) at Company's domestic tax rate	1,509	22.0 %	1,463	22.0 %
Effect of tax rates in foreign jurisdictions	414	6.0 %	296	4.5 %
<i>Tax effect of:</i>				
Share of profit in equity-accounted investees	35	0.5 %	(24)	(0.4)%
Non-deductible expenses	(318)	(4.6)%	(396)	(6.0)%
Tax-exempted income	327	4.8 %	391	5.9 %
Tax effect of impairment of previously recognized deferred tax assets	(110)	(1.6)%	—	— %
Utilization of previously unrecognized tax losses	57	0.8 %	—	— %
Tax losses for which no deferred income tax asset was recognized	(2,333)	(34.0)%	(343)	(5.2)%
Other	21	0.3 %	15	0.2 %
Income tax and effective tax rate	(398)	(5.8)%	1,402	21.1 %



Change in net recognized deferred tax assets and liabilities

Amounts in NOK million	Property, plant and equipment	Intangible assets	Projects under construction	Tax loss carry-forwards	Provisions	Derivative financial instruments	Other	Net
2022								
Balance as of 1 January 2022	2	(1,112)	(16)	316	16	—	(317)	(1,111)
Disposal of subsidiary	(3)	43	13	(37)	(7)	—	1	10
Recognized in profit and loss	(432)	789	(45)	264	(3)	—	312	1,402
Recognized in OCI	—	—	—	—	—	—	—	(517)
Currency translation differences	—	(206)	—	—	1	—	(1)	(207)
Balance as of 31 December 2022	(433)	(486)	(49)	543	7	—	(5)	(422)
Deferred tax asset								132
Deferred tax liability								554

Amounts in NOK million	Property, plant and equipment	Intangible assets	Projects under construction	Tax loss carry-forwards	Provisions	Derivative financial instruments	Other	Net
2023								
Balance as of 1 January 2023	(433)	(486)	(49)	543	7	—	(5)	(422)
Recognized in profit and loss	469	530	28	(314)	(30)	(564)	(450)	(331)
Recognized in OCI	—	—	—	—	—	561	—	561
Currency translation differences	(37)	(44)	—	23	24	3	(1)	(33)
Balance as of 31 December 2023	(1)	—	(21)	252	3	—	(456)	(223)
Deferred tax asset								1
Deferred tax liability								224



Tax loss carry-forwards and unrecognized deferred tax assets (gross)

As of 31 December 2023, the Group had NOK 14 billion in tax loss carry-forwards. Deferred tax assets in the amount of NOK 3,303 million deriving from these tax losses were unrecognized. In addition, the Group had NOK 587 million in other unrecognized deferred tax assets. See below for information of tax loss carry-forwards by principal jurisdictions of the group and expiry dates.

Amounts in NOK million	2023	
Norway	4,236	No expiry date
Ireland	2,089	No expiry date
Chile	6,618	No expiry date
South Africa	527	No expiry date
Other	785	
Total	14,254	

Pillar Two

The OECD Pillar Two Model Rules will be effective for Aker Horizons' financial year starting on January 1, 2024. Aker Horizons is in the scope of the enacted legislation and has evaluated its potential exposure to Pillar Two income taxes. Our preliminary analysis, based on the most recent country-by-country reporting to the tax authorities and financial statements for the entities in the Group, indicates that most jurisdictions would be covered by the Safe Harbor rules. However, it is not possible to assess the impact in 2024 with any level of confidence, based on the currently available data. Aker Horizons is in the process of assessing the consequences of the Pillar Two income taxes, with more clarity expected by the 2024 half-year reporting. The financial consequences will depend on, among other factors, the group structure and financial results.

Aker Horizons has applied the exception from the requirements of IAS 12, which allows information regarding deferred tax assets and liabilities associated with Pillar Two income taxes not to be recognized and disclosed.

9 Earnings per share

The calculation of ordinary earnings per share is based on the profit attributable to ordinary shares using the weighted average number of shares outstanding during the reporting period.

Amounts in NOK	2023	2022
Basic and diluted earnings per share		
From continuing operations	(6.49)	(4.08)
From discontinued operations	—	0.05
Total basic earnings per share	(6.49)	(4.03)
Calculation of weighted average number of shares		
Issued shares as of 1 January	690,348,751	609,736,165
Effect of shares issued	—	43,508,711
Weighted average number of shares outstanding for the purpose of basic and diluted earnings per share	690,348,751	653,244,876

Reconciliation of earnings used in calculating EPS (basic and diluted)

Amounts in NOK million	2023	2022
Profit/(loss) from continuing operations as presented in the income statement	(7,256)	(5,248)
Less: profit/(loss) attributable to non-controlling interests	2,776	2,585
Profit (loss) from continuing operations	(4,479)	(2,663)
Profit (loss) from discontinued operations	—	30
Profit (loss) used in calculating basic earnings per share	(4,479)	(2,633)

Convertible bond

The convertible bond, issued in 2021, are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share from their date of issue. Due to loss in both periods presented, basic and diluted earnings per share are identical. See Note 19 Borrowings for more information about the convertible bond.



10 Property, plant and equipment

The majority of Aker Horizons' property, plant and equipment relates to power generation assets, and power generation assets under construction in Mainstream's portfolios Condor, Huemul and Copihue (collectively "the Andes Renovables platform") in Chile. In 2023, two projects in the Andes platform reached their commercial operation date (COD). Assets under construction consist of two projects.

There are security rights of the lenders over the assets in the Andes platform, see Note 19 Borrowings.

Judgments and estimates

Estimated useful life – power generation assets

The estimated useful lives of property, plant and equipment are reviewed on an annual basis and changes in useful lives are accounted for prospectively. When determining the useful life of plant, the following factors are considered:

- Expected usage of the plant, which is assessed by reference to the asset's expected capacity and physical output, as well as market regulations and maturity
- Expected physical wear and tear, which depends on operational factors and the repair and maintenance program
- Technical or commercial obsolescence
- Legal or similar limits on the use of the plants, such as the expiry dates of related leases

Impairment

Impairment is assessed for individual assets and for cash generating units when impairment triggers have been identified. Impairment testing involves assumptions about future market development, cash flows, determination of weighted average cost of capital (WACC), growth rate and other assumptions that may change over time.

Asset retirement obligation

Aker Horizons' future asset retirement obligations are recognized at present value of future cash flows at the date they are expected to be incurred. There is significant uncertainty in the estimated cost for removal of assets. Management judgment has been applied when developing an estimate that is dependent on several uncertain factors, such as the possible existence of a power market for the plants after the end of the PPA, future recycling arrangements for assets used in power generation, and/or their second-hand value, future value of steel and copper as well as future development of interest and currency exchange rates. Management judgment has also been applied when determining a discount rate to calculate present values of the obligation. The discount rate is based on a country specific credit adjusted risk free rate. The discount rate applied to the removal obligations on generation assets in the Andes Renovables platform ranges from 2.77 to 4.90 percent.

The initial recognition of the liability and the capitalized cost associated with the removal obligations, and the subsequent adjustments, involve the application of significant judgment. The asset retirement obligation is calculated on a plant by plant basis, taking into consideration relevant project specifics.

Reconciliation of carrying amounts

Amounts in NOK million	Note	Generation assets	Land	Machinery	Under construction	Total
Balance as of 1 January 2022		2,675	142	32	9,475	12,324
Additions ¹		—	169	20	2,207	2,396
Disposals		—	—	(4)	—	(4)
Depreciations		(288)	—	(8)	—	(296)
Reclassifications		6,085	—	(6)	(6,079)	—
Currency translation differences and other changes		482	—	2	1,006	1,491
Balance as of 31 December 2022		8,955	311	35	6,610	15,912
Cost		9,258	311	86	6,610	16,265
Accumulated depreciation		(303)	—	(50)	—	(353)
Carrying value 31 December 2022		8,955	311	35	6,610	15,912
Balance as of 1 January 2023		8,955	311	35	6,610	15,911
Additions ¹		76	259	57	872	1,264
Depreciations		(525)	—	(15)	—	(540)
Impairments	12	(1,927)	—	—	(1,918)	(3,845)
Reclassifications		4,307	—	(4)	(4,303)	—
Currency translation differences and other changes		310	—	10	418	739
Balance as of 31 December 2023		11,197	569	84	1,680	13,530
Cost		13,858	569	134	3,431	17,993
Accumulated depreciation		(2,662)	—	(51)	(1,750)	(4,463)
Carrying value 31 December 2023		11,197	569	84	1,680	13,530

¹) Difference between additions and payments for capital expenditures in cash flow statement is explained by adjustments for accruals and provisions for asset retirement obligations in the period.

In 2023, the Group capitalized borrowing costs amounting to NOK 192 million (2022: NOK 551 million).



11 Intangible assets and goodwill

Intangible assets consist of goodwill and contractual assets acquired through business combinations, and other intangible assets such as IT systems and technology development.

Accounting principles

Goodwill

All business combinations in the Group are recognized using the acquisition method. Goodwill represents the consideration paid in excess of identified assets and liabilities in the business combination. A substantial part of the goodwill identified in the acquisition of Mainstream in 2021 related to the requirement to recognize deferred tax for the difference between assigned fair values and the related tax base. Although not an IFRS term, Aker Horizons has used the term "technical goodwill" to describe goodwill that arises as an offsetting account to the deferred tax liabilities recognized in business combinations. Technical goodwill resulting from the acquisition of Mainstream was allocated separately to the three project portfolios in the Andes Renovables platform, and was impaired fully in 2022. The residual goodwill was allocated to the portfolio of development projects in Mainstream.

Goodwill is tested for impairment annually, or more frequently if indicators that the value might be impaired exists. Refer to Note 12 Impairment for more information.

Judgments and estimates

The decision to capitalize a development program involves management judgment. Management makes assessments of future market opportunities, ability to successfully achieve the desired technological solution and the time and cost it takes to develop it. These factors may change over time.

Reconciliation of carrying amounts

Amounts in NOK million	Note	Capitalized development	Contractual assets	Other	Goodwill	Total
Balance as of 1 January 2022		89	4,076	16	2,587	6,769
Additions		65	—	155	114	334
Disposals		(74)	—	(1)	(114)	(189)
Depreciations		(3)	(157)	—	—	(160)
Impairments		—	(2,939)	—	(1,467)	(4,405)
Currency translation differences and other changes		—	811	1	296	1,108
Balance as of 31 December 2022		77	1,791	171	1,417	3,456
Cost		79	4,895	170	2,884	8,028
Accumulated depreciation		(1)	(3,104)	1	(1,467)	(4,571)
Carrying value 31 December 2022		77	1,791	171	1,417	3,456
Balance as of 1 January 2023		77	1,791	171	1,417	3,456
Additions		112	—	—	—	112
Adjustments		—	—	(2)	—	(2)
Amortizations		(6)	(34)	—	—	(40)
Impairments	12	—	(1,923)	—	—	(1,923)
Currency translation differences and other changes		(1)	165	—	98	262
Balance as of 31 December 2023		183	—	169	1,515	1,866
Cost		190	5,289	169	2,905	8,551
Accumulated depreciation		(7)	(5,289)	—	(1,390)	(6,686)
Carrying value 31 December 2023		183	—	169	1,515	1,866

Research and development expenses

NOK 112 million relating to development activities was capitalized in 2023 (2022: NOK 64 million). In addition, research and development costs were expensed during the year because the criteria for capitalization were not met. Further, the Group has received external funding of research and development costs that has been recognized as a reduction of costs in the income statement.

Amounts in NOK million	2023	2022
Capitalized research and development costs	112	64
Expensed research and development costs	39	132
External funding of research and development costs	(8)	(8)



12 Impairment

The Chilean power market design and transmission system are dislocated, with operators delivering electricity under fixed price contracts to regional distribution companies exposed to internodal price differences (unfavorable differential in price between injection and withdrawal) and elevated system costs (overall cost incurred by the regulator and passed on to certain power producers through its balancing of the system). In addition, the operators are exposed to curtailment (excess energy not capable of being exported and therefore not valued in the market). Mainstream's diversified portfolio of wind and solar power production in the north and south of the country partly mitigates these market challenges.

An impairment of NOK 3,617 million, net of tax, was recognized as of 31 December 2022, mainly driven by increasing interest rates and updated assumptions related to limited grid capacity affecting internodal price differences and system costs. In the 2022 impairment test, management assumed increased visibility in the risk factors affecting the estimates which did not materialize as expected.

In the first half of 2023, further challenges related to hydrology and grid constraints triggered a shift in third-party estimates. The market challenges experienced also triggered a new impairment test for Andes Renovables as of 30 June 2023, reflecting that the overall uncertainty was assumed to be higher. The impairment test performed as of 30 June 2023, resulted in an impairment charge of NOK 4,201 million, net of tax.

In the second half of 2023, the challenges related to hydrology somewhat lessened after a Chilean winter season with higher-than-expected rainfall. This in turn led to a reduction in the internodal price differences. As a result, the power generating assets in the Andes Renovables platform were able to realize positive commercial margins.

However, due to rising interest rates and a continuing decline in the Aker Horizons share price throughout the second half of 2023, management concluded that impairment triggers were present as of 31 December 2023, and an impairment test was performed.

The impairment test as of 31 December 2023 did not result in any additional impairment charges for the CGUs Condor and Huemul. Generation assets related to the CGU Copihue were impaired in full.

Judgments and estimates

The impairment testing of assets is by its very nature highly judgmental as it includes estimates such as future market development, cash flows, determination of CGUs and WACC, and other assumptions that may change over time. In particular, future cash flows are uncertain, as they are impacted by developments beyond Aker Horizons' control. Weather conditions and regulatory developments are two examples that may impact both power generation and power prices.

In the sections below, we will describe both the impairment test performed as of 30 June 2023, resulting in the NOK 4,201 million impairment charge (net of tax), and the impairment test performed as of 31 December 2023.

Impairment test 30 June 2023

Key assumptions

To reflect the higher perceived risk in the 30 June 2023 impairment test, management moved the estimates for the different assumptions from third parties in a more conservative direction (e.g., more conservative probability based assumptions). Other uncertainties are reflected through increased cost assumptions and inclusion of risk contingencies.

Below is an overview of the changes in key assumptions and judgments used to determine the recoverable amounts as of 30 June 2023.

Sold production volume

The Chilean electricity grid has transmission capacity constraints, resulting in intermittent curtailments. Due to the underestimated constraints in the grid capacity, particularly in the north, the impairment test reflects a higher level of curtailment. The estimated production volume realized was reduced by approximately 8 percent, compared to the impairment test carried out as of 31 December 2022.

There are several ongoing initiatives to address this problem, such as upgrading the infrastructure, changing the system design and implementing energy storage solutions. The impairment test reflects an expectation that additional transmission capacity will come online in 2030. This will reduce the curtailment challenges.

Internodal price differences

Internodal price differences have increased due to underestimated constraints in the electricity grid capacity and an increased portion of renewable energy in the overall energy mix in Chile. As renewable energy cannot be stored, it is by nature more volatile than both hydro/thermal and alternative power plants fueled by coal or LNG. A high share of renewable energy in the energy mix results in larger price fluctuations and is expected to put more pressure on an underinvested grid, which ultimately leads to increased internodal price differences. The unfavorable internodal price differences are most commonly experienced between the northern generation assets and the central withdrawal nodes.

A new transmission line, as described above, or structural changes to the system design, are expected to reduce the internodal price differences between the north and the center of the Chilean grid. In the period up to 2030, the overall internodal price difference was increased by an average of 33 percent compared to the impairment test in December 2022. When including all



relevant periods up until the expiration of the external PPAs, the estimated internodal price differences was increased by 9 percent on average.

System costs

As the share of renewable energy in the energy mix increases, the overall cost of balancing the system increases, because the capacity cost paid to non-renewable electricity generation plants for back-up and grid stability power increases. Furthermore, system costs are correlated with alternative fuel prices, especially coal and natural gas.

During the first half of 2023, system costs increased due to more renewable energy being introduced into the grid, coupled with weak hydrology and high alternative fuel costs. To align the system costs included in the impairment models with the cost levels observed in the market, the total estimated level of system costs has on average been doubled compared to the estimates used in the impairment test as of 31 December 2022. The system costs are only relevant for the period of the current PPA contracts, as the consumers must cover the expense in the spot market.

Contingency

In addition to the key assumptions and judgments described above, management also applied a contingency on top of the estimated cash flows. The contingency was included to address the overall level of uncertainty in the future cash flows. For the two projects still under construction (in the Huemul and the Copihue portfolios, respectively), there were uncertainties both with regard to the timing of future cash flows (assumed to start production in 2025) and final CapEx amounts. In addition, there were still uncertainties related to the other key assumptions as described above. In total, the contingency reduced the estimated fair value across the three portfolios by approximately NOK 900 million. The overall contingency levels reflect the current perceived uncertainties. In future impairment tests the contingency will be aligned with actual visibility on capital expenditures in particular and the perceived visibility of the Chilean power market in general.

Discount rate

The recoverable amount in the impairment test has been calculated by applying a post-tax discount rate of 5.82 percent, unchanged from the impairment test performed as of 31 December 2022. The capital structure considered in the WACC calculation is derived from the capital structures of an identified peer group and market participants with consideration given to optimal structures. The cost of equity, calculated using the CAPM model, represents the expected return required by equity investors, incorporating the risk-free rate plus equity market- and country risk premiums, in addition to a beta derived from a comparable peer group. The cost of debt is based on the risk-free rate and an observed credit-spread on investment grade bonds.

The estimated fair value less cost of disposal includes significant estimate uncertainty, which has been reflected in the future cash flow assumptions and estimates, rather than in the discount rate. This means that the discount rate only reflects the systematic risk for a company within the renewable sector. All risks that are specific to the energy market in Chile, and relevant projects are reflected through the cash flow estimates and the risk contingency.

Recoverable amount

The recoverable amount has been determined using a fair value less cost of disposal calculation methodology. The carrying value of the cash generating units (CGUs) is calculated as the sum of allocated contractual assets, property, plant and equipment (PPE) and working capital items, reduced by deferred tax on the items included in the CGU. The table below summarizes the recoverable amount and the impairments recognized per CGU as of 30 June 2023.

Amounts in NOK million	Condor	Huemul	Copihue	Total
Carrying value PPE, contractual assets and working capital before impairment	8,905	8,726	1,846	19,478
Recoverable amount	6,731	7,210	816	14,757
Impairment loss 1H 2023	2,175	1,516	1,029	4,720
Allocated as follows:				
Contractual assets	1,388	37	498	1,923
Property, plant and equipment	786	1,479	531	2,797
Impairment loss 1H 2023	2,175	1,516	1,029	4,720
Deferred tax on impairment	(375)	(10)	(134)	(519)
Net	1,800	1,506	895	4,201

The impairment test resulted in an impairment charge of NOK 4,201 million, net of tax, as of 30 June 2023, on contractual assets and property, plant and equipment related to the Andes Renovables portfolio.

Sensitivity

When determining the recoverable amount of the CGUs tested for impairment, a wide range of sensitivity tests have been run on the key assumptions in the fair value calculation, to ensure that the test is addressing the uncertainty in the Chilean power market. The sensitivity tests include adjusting the discount rate, internodal price differences, system costs and the sold production volume.

Amounts in NOK million	Change	Change in impairment after	
		Increase in assumption	Decrease in assumption
Assumption			
Discount rate	+/- 0.5 p.p	(1,406)	1,360
Internodal price differences ¹	+/- 5%	(963)	954
System cost ¹	+/- 20%	(678)	675
Sold production volume ²	+/- 2.5%	692	(689)

1. Sensitivity calculated for remaining period of power purchase agreements (2041/42).

2. Sensitivity calculated for the remaining lifetime of the assets (between 2052 and 2055).



In addition to the sensitivities above, a sensitivity test has been conducted to assess the impact of timing of the grid capacity constraints to be alleviated, either through the introduction of the new HVDC transmission line or other measures such as changes to the system design, or by introduction of energy storage solutions to mitigate the pressure a higher renewable energy penetration puts on the grid. The analysis shows that each year of delay or acceleration would impact the overall impairment by NOK 200 million across the three portfolios.

Impairment test 31 December 2023

Condor and Huemul

The impairment test performed as of 31 December 2023 for the cash generating units Condor and Huemul did not result in further impairment. The impairment test was prepared based on a set of key assumptions that were not significantly changed compared to the key assumptions included in the impairment test performed as of 30 June 2023. This includes assumptions related to sold production volume, internodal price differences, contingencies, and system costs. The post-tax discount rate was updated to include the latest observable market input as of 31 December 2023 and landed at 6.08 percent, compared to a 5.82 percent post-tax discount rate used in the impairment test as of 30 June 2023. The impairment test performed as of 31 December 2023 shows a headroom, and consequently no further impairment requirements. As the majority of the headroom is related to the passage of time, no reversal of impairment losses has been recognized.

Sensitivity

Similar to the test performed as of 30 June 2023, a wide range of sensitivity tests have been run on the key assumptions in the fair value calculation, to ensure that the test is addressing the uncertainty in the Chilean power market. The sensitivity tests include adjusting the discount rate, internodal price differences, system costs and the sold production volume. The table below illustrates by how much the total impairment for 2023 year would increase after negatively changing each of the critical assumptions.

Amounts in NOK million	Change in assumption	Effect on impairment for	
		Condor	Huemul
Assumption			
Discount rate	+ 0.5 p.p	—	(167)
Internodal price differences ¹	+ 5%	—	(57)
System cost ¹	+ 20%	—	—
Sold production volume ²	- 2.5%	—	—

1. Sensitivity calculated for remaining period of power purchase agreements (2041/42).

2. Sensitivity calculated for the remaining lifetime of the assets (between 2052 and 2055).

Copihue

On 31 July 2023, management, in discussions with its lenders, elected to repay the Copihue project finance facility, which put the construction of the project on hold. The decision to put the project on hold is linked to challenging commercial terms related to the power purchase agreement entered with Chilean distribution companies and disputes and claims arising from key

suppliers and contractors in the construction phase.

At present, the path to a successful completion of the project is unclear. As such, management decided that a full impairment of all net book values related to the Copihue project is prudent. In total, an impairment of NOK 1,048 million related to the Copihue CGU has been recognized in the second half of 2023. The Group has not recognized any additional provisions related to the Copihue project, as settlement is either not probable or is not expected to result in a liability to the Group.

Summary of impairments in 2023

The table below summarizes the total impairment for all three CGUs in the Andes Renovables platform, for the year ended 31 December 2023:

Amounts in NOK million	Condor	Huemul	Copihue	Total
Impairment loss 1H 2023	2,175	1,516	1,029	4,720
Impairment loss 2H 2023	—	—	1,048	1,048
Deferred tax on impairment	(375)	(10)	(134)	(519)
Total impairment loss 2023	1,800	1,506	1,943	5,249

Impairment testing of residual goodwill

Residual goodwill identified in the Mainstream acquisition in 2021 amounts to NOK 1.5 billion. The goodwill relates to Mainstream's development pipeline, combined with its global organization, and is allocated to the Mainstream segment for impairment testing.

Residual goodwill has been tested for impairment. The recoverable amount in the goodwill impairment test is calculated using the income approach under the fair value less cost of disposal methodology, pursuant to IFRS 13.

The calculation of the recoverable amount is based on an internal valuation model, where cash flows to equity from developing new projects over the next 10 years have been estimated. In the calculation, the estimated cash flows from the identified projects have been discounted throughout the 10 years using a cost of equity that is dependent on both geography and technology. The terminal value is based on estimated value created by a fixed number of projects brought to financial close every year for an additional 11 years.

The recoverable amount exceeds the carrying amount by a comfortable margin. The Group is of the view that no reasonably likely change in the key assumptions would cause the carrying value to materially exceed the recoverable amount.



13 Investments in associates and joint ventures

Equity-accounted investments

The tables below show JVs and associates recognized in the Group's consolidated financial statements, the carrying amount of the investments as well as the share of profit or loss, and the stand-alone financial information for material equity-accounted investments.

Amounts in NOK million	Office	2023			2022		
		Ownership	Book value	Share of net profit (loss)	Ownership	Book value	Share of net profit (loss)
MRP Africa Holdings Limited (MRP)	Dublin, Ireland	—	—	320	33.8 %	592	(28)
Korea Floating Wind Power Co., Ltd (MRP))	Ulsan, South-Korea	33.0 %	98	(5)	33.3 %	102	(4)
Principle Power Inc (MRP)	California, US	36.2 %	269	(31)	36.2 %	292	(24)
Greenstat ASA (AAD)	Bergen, Norway	17.6 %	27	(40)	19.4 %	69	(12)
Meråker Hydrogen AS (AAD)	Meråker, Norway	23.3 %	1	(1)	20.0 %	1	(1)
Total associates			395	244		1,056	(83)
SuperNode Ltd (AH)	Dublin, Ireland	50.0 %	173	(24)	50.0 %	91	(25)
Redwood Coast Offshore Wind LLC (MRP)	California, US	50.0 %	—	—	50.0 %	—	(7)
Freja Offshore AB (MRP)	Stockholm, Sweden	50.0 %	—	(26)	50.0 %	6	(25)
Green Ammonia Berlevåg AS (AAD)	Berlevåg, Norway	50.0 %	4	(1)	50.0 %	4	(6)
Other	Other		6	(35)		7	(5)
Total joint ventures			183	(85)		107	(69)
Total equity-accounted investees			578	159		1,163	(152)

See below for further information about material investments as well as summarized financial information (100 percent figures) for the same JVs and associates.

MRP Africa Holdings Limited (MRPAH)

Mainstream Renewable Power Africa Holdings Limited was a holding company for Mainstream's investment in Lekela Power B.V., a renewable power generation company. MRPAH was recognized as an associate, of which Mainstream held a 33.8 percent shareholding. MRPAH owned 40 percent of Lekela Power B.V., resulting in an indirect shareholding of 14 percent in Lekela Power B.V.

In July 2022, Mainstream and Actis signed an agreement to sell Lekela to Infinity Group and Africa Finance Corporation. The transaction closed in March 2023. The transaction generated net proceeds to Mainstream of approximately USD 90 million, with the transaction valued at an enterprise value of approximately USD 1.5 billion.

Korea Floating Wind Power Co., Ltd. (KFWind)

KFWind is one of eight consortia with an MoU in place with Ulsan City for the development of offshore wind power in the region. Mainstream owns 33.3 percent of KFWind and the remaining shareholding is held by Ocean Winds.

The project is showing good progress. Major milestones in 2023 include completion of the preliminary geophysical survey and securing approval of the draft environmental impact assessment.

Principle Power Inc (PPI)

Principal Power Inc (PPI) is an innovative technology and service provider for the offshore deepwater wind energy market. PPI's proven technology, the Windfloat – a floating wind turbine foundation – enables a change in paradigm for the industry in terms of reduced costs and risks for the installation and operation of offshore wind turbines.

SuperNode Ltd

SuperNode is a technology development company that designs superconducting connection systems to connect renewable generation and increase grid interconnection in mature markets. SuperNode's goal is to develop and market an innovative transmission technology based on superconductors, requiring less infrastructure, materials and space.

SuperNode is a 50/50 JV between Aker Horizons and founder Eddie O'Connor's company Volnay for technology development. In 2023, Aker Horizons and Volnay contributed a total of NOK 183 million, of which Aker Horizons contributed according to its ownership share.



Financial information on principal equity-accounted investees

The following table shows financial information for principal equity accounted-investees as presented in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in the investments.

	PPI		KFWind		Supernode	
	2023	2022	2023	2022	2023	2022
<i>Amounts in NOK million</i>						
Revenue	125	140	—	—	—	—
Depreciations and amortizations	(13)	(11)	—	—	(4)	(1)
Interest income	1	—	1	2	—	—
Interest expense	(9)	9	(1)	(1)	—	—
Income tax expense	—	—	—	—	—	—
Net profit (loss)	(85)	(67)	(14)	(16)	(47)	(50)
Total comprehensive income (100%)	(85)	(67)	(14)	(16)	(47)	(50)
Group's share of total comprehensive income	(31)	(24)	(5)	(5)	(24)	(25)
Current assets	85	126	265	216	113	78
- of which cash and cash equivalents	29	68	169	202	107	77
Non-current assets	220	208	334	198	213	100
Current liabilities	(72)	(58)	(324)	(125)	(19)	(13)
- of which current financial liabilities (excluding trade and other payables and provisions)	—	—	—	—	—	—
Non-current liabilities	(116)	(72)	(2)	(1)	—	(20)
- of which non-current financial liabilities (excluding trade and other payables and provisions)	(102)	(58)	(2)	—	—	—
Net assets (100%)	118	204	273	288	307	145
Share of net assets, net of NCI	43	74	90	96	154	72
Goodwill	226	218	8	8	20	18
Share of loss not recognized	—	—	—	(2)	—	—
Carrying amount of the investment	269	292	98	102	173	91



14 Inventories

Inventories relate primarily to renewable generation assets under development in Mainstream, which the Group intends to dispose of prior to their Commercial Operation Date. Accordingly, these project assets are held as inventories. Given the development cycle of the projects, it is expected that the work in progress will not be realized within one year.

Development assets which the Group intends to dispose of after their Commercial Operation Date, are transferred to Property, Plant and Equipment upon reaching their Commercial Operation Date.

Judgments and estimates

The Group reviews all projects in development on a periodic basis. Occasionally, these reviews result in a reduction in the carrying value of inventory balances. Judgment has been applied when determining whether costs previously capitalized are recoverable, and determining the net realizable value where it is deemed the full cost is no longer recoverable. Management uses available market data to determine recoverability on an individual project basis.

Amounts in NOK million	2023	2022
Work in progress	827	944
Finished goods	8	8
Total	836	952
Write-down in the period	(305)	(107)
Capitalized in the period ¹	276	361

¹) See Note 5 for amounts related to capitalized people costs.

During the year, the Group have disposed of inventory amounting to NOK 49 million through the sale of a subsidiary in South Africa. See Note 4 Revenue and other income for more information.

15 Trade and other receivables

Trade and other receivables are to a large extent related to revenues in Aker Carbon Capture and Mainstream, in addition to VAT refunds resulting from the on-going construction activities of the Andes Renovables platform in Chile (Mainstream).

Trade and other receivables

Amounts in NOK million	Note	2023	2022
Trade receivables		623	517
Provision for bad debt		—	—
Net trade receivables		623	517
Customer contract assets	3	137	13
Public duty and tax refund		820	1,004
Prepaid expenses		79	39
Other receivables		3	4
Total		1,662	1,577

Ageing trade receivables

Amounts in NOK million	2023	2022
Not past due	525	470
Past due 0-30 days	94	30
Past due 31-90 days	1	9
Past due 90-365 days	0	8
More than one year	2	0
Total	623	517

As of 31 December 2023, there were no materially overdue receivables. As a result, no impairment was deemed to be required. The Group has no history of significant credit losses.



16 Cash

Amounts in NOK million	2023	2022
Cash in cash pool	540	368
Interest-bearing deposits	4,959	8,315
Cash and cash equivalents	5,499	8,683
Restricted cash	1,538	2,076
Total	7,037	10,759

Restricted cash

As of 31 December 2023, NOK 1.5 billion of the Group's cash was restricted in respect of Mainstream. Of this amount around NOK 217 million relates to cash backing of certain guarantees provided on behalf of Mainstream. Around NOK 1.3 billion relates to the portfolios, where cash disbursed under the project finance facilities is restricted for use within the specific portfolio. NOK 15 million (2022: NOK 18 million) is restricted cash related to employee tax withholdings.

17 Assets held for sale

Amounts in NOK million	2023	2022
Transmission line, Chile	190	182
Shareholding in Principle Power Inc	—	86
Total	190	268

Shareholding in Principle Power Inc (PPI)

The sale of 10.9 percent of PPI was closed in July 2023 for a consideration of USD 11.5 million. A gain of NOK 26 million has been recognized in Other income.

18 Share capital and capital reserves

The Company holds no treasury shares. The share capital of Aker Horizons ASA is divided into 690,351,751 ordinary shares, with a nominal value of NOK 1. All issued shares are fully paid.

Issues of ordinary shares during the year	2023	2022
Shares at the beginning of the period	690,351,751	609,739,165
Issue of ordinary shares	—	80,612,586
Ordinary shares at the end of the period	690,351,751	690,351,751

Share capital and other paid-in capital

Aker Horizons ASA has one class of shares, ordinary shares, with equal rights for all shares. The holders of ordinary shares are entitled to receive dividends and are entitled to one vote per share at General Meetings.

Currency translation reserve

The foreign currency translation reserve comprises the aggregate effect since incorporation or acquisition of translating the equity of subsidiaries that have a functional currency different to the currency of the parent company, including the Group's share of joint venture and associate foreign exchange variations.

Other equity

Other equity comprises continuity differences from common control transactions and the equity component of compound instruments.

Cash flow hedge reserve

The cash flow hedge reserve comprises the aggregate movement in the value of forward foreign exchange contracts and interest rate swaps that have been designated for hedge accounting.



19 Borrowings

Amounts in million	Currency	Nominal currency value	Maturity	Carrying amount (NOK)
2023				
Revolving Credit Facility - Aker Horizons ASA	NOK	—	2025	(9)
Green bond - Aker Horizons ASA	NOK	2,500	2025	2,514
Convertible loan - Aker Horizons ASA	NOK	1,567	2026	1,400
Shareholder loan - Aker Horizons ASA	NOK	2,408	2026	2,404
Total corporate borrowings				6,309
Project finance debt - Mainstream	USD	1,004	2035	10,314
Mezzanine debt - Mainstream	USD	140	2035	755
Other loans - Mainstream				(8)
Other loans - Aker Asset Development	NOK	—		66
Total other borrowings				11,127
Total borrowings				17,436
Current borrowings				48
Non-current borrowings				17,388

Amounts in million	Currency	Nominal currency value	Maturity	Carrying amount (NOK)
2022				
Revolving Credit Facility - Aker Horizons ASA	NOK	—	2024	(17)
Green bond - Aker Horizons ASA	NOK	2,500	2025	2,501
Convertible loan - Aker Horizons ASA	NOK	1,543	2026	1,307
Shareholder loan - Aker Horizons ASA	NOK	2,266	2026	2,260
Total corporate borrowings				6,051
Project finance debt - Mainstream	USD	1129	2038-2041	10,653
Mezzanine debt - Mainstream	USD	304	2025	2,899
VAT loans - Mainstream	CLP	31,415	2023/2024	294
Other loans - Mainstream				10
Other loans - Aker Asset Development	NOK	0		66
Total other borrowings				13,922
Total borrowings				19,973
Current borrowings				871
Non-current borrowings				19,102

Aker Horizons corporate borrowings

Revolving Credit Facility (RCF)

The Company has a multi-currency revolving credit facility in the amount of EUR 500 million that can be drawn on for general corporate purposes of the Group, including the funding CapEx, acquisition costs and expenses. The loan carries an interest rate of 3M NIBOR + 2.5 percent margin p.a. The RCF includes customary financial covenants, such as a maintenance-based loan-to-value (LTV) covenant of 50 percent. Loans in the LTV covenant includes senior loans in Aker Horizons ASA (not subordinated debt). The covenant also includes a minimum liquidity covenant, in the form of cash or undrawn facility, of NOK 200 million. As of 31 December 2023, the facility was undrawn.

Green Bond

In February 2021, the Company signed an unsecured green bond issue in an amount of NOK 2,500 million, with a tenor of 4.5 years, a bullet amortization and an interest rate of 3M NIBOR + 3.25 percent margin p.a. The terms of the Green Bond issue include customary financial covenants such as an incurrence-based loan-to-value covenant and a minimum liquidity covenant of NOK 200 million, in line with the RCF described above.

**Convertible bond**

In February 2021, the Company issued an unsecured convertible bond in the amount of NOK 1,500 million with a tenor of 5 years, bullet amortization and 1.5 percent p.a. payment in kind (PIK) interest. The bondholders may elect to convert the bonds to shares in the Company at any time during the term of the bond issue at a conversion price which is 25 percent above the offer price of NOK 35 per share in the private placement that took place in Aker Horizons ASA in January 2021. The bonds issued under the convertible bond issue rank pari passu with other subordinated debt of Aker Horizons but are subordinate to senior debt of the borrower in the event of a default under any of Aker Horizons' financial arrangements.

On initial recognition, the fair value of the debt component of the convertible bond was estimated to NOK 1,152 million and the residual of NOK 348 million was recognized as equity. The nominal currency value of the loan in the table above reflects the NOK 1,500 million including accrued interest of 1.5 percent as of 31 December 2023.

Shareholder loan

In January 2021, the Company entered into a subordinated loan agreement of NOK 2,000 million with Aker Capital AS (see Note 31 Related party transactions for more information). Book value of the loan includes accrued interests as of 31 December 2023.

Borrowings in Mainstream

In July 2023, Mainstream initiated a judicial reorganization of two of its companies in Chile: Huemul Energía and Condor Energía, which are part of the Andes Renovables portfolio. The proceedings were initiated in order to restructure the assets and the capital structure, renegotiate the financial debts, and to allow for an injection of new capital into the Energía companies. In November 2023, Mainstream announced the conclusion of the proceedings for the Energía companies, as an agreement was reached with the project finance and mezzanine lenders.

A total of NOK 564 million related to consultancy fees and legal advisors, incurred as part of the negotiations with project finance and mezzanine lenders, have been expensed as finance costs in the income statement.

Project finance debt

At 31 December 2023, the project finance debt for Condor and Huemul has a carrying value of USD 523 million and USD 490 million, respectively. The outstanding balances related to project finance debt for Copihue were fully repaid in 2023.

As a result of the refinancing agreement reached with the project finance lenders, several modifications to the original terms were agreed. The modified terms include a conversion of annual cash pay interest to PIK interest through May 2026. The maturity date has moved from 2038 to 2035 and the payment profile has changed from quarterly installments to a 2 percent amortization p.a. from 2027 (Condor) and 2029 (Huemul) and a cash sweep mechanism with a bullet payment of remaining debt at maturity.

Interest is based on a 3M SOFR (Secured Overnight Financing Rate) plus a credit adjustment spread and margin starting at 2.45 percent p.a., increasing to 3.20 percent p.a. over the life of the loan. Except for moving from LIBOR to SOFR as the reference rate, as a result of the interest rate benchmark reform, interest margins remain unchanged from the original project financing agreement.

Changes in terms of the project finance debt have been assessed to represent a significant modification, based on a qualitative analysis. Significant modification in terms are treated as an extinguishing event. The original liabilities have been derecognized from the balance sheet and the modified project finance agreements have been recognized as new financial liabilities, initially measured at fair value. Based on discussions held with various different financing institutions, the nominal interest rate as agreed in the renegotiated project finance agreements have been assessed to represent the prevailing market rates at the time of the refinancing. Accordingly, there were no difference in nominal and fair value at the time the refinancing was closed.

At derecognition of the original project financing, the remaining balance of historical transaction costs, NOK 431 million, were expensed as finance costs in income statement.

Covenants: The project financing loans referred to above have customary covenants that relate to the use of funds and 12-month historic and projected Debt Service Coverage Ratios ("DSCR") at each debt service payment date. They also contain customary measures relating to the construction and running of the project companies to ensure the lenders have comfort over project execution, management and involvement in the decision-making processes. The refinancing of the project finance debt did not result in any material changes to the covenants.

Throughout the construction and operation of projects within the Andes Renovables platform, Mainstream has been in regular contact with its lenders and has received the lenders' support on all key aspects of the build to date. As of 31 December 2023, all of the Andes Renovables' loans were fully compliant with no defaults outstanding.

Security rights: As part of the project financing agreements the lenders have security rights over the underlying assets in Condor and Huemul. These security rights include pledges over project-related property, plant and equipment, both in construction and in operations, cash, trade receivables and all other assets.

Mezzanine debt

In 2020, Mainstream entered into a mezzanine debt with Ares Management Corporation (Ares). As a result of the judicial reorganization mentioned above, an agreement was reached with the mezzanine lenders to restructure the mezzanine debt. After the refinancing, mezzanine debt related to Condor and Huemul, with a principal of USD 271 million, has been renegotiated and converted to a USD 100 million facility. The new facility earns interest at 6 percent p.a., PIK. The maturity date has been extended from 2025 to 2035. Existing mezzanine debt related to Copihue of USD 39 million will remain with the terms also renegotiated to apply PIK interest of 6 percent



p.a. and maturity in 2035. The mezzanine lender has been granted a 10 percent equity interest in the Andes Renovables platform as part of the agreement to refinance the mezzanine debt.

The changes in the terms of the mezzanine debt have been determined to represent a significant modification of terms, as the result of a quantitative test (the 10 percent test). Significant modification in terms are treated as an extinguishing event. The original liability has been derecognized from the balance sheet and the modified debt agreements have been recognized as a new financial liability, initially measured at fair value. When recognizing the mezzanine debt initially at fair value, an interest rate of 12 percent p.a. has been determined to represent the prevailing market rates. As an effect of recognizing the mezzanine debt initially at fair value, the loan facility with a nominal value of USD 139 million has been recognized at USD 73 million. The difference between original carrying value and fair value of the renegotiated mezzanine debt of USD 237 million (NOK 2,508 million) has been recognized as a finance income. The transfer of 10 percent shareholding in Andes Renovables to the mezzanine lender has been treated as consideration paid, reducing the gain from refinancing of the debt by NOK 277 million.

At derecognition of the original mezzanine debt, the remaining balance of historical transaction costs, NOK 91 million, were expensed as finance costs in the income statement. In total, a gain of NOK 2,140 million has been recognized as an effect of the refinancing of the mezzanine debt.

Mainstream USD 220 million financing facility

Mainstream has entered into a loan facility of up to USD 220 million, which can be drawn for general corporate purposes of the Group. In addition, the facility can be used to issue letters of credit in support of the Condor and Huemul projects. Other than the overall cap of USD 220 million, there is no limit on the amount of the facility that can be drawn as cash versus being used to issue letters of credit. The facility is partially backed by shareholders of Aker Mainstream Renewables AS, and Aker Horizons' share of the sponsor commitment is 58.4 percent of the maximum facility size, representing Aker Horizons' share in Mainstream. In the event of sponsor guarantees being called, this would be done on a pro-rata basis amongst the sponsor group as a whole. See more information in Note 9 Borrowings in Aker Horizons parent company accounts.

The loan carries an interest comprising a term reference rate + 2.875 percent margin p.a.. The term reference rate varies depending on which currency is drawn. As of 31 December 2023, there has been no cash drawn under the facility. For any outstanding amount of each letter of credit issued, the Group shall pay a letter of credit fee of 2.55 percent. As of 31 December 2023, a total of USD 136 million in letters of credit were issued under the facility.

Other loans

Under Other loans, NOK 66 million in Aker Asset Development relates mainly to an earn-out agreement that formed part of the transaction cost when a site from Narvikgården in 2021.

Reconciliation of movements of liabilities to cash flows arising from financing activities

Amounts in NOK million	Notes	Corporate loans	Other loans	Leases	Total
2023					
Balance as of 1 January 2023		6,051	13,922	687	20,660
Proceeds from borrowings		—	5	—	5
Repayments from borrowings		—	(1,825)	—	(1,825)
Transaction costs borrowings		(9)	—	—	(9)
Lease payments	20	—	—	(51)	(51)
Total changes from financing cash flows		(9)	(1,821)	(51)	(1,881)
Other changes					
New leases	20	—	—	128	128
Foreign exchange movements		—	544	30	574
Change in accrued interest		239	797	—	1,036
Refinancing effects	7	—	(2,508)	—	(2,508)
Change in capitalized borrowing costs		27	192	—	220
Total other changes		267	(974)	158	(549)
Balance as of 31 December 2023		6,309	11,127	794	18,230



Amounts in NOK million	Corporate loans	Other loans	Leases	Total
2022				
Balance as of 1 January 2022	5,803	11,761	668	18,232
Proceeds from borrowings	—	1,360	—	1,360
Repayments from borrowings	—	(604)	—	(604)
Lease payments	—	—	(49)	(49)
Total changes from financing cash flows	—	756	(49)	707
Other changes				
Reclassifications / remeasurement	—	(119)	84	(35)
Foreign exchange movements	—	1,268	50	1,318
Change in accrued interest	213	385	—	598
Disposal of business	—	(100)	(65)	(165)
Change in capitalized borrowing costs	35	(29)	—	6
Total other changes	248	1,405	68	1,721
Balance as of 31 December 2022	6,051	13,922	687	20,660

20 Leasing

The Group's leases mainly consist of land and office buildings, in addition to some machines and office equipment. Contracts that contain a lease are recognized in the balance sheet as a right-of-use asset and lease liability unless the lease is short-term (less than 12 months duration) or of low-value (less than NOK 50,000).

Judgments and estimates

Judgment has been applied when determining the discount rate used in the calculation of lease liabilities. The Group applies the interest rate implicit in the lease where possible, otherwise the incremental borrowing rate is used. The incremental borrowing rate is estimated taking into account both company and asset-specific risks.

**Right-of-use assets**

Amount in NOK million	Note	Land and buildings	Machinery and equipment	Total right-of-use assets
Balance as of 1 January 2022		698	2	700
Additions		81	3	84
Depreciations		(41)	(5)	(46)
Currency translation differences and other changes		59	—	59
Balance as of 31 December 2022		731	2	734
Cost		784	4	789
Accumulated depreciation		(53)	(2)	(55)
Carrying value		731	2	734
Balance as of 1 January 2023		731	2	734
Additions		128	1	128
Depreciations		(60)	(2)	(62)
Currency translation differences and other changes		60	—	60
Balance as of 31 December 2023		859	1	860
Cost		915	4	920
Accumulated depreciation		(56)	(3)	(59)
Carrying value		859	1	860

The majority of the right-of-use assets from Mainstream relate to seven land leases in Chile for the Condor and Huemul portfolios, expiring over a period of 22 to 33 years. In addition, Aker Horizons has entered into a lease agreement for office premises with Aker Tech House AS that expires in 2034, see also Note 31 Related party transactions.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the asset, as follows:

- Land and buildings: 2-33 years
- Machinery and equipment: 1-5 years

Lease liabilities

Amount in NOK million	Note	2023	2022
Balance as of 1 January		687	668
Additions		128	84
Lease payments	7	(84)	(76)
Accrued interest		32	29
Disposals		—	(65)
Currency translation differences and other changes		31	48
Balance as of 31 December		794	687
Current		65	61
Non-current		729	626

Short-term and low-value assets expensed in the income statement amount to NOK 26 million (2022: NOK 2 million). For maturity of undiscounted lease payments as of 31 December, see Note 24 Financial risk and exposure.



21 Provisions and non-current liabilities

Provisions

Provisions are estimated on the basis of a number of assumptions and are highly judgmental in nature.

Amounts in NOK million	Asset retirement obligations	Other current provisions	Total
Balance as of 1 January 2023	317	—	317
Remeasurement	(6)	—	(6)
Provisions made during the year	—	5	5
Provisions used during the year	—	—	—
Currency translation differences	(31)	—	(32)
Balance as of 31 December 2023	280	5	284

Asset retirement obligations

The Group recognizes a decommissioning provision in the cost of generation assets when there is an obligation to decommission and restore the sites it occupies. As of 31 December 2023, provisions totaling NOK 280 million have been recognized. See Note 10 Property, plant and equipment for judgments used when estimating this obligation.

Other non-current liabilities

Amounts in NOK million	Note	2023	2022
Employee benefits	5	8	9
Deferred consideration - non current		65	75
Total		73	84

Deferred consideration

In 2022, Aker Horizons acquired five sites in the Narvik region in the north of Norway. The acquisition of the five sites are one of the key steps in the plan to develop green value chains for power-intensive industries, such as the production of hydrogen and hydrogen derivative assets, in the Narvik region. The sites were acquired from Nordkraft AS, a municipality-owned, local power producer in the Narvik region. As part of the agreement, Nordkraft has committed to participate in the development of the sites, both through an active ownership, holding a 20 percent minority stake in the projects, and through earn-out agreements linked to the sites' successful development. A deferred consideration related to earn-out agreements is recognized in the amount of NOK 75 million, of which NOK 10 million is reported as a current liability, see Note 22 Trade and other payables.



22 Trade and other payables

Trade and other payables in 2023 relate mainly to construction activities in ACC and generation activities in Chile.

Amounts in NOK million	Note	2023	2022
Trade payables		509	572
Accrued expenses		1,289	1,132
Contract liabilities		372	91
Public duties and taxes		53	80
Other current liabilities		—	123
Deferred consideration ¹		10	112
Current provisions	21	5	—
Total trade and other payables		2,237	2,110

Deferred consideration

Deferred consideration of NOK 10 million relates to the purchase of Powered Land AS, which took place in 2022 (2022: NOK 30 million), see more information about the deferred consideration in Note 21 Provisions and non-current liabilities.

Remaining deferred consideration reported in 2022, NOK 82 million, related to Mainstream's purchase of Development and Technology JSC in 2021. The amount has been reversed over Other income in 2023. For more information, see Note 4 Revenue and other income.

23 Capital management

The overall objectives of Aker Horizons' capital management policy are to maintain a strong capital base and liquidity position that preserve investor, creditor and market confidence, to ensure financial flexibility to be able to act on opportunities as they arise, and to maintain a capital structure that minimizes the Company's cost of capital. Aker Horizons pursues a conservative strategy, with minimal risk for placements of surplus liquidity and the need to be flexible in terms of accessibility.

Aker Horizons' capital management is based on a rigorous investment selection process, which considers not only Aker Horizons' weighted average cost of capital and strategic orientation but also external factors.

Funding policy

Aker Horizons has a strong focus on liquidity to ensure solvency for financial obligations and to have available capital to seize opportunities. The corporate liquidity reserve in the Aker Horizons' holding companies at year-end 2023 was NOK 8.9 billion. This was composed of an undrawn committed credit facility of EUR 500 million and cash and cash equivalents of NOK 3.3 billion in "Aker Horizons & holding" (compared to cash and cash equivalents of NOK 7.0 billion for the entire Group).

Aker Horizons aims to access diversified funding sources in order to minimize the cost of capital. In addition to the use of banks for syndicated credit facilities and the issue of equity and debt instrument in Norwegian and foreign capital markets, Aker Horizons can fully or partially realize investments in its portfolio to access liquidity. For funding needs in portfolio companies, the Group's funding policy is that subsidiaries should finance their operations on a stand-alone basis. There are several levers to utilize in addition to customary corporate and project-level debt financing, including farming down and inviting strategic investors at the project or portfolio company level.

Ratios used in monitoring capital/covenants

Aker Horizons corporate debt

Aker Horizons monitors its compliance with corporate requirements on the basis of a loan-to-value (LTV) ratio which has a covenant with a maximum senior debt balance of 50 percent of consolidated values, and a minimum available liquidity, in the form of cash or undrawn RCF balance, of NOK 200 million.

The covenants are monitored on a regular basis by the Aker Horizons' Treasury department to ensure compliance with the loan agreements and are tested and reported on a quarterly basis. Aker Horizons was in compliance with its covenants as of 31 December 2023.

For covenant information on other borrowings in Aker Horizons, see Note 19 Borrowings.



24 Financial risk and exposure

Financial risk and capital management

The Aker Horizons Group consists of various operations and companies that are exposed to different types of financial risks, including credit, liquidity and market risk (e.g., energy price, currency and interest risk). The purpose of risk management is to measure and manage financial risk in a reliable manner, thereby increasing predictability and reducing negative effects on Aker Horizons' financial results. The Group uses different financial instruments to actively manage its financial exposure.

The Group has put in place a set of policies and procedures to assist in the management of group financial risks. These procedures must be approved and reviewed annually by the Board and primarily cover foreign exchange risk, credit risk, liquidity risk and interest rate risk.

Credit risk

Credit risk is the risk of financial losses if a customer or counterparty to financial receivables and financial instruments fails to meet contractual obligations. The Group is exposed to credit risk from its operating activities (primarily for trade and other receivables) and from its financing activities, including deposits with banks and financial institutions.

The Group actively monitors its credit exposure to each counterparty. In addition, the Group reviews the creditworthiness of key suppliers, customers or other stakeholders and partners (such as construction contractors, electricity off-takers or turbine suppliers) when entering into significant or long-term contracts. The Group currently has no concerns regarding the recoverability of receivables based on our assessment of these counterparties.

The Group transacts with a variety of highly credit rated financial institutions for the purpose of placing deposits. The Group's objective is to primarily trade with counterparties that have an investment grade rating and with which the Group has a longstanding relationship. Furthermore, exposure per financial institution is capped in accordance with Treasury Policy.

The maximum exposure to credit risk at the reporting date equals the book value of each category of financial assets (Note 16 Cash, Note 15 Trade and other receivables and receivables on joint venture and associates as disclosed in Note 31 Related party transactions). The Group does not secure credit by means of collateral.

Outstanding customer and other receivables are regularly monitored. For trade receivables, the Group applies a simplified approach when calculating expected credit losses. As of 31 December 2023 and 2022, no allowance was required.

Commodity price risk

The Group, through its investment in Mainstream Renewable Power, is exposed to commodity price risk, as the price of electricity is a key input to the valuation of a solar PV or wind farm asset. The Group intends to manage the risk of electricity price volatility by seeking to agree Power Purchase Agreements (PPAs) with off-takers of electricity to fix a price for a given term prior to the financial close of a project.

The Group also considers other commodity price risks, such as that of steel and other metal components which can have an impact on the Group's business, as part of its overall risk assessment.

Currency risk

The Group's operations in the international market results in various types of currency exposures. Currency risk arises through ordinary course of business, potential mergers and acquisitions, capitalized assets and liabilities, and when such transactions involve payments in a currency other than the functional currency of the respective company. In addition, currency risk will occur if investments in subsidiaries are made in another currency than its functional currency.

The Group's exposure to currency risk is primarily related to EUR, GBP, USD and CLP and is managed in accordance with the agreed policies.

The Group performs a review of all potential currency exposures. The Treasury department manages the overall currency exposure by entering into currency derivative instruments in the foreign exchange market in accordance with the Treasury Policy. As of 31 December 2023, the Group did not have significant residual currency exposure related to its activities.

Liquidity risk

Liquidity risk is the risk that the Group will have insufficient funds to meet its liabilities. The Group actively manages its use of long-term and short-term assets and liabilities to ensure it has sufficient funds available to meet the demands of the Group. The Group has long-term debt funding and has cash balances with deposit maturities up to three months.



Overview of contractual maturities of financial liabilities, including estimated interest payments specified by category of liabilities:

Amounts in NOK million	Carrying amount	Contractual cash flows including estimated interest payments					
		Total contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
2023							
Corporate loans	6,309	7,117	130	131	2,680	4,176	—
Mainstream loans	11,061	21,389	162	—	—	1,893	19,334
Other	66	70	4	5	48	13	—
Total borrowings	17,436	28,576	295	136	2,728	6,082	19,334
Lease liabilities	794	1,182	38	25	15	182	921
Trade and other payables	2,237	2,237	2,237				
Total borrowings and other liabilities	20,467	31,995	2,571	161	2,744	6,264	20,256

Amounts in NOK million	Carrying amount	Contractual cash flows including estimated interest payments					
		Total contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
2022							
Corporate loans	6,050	7,362	110	111	194	6,946	—
Mainstream loans	13,857	21,909	658	789	1,400	6,354	12,709
Other	66	68	4	25	27	12	—
Total borrowings	19,973	29,339	772	925	1,621	13,312	12,709
Lease liabilities	687	1,096	66	15	55	141	819
Trade and other payables	2,110	2,110	2,110				
Total borrowings and other liabilities	22,770	32,545	2,947	940	1,676	13,453	13,528

As of 31 December 2023, the Group had cash and cash equivalents of NOK 7.0 billion, of which NOK 1.5 billion was restricted, see Note 16 Cash.



Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of an asset or liability will fluctuate because of changes in market interest rates. Aker Horizons' interest rate exposure mainly arises from external funding in bank and debt capital markets. Most of the external debt in Aker Horizons and Mainstream contains a floating component.

As with currency risk, interest rate risk is managed in accordance with the Treasury Policy, and recommendations are made to management in this regard. Where deemed appropriate, the Group will look to enter into interest rate swaps so as to mitigate the risk associated with fluctuations in the floating component of the debt. As part of the restructuring of the project finance debt related to the Andes Renovables platform, existing swaps were liquidated in order, primarily, to fund the respective projects. Mainstream continues to evaluate its interest exposure in the Andes Renovables platform and ways to mitigate this, which could include entering into new swaps.

The interest profile of the Group's interest-bearing financial instruments is as follows:

Amounts in NOK million	2023	2022
Fixed-rate instruments		
Financial liabilities	(4,559)	(6,560)
Total	(4,559)	(6,560)
Effect of interest rate swaps	—	(10,433)
Total	(4,559)	(16,993)
Floating-rate instruments		
Financial assets	7,036	10,759
Financial liabilities	(12,877)	(13,413)
Total	(5,841)	(2,654)
Effect of interest rate swaps	—	10,433
Total	(5,841)	7,779

Effect of an increase of 100 basis points in interest rates on profit (loss) before tax:

Amounts in NOK million	Note	2023	2022
Cash and cash equivalents	16	70	108
Borrowings	19	(129)	(134)
Interest rate swaps	27	—	104
Net		(58)	78

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



25 Climate risk

Climate change represents both a risk and an opportunity for Aker Horizons, directly linking to our vision and purpose of developing green energy and green industry to accelerate the transition to Net Zero. Effective assessment and analysis of these climate-related risks (both physical and transitional) and opportunities is critical to understanding the potential impacts of climate-related risks on asset valuations, revenue and investment needs. To successfully identify and manage climate-related risks and opportunities, Aker Horizons used the Taskforce on Climate-related Financial Disclosures (TCFD) framework. The results of this assessment inform Aker Horizons' strategy, investments, financial planning and valuations, and allow stakeholders to comprehend the financial ramifications of Aker Horizons and portfolio companies' climate-related exposure.

Aker Horizon's full TCFD report can be found in the [Appendix](#).

Effects on Aker Horizons' financial statements

Overall, Aker Horizons is well positioned to profit from the increased focus on reducing emissions and reaching the net zero target. However, the green energy transition entails some transition risks, which may affect the value of Aker Horizons' assets.

The transition risk relates to non-synchronized developments that may delay the overall speed of the transition. Permitting delays and more physical grid connection constraints are a risk to the speed of the transition. To mitigate this risk, we engage with regulators and governments through industry associations to address these market inefficiencies.

In Chile in 2023, we experienced transition risk related to market design. Chile's market design and transmission system remain dislocated, with operators exposed to additional power delivery costs.

Please also refer to Note 12 Impairment.

26 Financial instruments

Financial assets and liabilities in the Group consist of trade and other receivables, cash and cash equivalents, forward foreign exchange contracts, trade and other payables and borrowings. All financial assets and liabilities, except for derivative financial instruments (Note 27) are measured at amortized cost.

Amortized cost is considered a reasonable approximation of fair value for all financial assets and liabilities, with the following exceptions:

Amount in NOK million	Note	Carrying value	Fair value	Fair value hierarchy
Green Bond	19	2,514	2,423	Level 2
Convertible	19	1,400	1,242	Level 2

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Derivative financial instruments and marketable securities are measured at level 2 in the fair value hierarchy. The valuation of the interest swaps have been based on an external valuation model, derived from a Mark-to-Market model. There has been no material change in the valuation methodology in the current or preceding year.



27 Derivative financial instruments

Interest rate swaps

Aker Horizons' interest rate exposure mainly arises from external funding in bank and debt capital markets. The Group has managed this risk by borrowing at a fixed rate of interest as deemed appropriate, by use of interest rate swaps to achieve the desired fixed/floating ratio of the external debt. As part of Mainstream's debt refinancing process related to its operations in Chile, it was agreed with the lenders that the interest swaps should be terminated and parts of the proceeds used to repay debt. Accordingly, all interest rate swaps were terminated in 2023.

Forward foreign currency contracts

Aker Carbon Capture has future cash flows to be settled in foreign currencies. The risk management policy states that all major projects shall hedge their exposure based on cash flow forecasts and Aker Carbon Capture applies a net hedging strategy where all known and highly probable cash flows shall be included.

Further information regarding risk management policies in the Group is available in Note 24 Financial risk and exposure.

Fair value of derivative instruments with maturity

The table below presents the fair value of the derivative financial instruments and a maturity analysis of the derivatives' cash flows. Derivative instruments are forward foreign exchange contracts in 2023 and interest rate swaps in 2022.

Amounts in NOK million	Instruments at fair value	Total cash flow	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
2023							
Total assets¹	13	13	—	13	—	—	—
2022							
Total assets¹	1,938	1,938	178	179	266	475	839

1) There were no liabilities in 2023 or 2022.

The Group applies hedge accounting to its derivatives. The Group's change in hedging reserve is specified in the table below. The hedge reserve in 2023 relates to forward foreign exchange contracts in Aker Carbon Capture, while the hedge reserve in 2022 related to interest rate swaps in Mainstream.

Amounts in NOK million	
Balance as of 1 January 2022	(97)
Change in fair value of hedging instrument recognized in OCI	1,772
Reclassified from OCI to profit and loss, included in finance costs	59
Tax	(517)
Balance as of 31 December 2022	1,218
Balance as of 1 January 2023	1,218
Change in fair value of hedging instrument recognized in OCI	45
Discontinuation of hedge accounting	(1,424)
Reclassified from OCI to profit and loss	(396)
Tax on cash flow hedges	561
Balance as of 31 December 2023	3
Of which presented as hedge reserve	1
Of which presented as non-controlling interest	2

The refinancing of debt related to Mainstream's operations in Chile has been determined to be an extinguishing event. As such, the remaining OCI amount related to interest rate swaps no longer qualified for hedge accounting and were discontinued. NOK 1.4 billion, representing the remaining fair value gain of the interest rate swaps in OCI at the time of the discontinuation, was recycled to profit or loss during the period. See also Note 7 Financial income and expenses.



28 Subsidiaries

Judgments and estimates

Judgment is applied when considering whether Aker Horizons' ownership in other companies is sufficient to give it control according to IFRS 10. The primary consideration is whether Aker Horizons is able to control the outcome of voting at the companies' general meetings.

Aker Horizons owns 43.3 percent of the shares in Aker Carbon Capture. After careful consideration, Aker Horizons has concluded that control exists. This is based primarily on the ownership interests of Aker Horizons relative to the remaining shareholders. In total, investors representing over 76 percent of outstanding shares would need to vote together, against Aker Horizons, at the general meeting. Aker Carbon Capture's shareholders are a diversified group of investors, where investors with an ownership interest in excess of 1 percent (excluding Aker Horizons) control 22 percent. Approximately 22,000 investors have an ownership interest of less than 1 percent. Based on an overall assessment, the conclusion is that Aker Horizons has control of Aker Carbon Capture.

Subsidiaries

The Group's consolidated financial statements include the financial statements of Aker Horizons ASA and all of its subsidiaries, the principal of which are listed below. If not stated otherwise, ownership equals the percentage of voting shares.

		Ownership	
Company	City/Country	2023	2022
Principal subsidiaries Aker Carbon Capture			
Aker Carbon Capture ASA	Bærum, Norway	43.3 %	43.3 %
Aker Carbon Capture Norway AS	Bærum, Norway	43.3 %	43.3 %
Principal subsidiaries Mainstream			
Andes Mainstream SpA	Santiago, Chile	58.4 %	58.4 %
AR Alena SpA	Santiago, Chile	52.6 %	58.4 %
AR Alto Loa SpA	Santiago, Chile	52.6 %	58.4 %
AR Caman SpA	Santiago, Chile	52.6 %	58.4 %
AR Cerro Tigre SpA	Santiago, Chile	52.6 %	58.4 %
AR Escondido SpA	Santiago, Chile	52.6 %	58.4 %
AR Llanos del Viento	Santiago, Chile	52.6 %	58.4 %
AR Pampa SpA	Santiago, Chile	52.6 %	58.4 %
AR Puelche Sur SpA	Santiago, Chile	52.6 %	58.4 %
AR Tchamma SpA	Santiago, Chile	52.6 %	58.4 %
AR Valle Escondido	Santiago, Chile	52.6 %	58.4 %
Condor Energía SpA	Santiago, Chile	52.6 %	58.4 %
Condor Inversiones SpA	Santiago, Chile	52.6 %	58.4 %
Copihue Energía SpA	Santiago, Chile	52.6 %	58.4 %

Company	City/Country	Ownership	
		2023	2022
Copihue Inversiones SpA	Santiago, Chile	52.6 %	58.4 %
Huemul Energía SpA	Santiago, Chile	52.6 %	58.4 %
Huemul Inversiones SpA	Santiago, Chile	52.6 %	58.4 %
Mainstream Renewable Power Ltd	Dublin, Ireland	58.4 %	58.4 %
International Mainstream Renewable Power Ltd	Dublin, Ireland	58.4 %	58.4 %
Mainstream Renewable Power Group Finance Ltd	Dublin, Ireland	58.4 %	58.4 %
Mainstream Renewable Power Group Treasury Ltd	Dublin, Ireland	58.4 %	58.4 %
Mainstream Renewable Power Mezzanine Finance DAC	Dublin, Ireland	58.4 %	58.4 %
Mainstream Renewable Power Offshore Holdings Ltd	Dublin, Ireland	58.4 %	58.4 %
Mainstream Renewable Power Trade Finance Designated Activity Company	Dublin, Ireland	58.4 %	58.4 %
Luxembourg Mainstream Renewable Power S.à r.l	Luxembourg	58.4 %	58.4 %
Aker Mainstream Renewables AS	Bærum, Norway	58.4 %	58.4 %
Mainstream Renewables Holding AS	Bærum, Norway	58.4 %	58.4 %
Aker Offshore Wind AS	Bærum, Norway	58.4 %	58.4 %
Aker Offshore Wind Operating Company AS	Bærum, Norway	58.4 %	58.4 %
Aker Offshore Wind Scotwind AS	Bærum, Norway	58.4 %	58.4 %
Mainstream RP Philippines Services Corporation	Bonifacio, Philippines	58.4 %	58.4 %
MRP Asia Holdings Pte Ltd	Singapore	58.4 %	58.4 %
MRP Dak Nong Holdings 2 PTE LTD	Singapore	58.4 %	58.4 %
South Africa MRP Developments (Pty) Ltd	Capetown; South Africa	58.4 %	58.4 %
Mainstream Asset Management South Africa (Pty) Ltd	Capetown; South Africa	58.4 %	58.4 %
Denef Investments S.L.	Madrid, Spain	52.6 %	58.4 %
UK Mainstream Renewable Power Ltd	London, UK	58.4 %	58.4 %
Development and Technology JSC	Hanoi City, Vietnam	46.7 %	46.7 %
Mainstream Renewable Power Vietnam LLC	Ho Chi Minh, Vietnam	58.4 %	58.4 %
Principal other holdings			
Aker Horizons Asset Development Holding AS	Bærum, Norway	100.0 %	100.0 %
Aker Horizons Asset Development AS	Bærum, Norway	100.0 %	100.0 %
Aker Narvik Holding AS	Bærum, Norway	100.0 %	100.0 %
Aker Narvik AS	Narvik, Norway	80.0 %	80.0 %
Powered Land AS	Narvik, Norway	80.0 %	80.0 %
Aker Horizons Holding AS	Bærum, Norway	99.8 %	99.8 %



29 Non-controlling interests

Accounting principles

Non-controlling interests (NCIs) are measured on initial recognition at their portion of fair values, and annual earnings are allocated to the NCI according to their ownership interest. In a business combination, minority interests are measured at the net value of identifiable assets and liabilities in the acquired company or at fair-value including a goodwill element. The method of measurement is decided individually for each acquisition.

The following table summarizes the information relating to each of the Group's subsidiaries that has material non-controlling interests. The amounts disclosed in the table are before intra-group eliminations.

Amounts in NOK million	Aker Carbon Capture group ³		Aker Narvik AS group		Mainstream group	
	2023	2022	2023	2022	2023	2022
NCI Percentage	56.7 %	56.7 %	20.0 %	20.0 %	41.6 %	41.6 %
Income statement						
Revenue and other income	1,605	781	2	—	2,237	1,784
Profit	(172)	(203)	(9)	(20)	(6,366)	(5,632)
OCI	(4)	6	—	—	(536)	3,277
Total comprehensive income	(176)	(198)	(9)	(20)	(6,902)	(2,354)
Profit allocated to NCI	(97)	(116)	(2)	(5)	(2,670)	(2,328)
OCI allocated to NCI	(2)	3	—	—	(221)	1,266
Balance sheet						
Non-current assets	306	128	756	482	16,021	22,852
Current assets	1,382	1,168	120	183	4,991	8,047
Non-current liabilities	(40)	(3)	(122)	(113)	(12,213)	(14,432)
Current liabilities	(945)	(415)	(51)	(116)	(1,261)	(2,329)
Net assets	703	879	702	437	7,538	14,139
Net assets attributable to NCI ^{1,2}	398	499	155	102	3,290	5,895
Cash flow						
Cash flows from operating activities	163	(118)	(44)	(6)	(990)	(2,887)
Cash flows from investment activities	(138)	(105)	(297)	(143)	436	(1,929)
Cash flows from financing activities	(9)	(9)	274	207	(1,849)	6,181
Net increase (decrease) in cash and cash equivalents	15	(232)	(67)	57	(2,403)	1,365

1) From November 2023, Mainstream group holds 90% of Denef S.R.L (holding company of Andes Renovables portfolio). Net assets attributable to 10% shareholder is NOK 268 million as of 31 December 2023 (NOK 277.million at inception)

2) Aker Narvik AS group holds 83 percent of Narvik Batteri AS. Net assets attributable to 17% shareholder is NOK 18 million.

3) See Note 28 Subsidiaries for assessment of the Company's control of Aker Carbon Capture.



30 Capital commitments, guarantees and contingencies

The Group is party to off-balance sheet arrangements that are reasonably likely to have current or future material effect on the Group's financial position, operating results, liquidity, capital expenditure or capital resources.

The following items are not recognized in the Group's balance sheet:

Mainstream

In the ordinary course of business for a renewable energy developer, it is customary to provide certain guarantees and commitments. Land bonds, grid bonds, bid bonds and performance bonds are all customary bonds that must be put in place, but that are not expected to be drawn on. See below for an overview of significant guarantees and commitments for Mainstream.

Guarantees

The Group has provided the following guarantees as of 31 December 2023:

- Land Ministry bonds to the total value of EUR 19.8 million, guaranteeing the performance of land agreements for 12 Chilean projects in the Andes Renovables platform
- Grid agreement bonds for Alena Chilean project to the total value of EUR 4.1 million guaranteeing the contract performance for 16 Chilean projects
- Bid and performance bonds for five Chilean projects to the total value of EUR 8.3 million, guaranteeing performance of power purchase agreements entered into
- Other performance guarantees, all issued in the normal course of business, for a total of EUR 0.9 million
- Cash backed guarantees are disclosed as part of restricted cash in Note 16 Cash

Other facilities

The trade finance facility (TFF) used to provide letters of credit and performance bonds to support equity commitments for projects during construction was cancelled in September 2023. At the time of cancellation, there were no outstanding guarantees. All related security provided to the TFF lenders was also released.

The Group has a bonding facility in place with Swiss Re, which is used to provide demand payment and performance bonds to support group obligations globally. Guarantees to support Mainstream's Condor and Huemul's role as generators under Chile's energy market regulations, in the amount of CLP 11,745 million, were in place as of 31 December 2023. These guarantees were partially supported by a 100 percent cash-backed letter of credit for USD 15 million to Swiss Re.

The Group has one bonding facility in place with Liberty Mutual, which is used to provide demand payment and performance bonds to support group obligations globally. Guarantees to support the "Faraday" project's land rights in Chile, in the amount of UF 53,605 (€1.5 million), were in place as of 31 December 2023.

Legal claims

There are a number of legal claims and exposures arising from operations, which may result in future settlements. The Group has not made provision for such amounts in the financial statements, as settlement is not probable, cannot be reliably measured or is not expected to result in a liability to the Group. Settlement will only be confirmed by future events. Individual claims are not expected to materially affect the Group's financial statements.

Aker Carbon Capture

As part of its project execution, bank guarantees are commonly provided. In this case, Aker Carbon Capture Norway AS has entered into two guarantee facilities, totaling NOK 1,150 million. The guarantee facilities have one covenant to ensure that the Group has sufficient cash and another to ensure a sufficient equity ratio. The total cash and cash equivalents held by the Group must therefore be at least NOK 200 million and the total assets-to-equity ratio shall not be less than 20 percent.

Capital commitments

The Group has the following commitments in place as of 31 December 2023:

Amounts in NOK million		Year(s) of payment
Mainstream		
Turbine supply agreement	153	2024-2025
Land rental agreements	623	2024-2026
Total Mainstream	776	
Kvandal project (Narvik), primarily civil- and electrical works	40	2024
Total	816	

In addition to the commitments listed in the table above, Aker Horizons Asset Development has entered into a power purchase agreement for the Rjukan project with a local energy group. The power purchase agreement will secure the Rjukan project a 234 GW/h yearly base load of power until 2031. The first option for renewal is at 1 January 2032, with a second option for renewal at 1 January 2038. Furthermore, Aker Horizons Asset Development has signed a 10-year power purchase agreement with Statkraft, securing a significant amount of the renewable power required for its large-scale green ammonia plant under development in Narvik, Northern Norway. The power purchase agreement covers the Narvik plant's first 10 years of operations, from commencement in 2028, and is conditional upon Aker Horizons taking a Final Investment Decision for the Narvik green ammonia project.

Aker Narvik Holding has entered into an agreement with Narvik municipality to contribute NOK 35 million to sustainable green industrial development over a period of ten years.



31 Related party transactions

Related party relationships are those involving control (either direct or indirect), joint control or significant influence. Related parties are in a position to enter into transactions with the Company that would not be undertaken between unrelated parties.

Aker Horizons ASA is the parent company, with control of the subsidiaries listed in Note 28 Subsidiaries. Any transactions between the parent company and its subsidiaries are shown in the separate financial statements of the parent company, and are eliminated in the consolidated financial statements.

Related parties to Aker Horizons

Aker entities

The largest shareholder of Aker Horizons ASA is Aker ASA, through its subsidiary Aker Capital AS, which in turn is controlled by Kjell Inge Røkke through TRG Holding AS and The Resource Group TRG AS. The Resource Group TRG AS is the ultimate parent company of Aker Horizons ASA. In this respect, all entities controlled by Aker ASA and entities which Kjell Inge Røkke controls through The Resource Group TRG AS are considered related parties to Aker Horizons ASA and referred to as "Aker entities" in this note.

Related parties to Aker

"Related parties to Aker" are other entities not controlled by Kjell Inge Røkke through Aker ASA, TRG Holding AS or The Resource Group TRG AS, but where Aker entities have significant influence over the reporting entities. This includes the associates Aker Solutions and Aker BP.

Associated companies and joint ventures

Aker Horizons also have a number of associated companies and joint ventures which are related parties to the Group.

Directors and executive officers

The key management personnel of Aker Horizons include the Board of Directors and the executive management team.

Summary of transactions and balances with significant related parties

Amounts in NOK million	Note	Aker entities	Related parties to Aker	Associates	Joint ventures
2023					
Income statement					
Revenues		2	26	66	23
Operating expenses		(54)	(351)	—	—
Interest income		—	—	13	25
Interest expense		(143)	(1)	—	—
Balance sheet					
Trade and other receivables		2	5	93	544
Borrowings	19	(2,404)	—	—	—
Lease liabilities	20	(123)	—	—	—
Trade and other payables		(2)	(26)	1	—

Amounts in NOK million	Note	Aker entities	Related parties to Aker	Associates	Joint ventures
2022					
Income statement					
Revenues		—	32	10	9
Operating expenses		(87)	(330)	—	—
Interest income		—	—	3	—
Interest expense		(142)	(2)	—	—
Balance sheet					
Trade and other receivables		—	1	257	174
Borrowings	19	(2,260)	(100)	—	—
Lease liabilities	20	—	(30)	—	—
Trade and other payables		(8)	—	—	(4)

Aker Horizons has transactions with related parties on a recurring basis as part of normal business. Certain material related party transactions are set out in this note in more detail.



Related party transactions with Aker entities

Aker Capital AS

Aker Horizons has an unsecured shareholder loan from Aker Capital AS in the amount of NOK 2,000 million. The shareholder loan has a tenor of 5 years without scheduled amortization, and carries a 6 percent p.a. fixed interest. Under the shareholder loan, the Company may elect to defer any interest payment (in whole or in part). In that case, all deferred interest shall accumulate and remain outstanding until paid in full, at the latest on the maturity date. If any interest is deferred, the interest rate for the principal amount will increase to 7 percent p.a. for as long as any deferred interest is outstanding. Deferred interest will not accumulate any interest, and the Company may choose when the deferred interest is paid (up until the maturity date). The Company shall, however, pay any deferred interest prior to paying any dividend.

The shareholder loan is a subordinated loan, ranking pari passu with other subordinated debt of the Company but is subordinate to senior debt of the borrower in the event of a default under any of the Company's financial arrangements. The book value of the loan as of 31 December 2023 was NOK 2,404 million, including accrued interest costs and net of transaction costs (2022: NOK 2,260 million).

Aker ASA

The Group has entered into an IT service agreement with Aker ASA for the delivery of IT services to the Group.

Aker Tech House AS

The Group has entered into a lease agreement with Aker Tech House AS for office premises at Fornebu, Bærum. The contract period is 12 years and expires in 2034.

Cognite AS

The Group has entered into a multi-year cooperation with Cognite AS as part of the agenda to invest in products, services and R&D with the intent of developing software and associated processes to enable new ways of working along the entire value chain.

Related parties to Aker

Aker Solutions

- **Global framework agreement:** In 2022, the Group signed a global framework agreement for engineering services with Aker Solutions, subject to a two-year term with an option to renew for one year.
- **Brevik CCS Project:** In December 2020, Aker Carbon Capture awarded Aker Solutions a contract for engineering, procurement and management assistance services to realize the carbon capture plant at the Brevik cement factory in southern Norway.
- **Twence CCU project:** In June 2021, Aker Carbon Capture entered into a pass-through agreement with Aker Solutions relating to the design and construction of the CO₂ capture and liquefaction project with Twence B.V. The formal contractor position remains with Aker Solutions, whereas Aker Carbon Capture assumes all risks, obligations and benefits under the agreement with Twence B.V.

Associates and joint ventures

The Group provides services on demand to a majority of associates and joint ventures.

Mainstream has outstanding receivables from associates and joint ventures totaling NOK 618 million, including:

- Outstanding balance on Cornerstone Energy Development Incorporated at year end of EUR 1.8 million (2022: EUR 3.7 million). The receivable is unsecured.
- Outstanding balance on Mainstream Phu Cuong Company Limited at year end of EUR 11.9 million (2022: EUR 11.4 million). The receivable is unsecured and carries interest at 2 percent
- Outstanding balance on KFWind of EUR 5.5 million. The receivable is unsecured and carries interest at 4.6 percent
- Outstanding balance on Principle Power Inc of EUR 1.4 million. The receivable is unsecured and carries interest at SOFRAI + 3 percent margin
- Outstanding balance on Arven Offshore Wind Farm Hold Co Limited, a joint venture with Ocean Winds, of GBP 29.8 million (2022: GBP 20.4 million). The receivable is unsecured and interest is SONIA + 3.6 percent margin.

Compensation to Executive Management and Board of Directors

Refer to the description of management compensation in the [Remuneration Report](#).

Amounts in NOK thousand	2023	2022
Salaries and wages including holiday allowance	8,002	16,868
Social security contributions	1,528	2,732
Pension cost	392	382
Other employee benefits	3,112	59
Total	13,035	20,041



Aker Horizons ASA

Parent company accounts

Income statement

Balance sheet

Cash flow statement

Notes to the Financial Statements

1 Company information

2 Basis of preparation

3 Operating expenses

4 Financial items

5 Tax

6 Investment in group companies

7 Cash pool

8 Shareholders' equity

9 Borrowings

10 Financial risk management and financial instruments

11 Related party transactions

12 Shareholders





Income statement

Statement for the year ended 31 December

Amounts in NOK million	Note	2023	2022
Salary and other personnel costs		(3)	(3)
Other operating expenses	3	(11)	(20)
Operating profit (loss)		(14)	(22)
Financial income		303	31
Financial expenses		(5,196)	(434)
Foreign exchange gain (loss)		10	6
Net financial items	4	(4,883)	(397)
Profit (loss) before tax		(4,897)	(420)
Tax benefit (expense)	5	—	—
Net profit (loss) for the period		(4,897)	(420)
Net profit (loss) for the period distributed as follows:			
Retained earnings	8	(4,897)	(420)
Net profit (loss) for the period		(4,897)	(420)



Balance sheet

Statement for the year ended 31 December

Amounts in NOK million	Note	2023	2022
Assets			
Non-current assets			
Investments in subsidiaries	6	16,800	21,441
Interest-bearing receivables	11	—	26
Total non-current assets		16,800	21,467
Current assets			
Interest-bearing receivables	11	28	—
Receivables on group companies	7, 11	818	310
Trade and other receivables		9	9
Cash and cash equivalents	7	540	368
Total current assets		1,395	687
Total assets		18,195	22,154

Amounts in NOK million	Note	2023	2022
Equity and liabilities			
Equity			
Share capital		690	690
Other paid-in capital		14,980	14,980
Other equity and retained earnings		(5,146)	(249)
Total equity	8	10,524	15,421
Non-current liabilities			
Non-current borrowings	9	6,275	6,023
Total non-current liabilities		6,275	6,023
Current liabilities			
Current borrowings		34	27
Current borrowings from group companies	7, 11	1,357	676
Trade and other payables		5	8
Total current liabilities		1,395	710
Total equity and liabilities		18,195	22,154

Fornebu, 18 March 2024

Board of Directors and CEO of Aker Horizons ASA

Øyvind Eriksen
Chair (non-independent)

Trond Brandsrud
Director (independent)

Kimberly Mathisen
Director (non-independent)

Lone Fønss Schrøder
Director (independent)

Kristian Røkke
CEO



Cash Flow Statement

Cash flow statement for the year ended 31 December

Amounts in NOK million	Note	2023	2022
Profit (loss) before tax		(4,896)	(420)
Adjustment for:			
Income from investment in subsidiary		(254)	(10)
Net interest and foreign exchange		496	407
Impairment of subsidiary	6	4,641	—
Changes in net current operating assets		(6)	(4)
Cash flows from operating activities		(19)	(27)
Interest received		48	3
Interest paid		(286)	(171)
Net cash flow from operating activities		(257)	(195)
Payments interest-bearing receivables on group companies		—	(116)
Proceeds interest-bearing receivables on group companies		—	116
Group contribution from subsidiary		10	400
Net cash flow from investing activities		10	400
Transaction costs, new borrowings		(9)	—
Change in overdraft cash pool	7	417	(238)
Transaction costs, share issue		—	(27)
Net cash flow from financing activities		408	(265)
Net cash flow in the period		162	(59)
Effect of exchange rate changes on cash and cash deposits		10	5
Cash and cash equivalent at the beginning of the period		368	422
Cash and cash equivalent at the end of the period		540	368



Notes to the Financial Statements

1 Company information

Aker Horizons ASA is the parent company and owner of Aker Horizons Holding AS and is domiciled in Norway. On 1 February 2021, the Company was made available for trading on Euronext Growth (Oslo) under the ticker AKH-ME, on 21 May 2021 the Company moved from Euronext Growth (Oslo) to the Oslo Stock Exchange (Oslo Børs). The Company now trades under the ticker AKH.

2 Basis of preparation

The financial statements are presented in conformity with Norwegian Accounting Act and Norwegian generally accepted accounting principles (NGAAP). Accounting principles for notes to these financial statements are included in the relevant notes. For other accounting principles, see below.

Functional currency and presentation currency

The parent company's financial statements are presented in NOK, which is Aker Horizons ASA's functional currency. All financial information presented in NOK has been rounded to the nearest thousand (NOK thousand), except when otherwise stated. The subtotals and totals in some of the tables in these financial statements may not equal the sum of the amounts shown due to rounding.

Foreign currency

Transactions in foreign currencies are translated at the exchange rate applicable on the date of the transaction. Monetary items in a foreign currency are translated to NOK using the exchange rate applicable on the reporting date. Foreign exchange differences arising on translation are recognized in the income statement as they occur.

Classification

Current assets and current liabilities include items due within one year, or items that are part of the operating cycle. Other balance sheet items are classified as non-current assets/debts.

Measurement of receivables

Financial assets and liabilities consist of investments in other companies, trade and other receivables, cash and cash equivalents, and trade and other payables. Trade receivables and other receivables are recognized in the balance sheet at nominal value less a provision for expected losses.

Cash flow statement

The statement of cash flow is prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term liquid investments.

3 Operating expenses

Aker Horizons ASA has no employees and hence no salary or pension-related costs. Group management and staff are employed by the subsidiary Aker Horizons Holding AS.

In 2023, NOK 2.5 million has been allocated to fees payable to the Board of Directors and members of the Nomination Committee (2022: NOK 2.7 million). For more information about remuneration to and shareholding of CEO, CFO and Board of Directors, see the [Remuneration Report](#).

Other operating expenses relate mainly to listing fees as well as advisory and audit fees. See Note 6 Other operating expenses in the consolidated financial statements for information about fees paid to auditors.



4 Financial items

Accounting principles

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

Foreign exchange gains and losses arise upon settlement of monetary assets and liabilities that are not hedged. Translation of assets and liabilities related to general financing of the entity are included in financial items. Foreign exchange gains and losses also include effects from translating monetary assets and liabilities denominated in foreign currencies at the reporting date. The profit or loss on foreign exchange forward contracts includes effects from derivatives that do not qualify for hedge accounting, embedded derivatives and the ineffective portion of qualifying hedges.

Amounts in NOK million	Note	2023	2022
Interest income from group companies	7	30	7
Interest income, external		20	12
Income from subsidiaries	11	254	10
Other financial income		—	2
Financial income		303	31
Interest expense, related parties	11	(142)	(142)
Interest expense, group companies	7	(52)	(15)
Interest expense, external		(362)	(278)
Impairment on subsidiary	6	(4,641)	—
Financial expenses		(5,196)	(434)
Foreign exchange gain (loss)		10	6

5 Tax

Accounting principles

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

Calculation of taxable profit (loss)

Amounts in NOK million	2023	2022
Profit (loss) before tax	(4,896)	(420)
<i>Adjustments:</i>		
Group contribution without tax effect	(254)	(10)
Change in temporary differences	33	41
Permanent differences ¹	4,641	(17)
Taxable income (loss)	(476)	(405)

1) Permanent differences in 2023 relate to impairment of shares in subsidiaries (2022: transaction costs related to equity issues).

Overview of temporary differences

Amounts in NOK million	2023	2022
Convertible bond	(164)	(232)
Other	(36)	—
Subtotal	(199)	(232)
Tax loss carry forwards	1,563	1,086
Total temporary differences	1,364	854

Aker Horizons ASA has not recognized deferred tax assets related to tax loss carry-forwards, as the Group has no history of taxable profits.



Reconciliation of effective tax rate

Amounts in NOK million	2023	2022
Profit (loss) before tax	(4,896)	(420)
Income tax 22 percent	1,077	92
<i>Adjustments:</i>		
Tax-exempted income	56	2
Tax on permanent differences	(1,021)	4
Temporary differences for which no deferred income tax assets was recognized	(112)	(98)
Tax benefit (expense)	—	—

6 Investment in group companies

Accounting principles

Investments in subsidiaries are measured at cost. The investments are written down to fair value when the impairment is not considered to be temporary. Impairment losses are reversed if the basis for the impairment is no longer present. Dividends and other distributions from subsidiaries are recognized in the same year as they are recognized in the financial statement of the provider. If the distributed dividend in the subsidiary exceeds accumulated profits in the ownership period, the payment is treated as a reduction in the carrying value of the investment.

Amounts in NOK million	Reg. office	Share capital	Number of shares held	Ownership	Book value
Aker Horizons Holding AS	Fornebu, Norway	754.3	752.9	99,8%	16,800

During the year, an impairment charge of NOK 4.6 billion has been recognized against the carrying value of the shares in Aker Horizons Holding AS. The impairment is based on a calculation of the recoverable amount of Aker Horizons Holdings investments.

The recoverable amount of the investments has been calculated on the basis of quoted market prices as of 31 December 2023 for listed investments and internal valuation models for unlisted investments. In the internal valuation models, estimated future cash flows have been discounted to present values using a discount rate that incorporates both market, technology and country risk. To properly reflect the maturity stage of the projects included in the internal valuation models, a risk factor, which incorporates the probability of success, has been applied to the present values of estimated project cash flows to determine the recoverable amount.

Aker Horizons Holding AS financial information (unaudited)

Amounts in NOK million	2023	2022
Profit (loss) for the year	(3,220)	(104)
Equity as of 31 December	14,684	18,158

7 Cash pool

Aker Horizons ASA is the owner of the cash pool arrangements with DNB. The cash pool system covers holding companies within the Group and assures good control of and access to the Group's cash. Participation in the cash pool is vested in the Group's policy and decided by each company's board of directors, confirmed by a statement of participation. The participants in the cash pool system are jointly and severally liable, and it is therefore important that Aker Horizons as a group is financially viable and can repay deposits and carry out transactions. Any debit balance on a sub-account can be set-off against any credit balance. Hence, a debit balance represents a claim on Aker Horizons ASA and a credit balance a borrowing from Aker Horizons ASA.

The cash pool system held net cash of NOK 540 million as of 31 December 2023 (2022: NOK 368 million).

Amounts in NOK million	2023	2022
Group companies deposits in the cash pool system	1,357	676
Group companies borrowing in the cash pool system	(564)	(300)
Aker Horizons ASA's net borrowings in the cash pool system	(253)	(8)
Cash in cash pool system	540	368



8 Shareholders' equity

The share capital of Aker Horizons ASA is divided into 690,348,751 shares as of 31 December 2023 (unchanged from 31 December 2022), with a nominal value of NOK 1.00. All issued shares are fully paid. The shares can be freely traded.

Note 12 Shareholders provides an overview of the Company's largest shareholders.

Amounts in NOK million	Share capital	Other paid-in capital	Other equity	Retained equity	Total equity
Equity as of 1 January 2023	690	14,980	348	(597)	15,421
Profit (loss) for the period	—	—	—	(4,897)	(4,897)
Equity as of 31 December 2023	690	14,980	348	(5,494)	10,524

Other equity

Other equity comprises the equity component of compound instruments.

9 Borrowings

Accounting principles

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

Overview of borrowings

Amounts in NOK million	Note	Currency	Nominal currency value	Maturity	Carrying amount
2023					
Revolving Credit Facility		NOK	—	2025	(9)
Green bond		NOK	2,500	2025	2,514
Convertible loan		NOK	1,567	2026	1,400
Shareholder loan	11	NOK	2,408	2026	2,404
Total borrowings					6,309
- of which current					34
- of which non-current					6,275
2022					
Revolving Credit Facility		NOK	—	2024	(17)
Green bond		NOK	2,500	2025	2,501
Convertible loan		NOK	1,543	2026	1,307
Shareholder loan	11	NOK	2,266	2026	2,260
Total borrowings					6,051
- of which current					27
- of which non-current					6,023

Revolving Credit Facility (RCF)

The Company has a multi-currency revolving credit facility in the amount of EUR 500 million that can be drawn on for general corporate purposes, including the funding of CapEx, acquisition costs and expenses. The loan carries an interest rate of 3M NIBOR + 2.5 percent margin p.a. The RCF includes customary financial covenants, such as a maintenance-based loan-to-value (LTV) covenant of 50 percent. Loans in the LTV covenant includes senior loans in Aker Horizons ASA (not subordinated debt). The covenant also includes a minimum liquidity covenant, in the form of cash or undrawn facility, of NOK 200 million. As of 31 December 2023, the facility was undrawn.

**Green Bond**

In February 2021, the Company signed an unsecured green bond issue in an amount of NOK 2,500 million, with a tenor of 4.5 years, a bullet amortization and an interest rate of 3M NIBOR + 3.25 percent margin p.a. The terms of the Green Bond issue include customary financial covenants, such as an incurrence-based loan-to-value covenant and a minimum liquidity covenant of NOK 200 million, in line with the RCF described above.

Convertible loan

In February 2021, the Company issued an unsecured convertible bond in the amount of NOK 1,500 million with a tenor of 5 years, bullet amortization and 1.5 percent p.a. payment in kind (PIK) interest. The bondholders may elect to convert the bonds to shares in the Company at any time during the term of the bond issue at a conversion price which is 25 percent above the offer price of NOK 35 per share in the private placement in Aker Horizons ASA that took place in January 2021. The bonds issued under the convertible bond issue ranks pari passu with other subordinated debt of Aker Horizons, but are subordinate to senior debt of the borrower in the event of a default under any of Aker Horizons financial arrangements.

On initial recognition, the fair value of the the debt component of the convertible bond was estimated at NOK 1,152 million and the residual of NOK 348 million was recognized as equity. The nominal currency value of the loan in the table above reflects the NOK 1,500 million including accrued interest of 1.5 percent as of 31 December 2023.

Shareholder loan

In January 2021, the Company entered into a subordinated loan agreement of NOK 2,000 million with Aker Capital AS (see Note 31 Related party transactions in the consolidated accounts for more information). The book value of the loan includes accrued interests as of 31 December 2023.

Overview of contractual maturities of financial liabilities

The overview includes estimated interest payments specified by category of liabilities.

Amounts in NOK million	Carrying amount	Contractual cash flow	6 months or less	6-12 months	1-2 years	2-5 years
2023						
Revolving Credit Facility	(9)	69	28	29	28	—
Green bond	2,514	2,805	101	103	2,652	—
Convertible loan	1,400	1,616	—	—	—	1,616
Shareholder loan	2,404	2,560	—	—	—	2,560
Total	6,309	7,049	130	131	2,680	4,176
2022						
Revolving Credit Facility	(17)	65	21	22	23	—
Green bond	2,501	2,959	83	85	168	2,624
Convertible loan	1,307	1,616	—	—	—	1,616
Shareholder loan	2,260	2,706	—	—	—	2,706
Total	6,051	7,347	104	106	191	6,946

Other commitments

As part of the reorganization process related to Andes Renovables platform in Chile, which was concluded in November 2023, Mainstream secured a new corporate financing facility of up to USD 220 million from DNB, with a maturity date of 15 March 2025. The facility is partially backed by shareholders of Aker Mainstream Renewables AS, and Aker Horizons' share of the sponsor commitment is 58.4 percent of the maximum facility size.

The shareholders' backing will only be required in the event that Mainstream is unable to refinance the DNB facility itself. A covenant under the agreement is that Aker Horizons ASA should have minimum liquidity reserve no less than 135 percent of its sponsor commitment.



10 Financial risk management and financial instruments

Foreign exchange risk

Subsidiaries may enter into financial derivative agreements with the parent company to hedge their foreign exchange exposure. Accordingly, derivatives from external banks are used to mitigate the foreign exchange exposure from the financial derivative agreements with subsidiaries. Aker Horizons ASA has no currency contracts with subsidiaries as of 31 December 2023.

In addition, Aker Horizons ASA may have cash flow exposure with respect to its financial assets and liabilities. Aker Horizons ASA may enter into financial derivative agreements to hedge these potential cash flow exposures.

Currency exposure from equity investments in foreign currencies is only hedged when specifically instructed by management.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of an asset or liability will fluctuate because of changes in market interest rates. Aker Horizons' interest rate exposure mainly arises from external funding in bank and debt capital markets.

The Group manages this risk by borrowing at a fixed rate of interest as deemed appropriate. Where Group borrowings are at a floating rate of interest, the Group will consider use of interest rate swaps to achieve the desired fixed/floating ratio of the external debt. External debt in Aker Horizons ASA as of 31 December 2023 has both floating and fixed interest rates. There are no interest swaps derivatives related to these loans.

Credit risk

Credit risk is the risk of financial losses to the Company if a customer or counterparty fails to meet contractual obligations. Credit risk relates to any loans to subsidiaries and associated companies, hedging contracts, guarantees to subsidiaries and associated companies, and deposits with external banks. External deposits and hedging contracts are accomplished according to a list of approved banks and primarily with banks where the Company also has a borrowing relationship.

Liquidity risk

Liquidity risk relates to the risk that the Company will not be able to meet its debt and guarantee obligations, and is managed by maintaining sufficient cash and available credit facilities. Development in the Group's and thereby Aker Horizons ASA's available liquidity, is continuously monitored through weekly and monthly cash forecasts, annual budgets and long-term planning.

The liquidity reserve for Aker Horizons ASA and immediate holding companies as of 31 December 2023 was NOK 8.9 billion.

11 Related party transactions

Related party relationships are those involving control (either direct or indirect), joint control or significant influence. Related parties are in a position to enter into transactions with the Company that would not be undertaken between unrelated parties.

Transactions with related parties

Board of Directors and executive management

For information about the remuneration paid to and shareholdings of the CEO, CFO and Board of Directors, see the [Remuneration Report](#).

As part of the Management Incentive Program, the Company has provided loans for the purchase of shares in Aker Horizons Holding AS. The loans are payable in 2024 and their book value as of 31 December 2023 is NOK 19.3 million (2022: NOK 18.6 million). Interest is calculated according to the normal interest rate for the taxation of low-cost loans from an employer set by Directorate of Taxes in Norway.

Receivables from group companies

As of 31 December 2023, the Company has a group contribution receivable from Aker Horizons Holding AS without tax effect, amounting to NOK 254 million (2022: NOK 10 million). For other receivables from group companies, see Note 7 Cash pool.

Loan from Aker Capital AS

The Company has a shareholder loan from Aker Capital AS. See further description in Note 9 Borrowings and also Note 31 Related party transactions in the consolidated financial statements of Aker Horizons Group.

12 Shareholders

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

Company	2023		2022	
	Number of shares held	Ownership	Number of shares held	Ownership
Aker Capital AS	464,285,714	67.3 %	464,285,714	67.3 %
Folketrygdfondet	20,877,600	3.0 %	20,440,806	3.0 %
The Bank of New York Mellon ¹	14,151,179	2.1 %	13,856,718	2.0 %
Clearstream Banking S.A ¹	8,791,214	1.3 %	—	—
State Street Bank and Trust Company ¹	3,055,118	0.4 %	7,688,176	1.1 %

1) Nominee



Declaration by the Board of Directors and CEO

The Board and CEO have today considered and approved the annual report and financial statements for Aker Horizons Group and its parent company Aker Horizons ASA for the year ended 31 December 2023. The Board has based this declaration on reports and statements from the Group's CEO and/or on the results of the Group's activities, as well as other information that is essential to assess the Group's position which has been provided to the Board of Directors.

To the best of our knowledge:

- The financial statements for 2023 for Aker Horizons Group and its parent company have been prepared in accordance with all applicable accounting standards.
- The information provided in the financial statements gives a true and fair portrayal of the Group and its parent company's assets, liabilities, profit and overall financial position taken as a whole as of 31 December 2023.
- The Board of Directors' Report provides a true and fair overview of the development, profit and financial position of Aker Horizons Group and its parent company taken as a whole, as well as the most significant risks and uncertainties facing the Group and the parent company.

Fornebu, 18 March 2024

Board of Directors and CEO of Aker Horizons ASA

Øyvind Eriksen
Chair (non-independent)

Trond Brandsrud
Director (independent)

Kimberly Mathisen
Director (non-independent)

Lone Fønss Schrøder
Director (independent)

Kristian Røkke
CEO



Auditor's report



To the General Meeting of Aker Horizons ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

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

- the financial statements of the parent company Aker Horizons ASA (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Aker Horizons ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2023, the income statement, statement of comprehensive income (OCI), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

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

Basis for Opinion

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

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

We have been the auditor of the Company for 2 years from the election by the general meeting of the shareholders on 22 April 2022 for the accounting year 2022.

Key Audit Matters

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

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautorisert revisor, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



The Group's business activities are largely unchanged compared to last year. Valuation of goodwill, contractual assets and fixed assets in Mainstream and Revenue from construction contracts has the same characteristics and risks this year as the previous year and consequently has been an area of focus also for the 2023 audit.

Key Audit Matters

How our audit addressed the Key Audit Matter

Valuation of goodwill, contractual assets and fixed assets in Mainstream

As at 31 December 2023 the carrying amount, after impairment, of goodwill, and fixed assets related to Mainstream in the Group's financial statements was NOK 14 399 million. The amounts are included in the line items Goodwill and Property, plant and equipment.

Goodwill is tested for impairment at least annually. Contractual assets and fixed assets are tested for impairment when indicators of impairment exist. Impairment testing is performed at the level of cash generating units.

Management identified indicators of impairment in their impairment trigger assessment on the cash generating units Condor, Huemul and Copihue. Contractual assets and fixed assets have been impaired with a net impairment charge of NOK 5 249 million in 2023.

We focused on valuation of goodwill, contractual assets and fixed assets because the assets constitute a significant share of the Group's total assets, and because calculation of recoverable amounts require application of significant management judgment. Specifically, management judgment relates to determination of key assumptions such as the discount rate and future cash flows.

See note 12 in the consolidated financial statements where management explains the impairment model, determination of cash generating units and key assumptions applied, including the results of management's impairment testing.

We assessed management's identification of impairment triggers and agreed that indicators were present.

We obtained and gained an understanding of management's impairment assessment. Our procedures included an assessment of the valuation method and whether key assumptions used by management appeared reasonable based on our understanding of the business and industry of each relevant cash generating unit.

For the Copihue portfolio management had decided that the project construction was put on a permanent hold, until it is decided how to proceed further with the project. Management found it prudent to do a full impairment on that portfolio. We challenged management on the assessment and reviewed the supporting documentation.

For the Condor and Huemul portfolio, the management conducted an impairment assessment using DCF models. We challenged management on key assumptions applied in the cash flow forecasts included in the impairment model. For each cash generating unit, we tested key assumptions for the calculation of recoverable amount by:

- assessing consistency between projected income and costs against PPA prices and external market data for spot prices of energy,
- assessing if the project cash flows were in line with the useful life of each project,
- reconciling the applied cash flows towards budget approved by board of directors,
- assessing reasonableness of the budgets and plant capacity, and
- assessing the discount rate used by management by comparing its composition to empirical data for future interest rates, relevant risk premium and debt ratio. Key assumptions used were benchmarked against external data and our own internal data.



Key Audit Matters	How our audit addressed the Key Audit Matter
Revenue from construction contracts In 2023, revenue from construction contracts constituted NOK 1 563 million, equal to approximately 42% of total operating revenues. Revenue from construction contracts is recognized over time based on expected outcome, and stage of completion of the contract. Assessment of total contract cost, revenue and stage of completion is updated on a regular basis. There are several reasons why we consider revenue from construction contracts a key audit matter. At present, there are three construction contracts originating from Aker Carbon Capture Group, and which represent a large part of the Group's operations. The contracts have a long duration, and the assessment of contract costs and stage of completion is subject to management judgment. Furthermore, the application of management judgment impacts several areas of the financial statements, including revenue, contract assets and liabilities. Aker Carbon Capture ASA is a subsidiary of Aker Horizons ASA, listed on Oslo stock exchange and consolidated in Aker Horizons' consolidated accounts. Construction contracts originating from Aker Carbon Capture Group are subject to Aker Carbon Capture's policies for internal control, and are monitored by management in Aker Carbon Capture. The management of Aker Horizons closely monitors that Aker Carbon	We also tested the mathematical accuracy of the impairment model. Management determined that goodwill on 31 December 2023 was not impaired. We obtained and considered management's estimation of fair value of the Group's total assets and liabilities supporting the carrying value of goodwill at 31 December 2023. Based on our audit procedures we found that valuation methods used were reasonable and consistent with our understanding of the business and industry. Our testing of data against supporting documentation did not uncover material exceptions. Lastly, we evaluated the information provided in note 12 to the consolidated financial statements and found that the disclosures described management's valuation of goodwill, contractual assets and fixed assets appropriately. We assessed that management of Aker Horizons' closely monitor that Aker Carbon Capture has sufficient corporate governance and internal controls over construction contracts in place. When referring to management in the sections below, we refer to management of Aker Carbon Capture unless otherwise stated. We assessed the accounting treatment of the company's main ongoing contracts against the Group's accounting principles and IFRS 15 Revenue from contracts with customers. We found that management's accounting treatment was consistent with the content of the contracts, and the requirements in IFRS 15. We obtained an understanding of management's process and related internal control activities relevant to recognition of revenue from construction contracts. Specifically, management had implemented internal controls (ICFR) to ensure that accounting for construction contracts reflect management's best estimates with respect to total contract cost, revenue and stage of completion. Controls were implemented at various levels of the organization and included periodic meetings to review the contracts. Through meetings with management and project controllers, and review of relevant documentation, we identified relevant controls ensuring that proper assessments were made to total contract cost, revenue and stage



Key Audit Matters	How our audit addressed the Key Audit Matter
Capture has sufficient corporate governance and internal control in place. Notes 4 and the accounting principles include additional information on the Group's recognition of revenue from construction contracts.	of completion, and tested them for operational effectiveness. Estimating project costs and calculating stage of completion required management judgment. We performed various procedures to assess whether management's judgments were reasonable, including: • Interviewed project controllers and management, where we challenged judgments made with respect to project estimates. • Making comparisons of expenses and hours incurred against budgeted expenses and hours. • Tested a sample of expenses and hours incurred approved and accounted for on the correct project. • Tested a sample of expenses in project forecast against purchase orders with subcontractors. • Tested contract revenue for validity by reconciling the customer contracts against the revenue in the project forecasts, and • Tested whether the estimated stage of completion corresponded to amounts recognized in the financial statements. Through our procedures we found that assumptions used, and judgments made by management were reasonable. We further evaluated the disclosures in note 4 and found them to be appropriate and in accordance with relevant requirements.
Other Information The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements. In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard. Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report • is consistent with the financial statements and • contains the information required by applicable statutory requirements.	



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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Aker Horizons ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name ah-2023-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

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

Management's Responsibilities

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

Auditor's Responsibilities

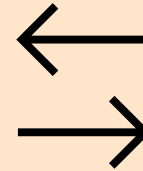
For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforenningen.no/revisionsberetninger>

Oslo, 18 March 2024
PricewaterhouseCoopers AS

Thomas Fraurud
State Authorised Public Accountant



Alternative Performance Measures



Aker Horizons 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 Company's operations, financing and future prospects. These measures are calculated in a consistent and transparent manner and are intended to provide enhanced comparability of the performance from period to period.



Definitions

EBITDA - Earnings before interest, tax, depreciation and amortization, corresponding to "Operating profit before depreciation, amortization and impairment" in the consolidated income statement.

EBIT - Earnings before interest and tax, corresponding to "Operating profit (loss)" in the consolidated income statement.

CapEx - A measure of expenditure on PPE that qualify for capitalization.

Net current operating assets (NCOA) - A measure of working capital. It is calculated by trade and other receivables and inventories minus trade and other payables, excluding financial assets or financial liabilities related to hedging activities.

Net debt - Gross debt minus cash and cash equivalents, restricted cash and marketable securities.

Net current operating assets (NCOA)		
<i>Amounts in NOK million</i>	2023	2022
Trade and other receivables	1,662	1,577
Inventories	836	952
Trade and other payables	(2,237)	(2,110)
Net current operating assets (NCOA)	261	419
Net debt		
<i>Amounts in NOK million</i>	2023	2022
Non-current borrowings	17,388	19,102
Current borrowings	48	871
Gross debt	17,436	19,973
Restricted cash	1,538	2,076
Cash and cash equivalents	5,499	8,683
Total cash and marketable securities	7,037	10,759
Net debt	10,399	9,214



Corporate Governance Report 2023



Effective corporate governance provides the foundation for responsible business conduct and value creation, which are important goals for Aker Horizons. For a planet-positive company, good corporate governance is a prerequisite for success. It is therefore a key concern for Aker Horizons' Board of Directors and employees, and informs the exercise of ownership in Aker Horizons' portfolio companies.



Aker Horizons believes in active ownership. Shareholders with clearly defined strategic goals for the Company, who are involved through the boardroom and in direct dialogue with company management, promote shareholder value. Active ownership provides direction and purpose. Aker Horizons' main shareholder, Aker ASA (through its subsidiary Aker Capital AS) and the Aker group's ultimate owner, Kjell Inge Røkke, are actively engaged in Aker Horizons as owners. Similarly, Aker Horizons is closely involved in the monitoring and follow-up of companies in which Aker Horizons is the main shareholder. Aker Horizons' management model is discussed in the Board of Directors' Report for 2023.

Pursuant to section 3-3b of the Norwegian Accounting Act and the recommendations in the Norwegian Code of Practice for Corporate Governance (NUES), the Board continuously reviews and updates the Company's corporate governance principles. The individual recommendations of the NUES are discussed below. Aker Horizons' principles are largely consistent with the recommendations.

1. Corporate governance

This corporate governance report and Aker Horizons' governance systems have been approved by the Board. The purpose is to ensure a productive division of roles and responsibilities among Aker Horizons' owners, Board of Directors and executive management, as well as satisfactory control of the Company's activities.

2. Business purpose

Aker Horizons' business purpose is expressed in the Company's Articles of Association: "The company's purpose is to, by itself or together with other parties, invest in and develop companies and businesses within energy, climate and environmental solutions and infrastructure, and associated technology, goods and services." The Board has prepared clear goals, strategies and a risk profile for the Company. As part of this work, sustainability impacts, risks and opportunities are taken into account. The Company has guidelines for how it integrates the concern for people, the planet and prosperity for all stakeholders into its value creation with a clear planet-positive purpose. A Company Sustainability Policy has been established for how it integrates sustainability impacts, risks and opportunities into its value creation. In the Annual and Sustainability Report, Aker Horizons describes how sustainability is integrated into Aker Horizons' investment and development processes, as well as ownership practices. Furthermore, the Annual and Sustainability Report includes reporting on progress on key topics. The Board evaluates Aker Horizons' targets, strategies and risk profile on an annual basis, at a minimum.

3. Equity and dividends

Equity

Aker Horizons Group had NOK 6,187 million in book equity as of 31 December 2023, corresponding to an equity ratio of 22.7 percent. The parent company's book equity amounted to NOK 10,524 million, corresponding to an equity ratio of 58 percent. Aker Horizons considers its capital structure appropriate and adapted to its objectives, strategy and risk profile.

Dividends

Aker Horizons has a clear long-term ambition to become a dividend-yielding company. To reach its ambitions for contributing to global decarbonization and build scale at the operational level, Aker Horizons will, in the short-term, continue to prioritize growth over dividends. Building scale will enable self-sustained growth alongside dividend capacity, and is consequently seen as critical to maximizing shareholder value ahead of initiation of dividends from portfolio companies.

Board authorizations

The Board's proposals for board authorizations comply with the relevant recommendation in the NUES. The Board authorizations are limited to defined issues and are dealt with as separate agenda items at the Annual General Meeting. Board authorizations remain valid until the next Annual General Meeting.

4. Equal treatment of shareholders

Aker Horizons has a single class of shares, and all shares carry equal rights. Aker Horizons has developed principles and guidelines for transaction agreements and other agreements not forming part of ordinary operations involving Aker Horizons and companies in which Aker Horizons has significant ownership interests. Additional information on transactions with related parties can be found in Note 31 Related party transactions to the 2023 consolidated financial statements.

5. Shares and negotiability

There are no restrictions on owning, trading or voting for shares in Aker Horizons ASA.

6. General meetings

Meeting notification, registration and participation

Aker Horizons encourages all its shareholders to participate in general meetings. Aker Horizons will, however, normally not have the entire Board attend the meeting as this is considered unnecessary. This represents a deviation from the NUES, which states that arrangements shall be made to ensure participation by all directors.

The Annual General Meeting for 2024 will take place virtually on 17 April. Shareholders unable to attend a general meeting may use electronic means to vote directly on individual agenda items during the pre-meeting registration period. Shareholders unable to attend a meeting may also vote by proxy. The procedures for electronic voting and the proxy voting instructions are described in the meeting notification and published on the Company's website.

Meeting chair, voting, etc.

According to Aker Horizons' Articles of Association, the general meeting is chaired by the Chair of the Board, or by an individual appointed by the Board Chair. In this regard, Aker Horizons deviates from the NUES recommendation, which states that the general meeting should be able



to elect an independent chair. In the Company's experience, its procedures for the chairing and the execution of general meetings have proven satisfactory.

The general meeting elects the members of the Nomination Committee and shareholder-elected members of the Board of Directors. The Nomination Committee focuses on composing a Board of Directors that works optimally as a team, and on ensuring diversity and that board members' experience and qualifications complement each other, that required and important areas of competence are covered by the Board and that statutory gender representation requirements are met. This entails that the shareholders can only vote on the composition of the Board of Directors as a complete set, and not on each board member separately. On this point, Aker Horizons' practice differs from the NUES recommendation, which states that the general meeting should be given an opportunity to vote on each individual candidate nominated for an appointment to a company body.

7. Nomination Committee

Aker Horizons has a Nomination Committee as required by its Articles of Association. The Nomination Committee must be comprised of at least two members, and each member is normally elected for a two-year period.

The members and chair of the Nomination Committee are elected by the Company's general meeting, which also determines the remuneration payable to committee members.

The Company's general meeting has adopted instructions for the Nomination Committee's work.

The primary responsibilities of the Nomination Committee are to recommend candidates and remuneration for the Company's Board of Directors and Nomination Committee, and remuneration for members of the Audit Committee.

Current members of the committee are Svein Oskar Stoknes, Chief Financial Officer of Aker ASA, Aker Horizons' main shareholder, Ingebret Hisdal and Charlotte Håkonsen as deputy. Ingebret Hisdal is a former Deloitte Partner and Auditor and currently a business consultant and member of several nomination committees both in the Aker group and elsewhere. Charlotte Håkonsen is the General Counsel of Aker ASA. Svein Oskar Stoknes chairs the committee. Shareholders who wish to contact the Nomination Committee can contact the Company's Investor Relations (IR) function as set out on its [website](#).

8. Board of Directors – composition and independence

Pursuant to the Company's Articles of Association, the Board comprises between three and nine members. The majority of the shareholder-elected board members are independent of executive personnel and material business contacts. A minimum of two are independent of the Company's main shareholder(s).

The Nomination Committee recommends candidates for and the composition of the Board for approval by the general meeting. Neither the CEO nor any member of the executive management is a member of the Aker Horizons Board of Directors. The Board's current composition is presented in the 2023 Annual and Sustainability Report, as are board members' qualifications and expertise, record of attendance, share ownership, membership in board committees and independence considerations. The Company does not have a Corporate Assembly.

9. The work of the Board of Directors

Aker Horizons' Board of Directors has established board instructions that regulate areas of responsibility, tasks and the division of roles between the Board, the Board Chair and the CEO. The Board has adopted guidelines for related party agreements. Guidelines and procedures have also been implemented to ensure that board members and senior employees report any directly or indirectly significant interests in agreements entered into by Aker Horizons or companies in which Aker Horizons has significant ownership interests.

Aker Horizons has an Audit Committee. The Committee's mandate regulates areas of responsibilities, tasks, relations with the external auditor and reporting to the Board of Directors. The composition of the Committee is presented in the 2023 Annual and Sustainability Report.

Aker Horizons has a Remuneration Committee consisting of the Board Chair.

10. Risk management and internal control

Governing principles

The Board of Directors, supported by the Audit Committee, ensures that Aker Horizons has procedures and systems for good corporate governance, effective internal control and robust risk management. The Board establishes the overall principles for governance and control in Aker Horizons ASA through the adoption of governing documents. For particularly important areas of group-wide relevance, the Board ensures that governing documents are implemented in the portfolio companies which are consistent with the framework of Aker Horizons' relevant governing documents. For example, Aker Horizons' [Code of Conduct](#) expresses expectations with respect to the portfolio companies' respective codes of conduct. The same applies to policies and procedures in key areas such as anti-corruption, human rights, working conditions and employee matters, sustainability and environmental matters, third party management and business partner conduct. The Audit Committee reviews the Company's reporting systems, internal control and overall risk management on an annual basis.

Compliance function

Aker Horizons has established a Compliance function with dual reporting duties to the Company's General Counsel and the leader of the Audit Committee. The Chief Compliance Officer's main task is to ensure that Aker Horizons is compliant with relevant laws and regulations, including Aker Horizons' internal regulations, policies, procedures and guidelines.



This is done through the group-wide implementation of a risk-based compliance program. Aker Horizons' Chief Compliance Officer works to contribute to effective information and knowledge sharing between the various compliance departments in the Group.

Aker Horizons has implemented a whistleblowing channel for the reporting of illegal and unethical conduct, such as potential breaches of ethical guidelines and violations of the law. Information about the whistleblowing channel, including contact information, is available on the Company's [website](#).

Risk management

Aker Horizons and its portfolio companies are exposed to a variety of risks. The Board carries out a quarterly review of the Company's most important areas of exposure to risks throughout the portfolio. Prior to the quarterly enterprise risk reporting to the Board, the Audit Committee reviews the reported main risks and relevant risk mitigating measures. Once a year, the climate-related financial risk analysis and the sustainability materiality analysis are presented to the Audit Committee and Board.

Aker Horizons' process for enterprise risk management is based on the assessment and monitoring of major financial, strategic, market and regulatory, legal and compliance, project and operational, and climate-related risk factors. These include group level risks as well as risks related specifically to the portfolio companies' operations. Mitigating actions are identified for key risks and their implementation is monitored.

Aker Horizons considers risk assessment to be a natural part of all business operations and works continuously to identify and address risks. Management of project and operational risk lies primarily with the portfolio companies, but Aker Horizons monitors and follows up risk through its regular dialogue with the portfolio companies' managements and participation on their boards. Aker Horizons has adopted and implemented a risk management procedure.

Internal control in financial reporting

The Aker Horizons' financial reporting division reports to the Chief Financial Officer and is responsible for the external reporting process and the internal management of the financial reporting process. This includes assessing financial reporting risks and internal controls over financial reporting in the Group.

Aker Horizons has established a procedure for internal control over financial reporting (ICFR) that is under implementation in all major companies in the Aker Horizons Group. The procedure requires annual risk assessment, mapping/implementation of key controls, and processes for monitoring that key controls are performed as intended. The procedure creates a framework for more targeted and consistent work with ICFR.

In connection with the process of preparing Aker Horizons' financial statements, clearing meetings are held with the management teams of each portfolio company. The main purpose of these meetings is to ensure the quality of the financial reporting. The clearing meetings focus on

significant valuation items, off-balance sheet items, significant non-recurring transactions, new or modified accounting principles, internal control over the reporting, and special topics in the annual report.

In the process of preparing Aker Horizons' annual sustainability reporting, meetings are held with portfolio holdings to ensure the quality of the sustainability reporting. A summary of Aker Horizons' human rights due diligence and related efforts pursuant to the Transparency Act is included in the 2023 Annual and Sustainability Report.

The Audit Committee prepares a preliminary review of the quarterly and annual reporting, focusing on items involving valuation and the application of new accounting principles and sustainability reporting principles, as well as any material related-party transactions.

11. Board remuneration

Board remuneration reflects the Board's responsibilities and expertise, time spent and the complexity of the business. Remuneration does not depend on Aker Horizons' financial performance, and there are no option programs for any of the board members. The Annual General Meeting determines board remuneration after considering recommendations from the Nomination Committee. The fees allocated to board members representing associated companies are paid to their respective employer companies. Information on the remuneration paid to individual board members for 2023 can be found in the Remuneration Report.

12. Remuneration of executive management

The Board has adopted separate guidelines on the remuneration of executive management in accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act and approved by the Annual General Meeting in 2022. These guidelines are presented to shareholders for approval at the Annual General Meeting at least every fourth year. In addition, a remuneration report in line with section 6-16b of the Norwegian Public Limited Liability Companies Act is presented at the Annual General Meeting each year (for advisory vote by the shareholders).

The CEO's employment contract has been approved by the Board. The remuneration paid to the CEO is approved by the Board after considering recommendations from the Board Chair. The CEO determines the remuneration payable to other key executives in consultation with the Board Chair, in accordance with board guidelines. Aker Horizons has no stock option programs. The remuneration for executive management includes a fixed annual salary, a variable pay element and other benefits, such as standard employee pension and insurance schemes. Aker Horizons had a share purchase program for employees in combination with its listing in May 2021. Further information on the remuneration of individual members of Aker Horizons' executive management in 2023 can be found in the [Remuneration Report](#). Some members of Aker Horizons' executive management represent the Company's interests as members of the boards of other Aker companies. They do not receive personal remuneration for these board positions.



13. Information and communication

Aker Horizons' reporting of financial, sustainability and other information is based on transparency and equal treatment of stakeholders. All stock exchange notifications and press releases are published on the Company's website, www.akerhorizons.com, in addition to at the Oslo Stock Exchange via www.newsweb.no. The Company holds presentations in connection with its financial reporting. These meetings are generally broadcast via the internet (webcast). The Company's financial calendar is published on Aker Horizons' website in addition to at the Oslo Stock Exchange via www.newsweb.no.

14. Takeover

Aker Horizons does not have separate guidelines on how to respond in the event of a takeover bid. The NUES recommends the adoption of such guidelines. Through its indirect majority ownership, Aker ASA (through its subsidiary Aker Capital AS) controls 67.25 percent of the Company. Aker ASA is privately held by TRG holding companies, which gives Kjell Inge Røkke effective control of 68.2 percent of Aker Capital stock. In view of this, the Board has deemed separate takeover guidelines to be unnecessary.

15. Auditor

The auditor makes an annual presentation of the auditing plan to the Board. Further, the auditor has provided the Board with written confirmation that the requirement for independence is met. The auditor participates in all meetings of the Audit Committee and in the board meeting that deals with the annual accounts. The auditor reviews, with the Board, any material changes in the Company's accounting principles and assessments of material accounting estimates. During 2023, there were no disagreements between the auditor and management on any material issues. The auditor reports to the Audit Committee on its assessment of the internal controls on the financial reporting process. The outcome of this review is presented to the Board. The Audit Committee and the Board separately meet with the auditor on a regular and annual basis. The Audit Committee receives an annual overview of services rendered by the auditor to the Company. The Audit Committee also approves the fees paid to the auditor for material non-audit services. The remuneration paid to the auditor in 2023 for both audit and other services is presented in Note 6 Other operating expenses to the consolidated financial statements. These details are also presented to the Annual General Meeting.

16. Equality, diversity and inclusion

Aker Horizons has a Sustainability Policy, approved by the Board of Directors, which includes its commitments to equality, inclusion and diversity. Further, Aker Horizons focuses on equality, diversity and inclusion throughout its business, with a long-term ambition of gender balance at all levels, diversity in background, education, competence, inclusion of people with disabilities and other factors. The Company has developed guidelines for equality, diversity and inclusion with respect to the composition of its governing bodies and executive management. The goal of these guidelines is to ensure a strong corporate culture, driven by diversity in thinking and actions, that leads to better decisions and creates long-term value for Aker Horizons, other stakeholders and society at large. The guidelines can be accessed on Aker Horizons' [website](http://www.akerhorizons.com).

The current status of equality, diversity and inclusion in governing bodies, executive management and the broader organizations of Aker Horizons and its portfolio companies is described throughout this report, including in the [Board of Directors' Report](#) and the [Sustainability Progress Report](#).



Remuneration Report 2023

Introduction

This Remuneration Report has been prepared in accordance with the Norwegian Public Limited Liability Companies Act section 6-16b and describes the principles for and the actual remuneration vested by the executive management in Aker Horizons ASA ("Aker Horizons" or the "Company") during 2023. The report is presented for advisory vote by the Company's annual general meeting to be held on 17 April 2024. Following the vote, the Remuneration Report will be made available at the Company's website www.akerhorizons.com. The Remuneration Report for 2022 was endorsed by the General Meeting on 21 April 2023.

The principles and framework for remuneration to the executives are set out in the Executive Remuneration Guidelines for Aker Horizons ("the Guidelines"), which were approved at the Company's annual general meeting on 22 April 2022 and are also available on the [Company's website](http://www.akerhorizons.com). The Guidelines are designed to attract and retain executives, to align interests between executives and the Company's shareholders, and to encourage a strong and sustainable performance-based culture, which supports the Company's overall strategic ambitions and goals over time.



Highlights

The key events for the financial year 2023 and Aker Horizons' overall performance are summarized in the [Board of Directors' Report](#) of the Annual and Sustainability Report 2023. The Annual and Sustainability Report is available on the [Company's website](#).

2023 was characterized by market volatility, macroeconomic headwinds and geopolitical tensions putting the clean energy industry under strain and impacting Aker Horizons' market segments. The Company continued to drive forward prioritized projects, maintain focus and financial discipline, and develop industrial partnerships, thereby strengthening the Company's position as an early mover in key Net Zero segments including CCUS, offshore wind and hydrogen.

Major events in Aker Horizons' portfolio in 2023 included Aker Carbon Capture's award of a contract for five Just Catch units and equipment for over EUR 200 million to Ørsted, Aker Horizons Asset Development joining forces with Statkraft on the Narvik Green Ammonia project in Narvik, Northern Norway, and the successful conclusion of the reorganization of Mainstream Renewable Power's Condor and Huemul portfolios in Chile. During 2023, Aker Horizons successfully implemented significant cost reduction programs throughout the portfolio.

Aker Horizons had a Net Asset Value of NOK 10.8 billion as of 31 December 2023, compared to NOK 15.1 billion as of 31 December 2022. The Company closed the year with a cash position of NOK 3.3 billion and total available corporate liquidity of NOK 8.9 billion.

There were no changes to the executive management in 2023 and the executives pertinent to the Guidelines include Chief Executive Officer (CEO) Kristian M. Røkke and Chief Financial Officer (CFO) Nanna Tollefsen (the "Executive Management" or separately as each "Executive"). The remuneration to the Executive Management for 2023 is in accordance with the principles set out in the Guidelines. No deviations have been made from the approved Guidelines and no remuneration was recovered from any of the Executive Management during 2023.

Total remuneration of the Executive Management

The total remuneration package for the Executive Management consists of a fixed salary, variable pay and other benefits such as standard employee pension and insurance coverage.

The remuneration to the CEO is recommended by the Chairman of the Board and approved by the Board of Directors on an annual basis, while the remuneration to the CFO is approved by the CEO, in consultation with the Chairman, and informed to the Board of Directors on an annual basis.

The table below shows the total remuneration awarded or due to the Executive Management for 2023.

<i>Amounts in NOK thousand</i>	Year	Base salary	Fringe benefits ¹	Variable pay	Extra-ordinary items	Pension expense ²	Total rem.	Proportion fixed vs variable rem.
Kristian Røkke, CEO	2023	6,569	23	3,089	—	195	9,877	69/31
	2022	6,287	17	3,594	—	189	10,086	64/36
Nanna Tollefsen, CFO	2023	2,737	23	2,158	901	197	6,017	49/51
	2022	2,620	42	2,246	—	193	5,101	56/44

1) Fringe benefits include membership in the standard employee benefit scheme and disability insurance.

2) The executive management team participates in the standard pension and insurance schemes applicable to all employees.

Executive Management received no remuneration for directorships or membership of nomination committees of other Aker companies. In 2023, Aker Horizons Holding AS invoiced a total of NOK 1.3 million for Kristian Røkke's directorship on other Aker companies.



Standard terms and remuneration components

In line with other Aker Horizons personnel, the Executive Management is offered standard employment contracts with terms and conditions consistent with industry standards. The CEO's employment contract can be terminated on three months' notice. In accordance with statutory law, the Company may request the resignation of the CEO at its own discretion against a severance payment equal to three months' salary from the expiry of the notice period. The CFO has a standard notice period of three months and no severance payment.

Fixed salary

The fixed salary to the Executive Management shall be in line with the market level for corresponding jobs in the industry and be based on responsibilities, expertise, and performance. The level of fixed salary is reviewed regularly, usually annually to ensure that it is set at the right level. The fixed salary for the Executive Management in 2023 consisted of base pay and is included in the table above. The base salary development for the Executive Management in 2023 was in line with the salary development of regular employees.

Variable salary

Variable remuneration to the CEO is recommended by the Chairman of the Board and approved by the Board of Directors on an annual basis. The remuneration to the CFO is approved by the CEO, in consultation with the Chairman of the Board, and informed to the Board of Directors of Aker Horizons on an annual basis.

In 2023, the Executive Management participated in an annual variable pay program. The annual variable pay program applicable to employees in the Company including the Executive Management in 2023, comprised of two components;

- a. 50 percent related to delivery of certain key financial, operational, and strategic targets (Company objectives)
- b. 50 percent related to delivery of personal performance objectives during the year

The annual variable remuneration is discretionary and for the CEO, the total variable pay from the various schemes shall not exceed two thirds of the annual base salary. For the CFO, the total variable pay from the various schemes shall not exceed 100 percent of the annual base salary.

The definition of the Company objectives and fulfillment assessment is subject to the Chairman and Board of Directors' approval and discretionary assessment. For the CEO, individual objectives are approved and assessed by the Chairman. For the CFO, the individual objectives are set and assessed by the CEO.

The main Company objectives used in assessing variable remuneration for the Executive Management in 2023 included:

- a. Safeguarding Mainstream's values in Chile
- b. Securing new contracts in Aker Carbon Capture
- c. Securing value-enhancing partnerships for portfolio companies and projects
- d. Cost reductions throughout the portfolio
- e. Net asset value development in 2023

Based on an overall assessment of the responsibilities, expertise and performance of the CEO, the 2023 variable remuneration for the CEO was set to NOK 2,758 thousand excluding holiday pay, which equates to 64 percent of the total maximum variable pay. The variable remuneration for the CFO was set to NOK 1,927 thousand excluding holiday pay, which equates to 71 percent of the total maximum variable pay.

Executives may be paid additional remuneration in extraordinary circumstances, provided that such extraordinary arrangements are made only at an individual level and with the view to either recruit or retain an executive, as compensation for extraordinary work beyond individual usual duties or as part of a termination settlement. Additional remuneration of NOK 901 thousand was awarded to Nanna Tollefsen in 2023 as a special incentive.

Share based remuneration

Executive Management may be offered to purchase shares in the Company or in affiliated companies. Shares may be offered at maximum of 30 percent price reduction or additional shares may be awarded, in exchange for accepting a defined lock-up period on the acquired shares. No such share program was offered in 2023.

The Company does not offer the Executive Management any share options and has not granted remuneration in the form shares, subscription rights, options, and other forms of remuneration linked to shares or the development of the share price in the Company or in other companies within the group in 2023.

**Other benefits**

The Executive Management participates in the collective pension and insurance scheme open to all employees in the Company. Pension is based on a defined contribution plan and is capped at 12G for all employees including the Executive Management.

None of the Executive Management have performance-based pension plans, prepayments or other forms of credit or guarantees from the Company except for the loans described below. The Executive Management receives non-monetary benefits such as phones, broad band etc. aligned with company practice. The Executive Management has loans from the Company related to the share program offered in 2021. As of 31 December 2023, the loan balance was NOK 16.1 million for Kristian Røkke and NOK 3.2 million for Nanna Tollefsen. Interest rates on the loans are equal to the prevailing interest rate for loans from an employer to employees as determined by the Norwegian Ministry of Finance ("normrente").

Comparative information on the change of remuneration and company performance

The below table shows comparative information on the change of remuneration for each executive since the Company was established in August 2020 in comparison with some selected company performance measures and average remuneration for all employees (excluding Executives). Total remuneration includes fixed and variable salary (including calculated holiday pay) in each year for the relevant individuals and/or all employees. However, with some of the variable salary being based upon individual achievement, and a variation of number of employees over time, the information below is not directly comparable.

Change of remuneration for each executive

Amounts in NOK thousand	2020 ²		2021 ²		2022		2023	
	Fixed	Total	Fixed	Total ³	Fixed	Total	Fixed	Total
Kristian Røkke, CEO	4,098	4,098	6,305	25,016	6,493	10,086	6,788	9,877
Change			53.9 %	510.5 %	3.0 %	-59.7%	4.5 %	-2.1%
Nanna Tollefsen, CFO ¹	n.a.	n.a.	2,912	5,309	2,855	5,101	2,958	6,017
Change					(2.0)%	-3.9%	3.6 %	18.0%
Ola B. Fosse, CFO ¹	2,242	2,242	2,335	4,201				
Change			4.1 %	87.3 %				

1. Ola Beinnes Fosse was CFO until 1 May 2021 and Nanna Tollefsen has been CFO from 1 May 2021.

2. Annualized for Kristian Røkke and Ola Beinnes Fosse in 2020. Annualized for Ola Beinnes Fosse and Nanna Tollefsen in 2021.

3. Total includes extraordinary items of NOK 14.9 million to Kristian Røkke that was used to acquire shares in Aker Horizons Holding AS as part of the incentive program described above (Share based remuneration)..

Group performance

Amounts in NOK million	2020 ¹	2021	2022	2023
Net asset value (NAV)	12,790	16,923	15,079	10,762
Change		32.0 %	-11.0%	-29.0%

1) Net asset value (NAV) of NOK 12,790 million is per 1 February 2021 (time of listing of Aker Horizons).

Average remuneration for all employees (excluding Executives)¹

Amounts in NOK thousand	2020	2021	2022	2023
Aker Horizons ASA employee	1,703	2,133	2,144	2,492
Change		25.2%	0.5 %	16.2 %

1) Changes in average remuneration to employees has been subject to change as a result of both composition of the team and annual salary increase.



Compensation to the Board of Directors

The general meeting determines the compensation to the Board of Directors based on a proposal from the Nomination Committee. At the 2023 ordinary general meeting, the Nomination Committee proposed the compensation payable for the period between the 2022 ordinary general meeting and the 2023 ordinary general meeting.

No agreements exist which entitles the Directors to any extraordinary compensation, except for a consultancy agreement with Auke Lont that was terminated in February 2023. Lont received a fee of NOK 333 thousand (excluding VAT) based on approximately two working days per week. The consultant provided general advice related to the development of the Company and its portfolio companies. Lont did not have signature rights and no authority to sign any third-party agreements on behalf of the Company.

The fees in the table below represent expenses recognized in the income statement based on assumptions about fees to be approved at the general assembly rather than actual payments made. Unless explicitly stated below, members of the Board of Directors did not receive any other fees than those listed in the table.

			2023 ¹		2022	
		Share- holding	Audit Committee fees	Board fees	Audit Committee fees	Board fees
<i>Amounts in NOK thousand</i>						
Øyvind Eriksen ^{1,2}	Chairperson	285,714				
Kjell Inge Røkke ¹	Director					
Lone Fønss Schrøder	Director		197	336	187	320
Lise Kingo	Director		37	108	108	320
Auke Lont	Director			108		320
Kimberly Mathisen	Director			227		
Trond Bransrud	Director			227		
Lene Landøy ¹	Deputy					
Total			233	1,006	294	960

1. The fees allocated to Øyvind Eriksen, Kjell Inge Røkke and Lene Landøy will, as per Aker policies, be paid to their respective employer companies. Fee for Chairperson Øyvind Eriksen is NOK 651 thousand in 2023 (2022; NOK 620 thousand). Kjell Inge Røkke and deputy Lene Landøy was allocated NOK 320 thousand and NOK 159 thousand, respectively, in 2022).

2. Owns shares in Aker Horizons ASA through Erøy AS

3. The indicated fees for 2023 include an increase of 5% compared to 2022, based on a preliminary proposal from the board.

Aker Horizons' Board of Directors does not include any employee representatives.

Audit Committee

Aker Horizons has an Audit Committee which held six meetings in 2023. The Audit Committee comprise one director, Lone Fønss Schrøder.

Nomination committee

Current members of the nomination committee are Svein Oskar Stoknes (chair) and Ingebret Hisdal. They receive an annual compensation of NOK 55 thousand and NOK 44 thousand, respectively.



To the General Meeting of Aker Horizons ASA

Independent auditor's assurance report on report on salary and other remuneration to directors

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Aker Horizons ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2023 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our Independence and Quality Management

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 18 March 2024
PricewaterhouseCoopers AS

Thomas Fraurud
State Authorised Public Accountant

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Green Financing Report 2023



In February 2023, an updated version of Aker and Aker Horizons' Green Finance Framework was published. The framework enables Aker and Aker Horizons or any of its subsidiaries (the "Issuers") to issue Green Bonds, establish Green Loans, and issue other types of debt instruments (collectively referred to as "Green Finance Instruments") in order to, in whole or in part, finance or refinance investments in assets and projects with clear environmental benefits, as further described in the Green Finance Framework.

The Green Finance Framework and associated documents are available on [Aker Horizons' website](#).



ICMA Harmonized Framework for Impact Reporting & Nordic Public Sector Issuer's (NPSI) Position Paper on Green Bond Impact Reporting

This Green Financing Report for 2023 has, where possible and relevant, been prepared in alignment with the 2021 version of the ICMA Harmonized Framework for Impact Reporting and the 2020 version of the NPSI Position Paper on Green Bond Impact Reporting.

ICMA Green Bond Principles & LMA Green Loan Principles

Aker's and Aker Horizons' Green Finance Framework is based on the 2021 version of the Green Bond Principles issued by International Capital Markets Association (ICMA), as well as the 2021 version of the Green Loan Principles issued by the Loan Market Association (LMA). Although these principles are voluntary, Aker and Aker Horizons find that adhering to them adds to the transparency and integrity of the Company's Green Finance Framework in the eyes of their investors and other stakeholders. The green financing market is still in the relatively early stages of development, and the Green Finance Framework may be updated in the future to remain aligned with future developments of market standards, including ICMA and LMA principles.

An eligibility assessment was obtained from DNV GL to confirm the transparency of the Green Finance Framework and its alignment with the ICMA Green Bond Principles and the LMA Green Loan Principles.





Allocation Report

In February 2021, Aker Horizons issued its first green bond, with a value of NOK 2.5 billion and a maturity date in August 2025 (Green Bond). The proceeds of the Green Bond were utilized in their entirety to part fund the acquisition of 75 percent of the renewable energy company Mainstream Renewable Power. The acquisition of Mainstream Renewable Power was agreed in January 2021 and completed in May 2021. The cash consideration for the 75 percent stake in Mainstream Renewable Power was EUR 649 million (NOK 6.5 billion). In addition, EUR 109 million (NOK 1.1 billion) was transferred to Mainstream as a capital increase in the company.

	Currency	Amount	Issue date	Maturity Date	ISIN
Green bonds issued	NOK	2,500,000,000	12 February 2021	25 August 2025	NO0010923220
Allocated Amount	NOK	2,500,000,000			
Unallocated Amount	NOK	0			

The allocation report has been independently assured by PwC (see next page).

About Mainstream Renewable Power

Mainstream Renewable Power ("Mainstream") is a leading pure-play renewable energy company, with wind and solar power assets across global markets, including Latin America, Africa and Asia Pacific. Mainstream has successfully brought 6.5 GW of wind and solar generation assets to financial close-ready and at the end of 2023, it had a global development pipeline of projects of 21 GW across Europe, Americas, Africa and Asia Pacific, and 1.5 GW of solar and wind power projects in operation and under construction.

The total investment for 75 percent ownership and subsequent capital increase in Mainstream amounted to EUR 758 million. Aker Horizons' Green Bond financed EUR 250 million, equivalent to 33 percent of the acquisition cost.

In 2022, Mitsui & Co., Ltd. was brought in as a strategic shareholder in Mainstream through a EUR 575 million capital injection to accelerate the global growth of Mainstream's portfolio. As a result, Aker Horizons' ownership stake was reduced to 58.4 percent.

Developments during 2023

In 2023, Mainstream Renewable Power sold its shareholding in Lekela Power, Africa's largest independent pure-play renewable energy producer, to Infinity Group.

In addition, the Andes Renovables platform in Chile progressed towards completion, from the average of 84.9 percent completed reported in 2022, to the average of 88.6 percent completion in 2023. Mainstream's shareholding in the Andes Renovables platform was reduced to 90 percent following the debt refinancing of the platform.

Finally, in South Africa, Mainstream Renewables Power reached financial close on a 97.5 MW solar PV farm which has 20-year Power Purchase Agreements (PPAs). Mainstream ownership in the project is 49 percent.

All these developments have been taken into account in the below impact report.



Assurance of Allocation Report



To Group Management of Aker Horizons ASA

Independent statement regarding Aker Horizons ASA's Green Financing Report

We have been engaged by Aker Horizons ASA (the "Company") to undertake a limited assurance engagement on selected information about the allocations of proceeds in the Company's Green Financing Report 2023 (Subject Matter Information). The scope of our work was limited to assurance over:

- Allocating proceeds from the Green Bond to such investments and expenditures, as described in the Green Financing Report 2023 section "Allocation Report" on page 156 for the bond issued 12 February 2021 (NOK 2 500 000 000).

The Green Financing Report 2023 is prepared using the criteria described in the "Use of Proceeds" section in the Green Finance Framework per February 2023. The "Use of Proceeds" sections are attached to the Green Financing Report 2023.

Our assurance does not extend to any other information in the Green Financing Report 2023 than the sections "Allocation Report". We have not reviewed and do not provide any assurance over any information reported in the "Impact Report" sections on page 158.

Responsibilities of the Group Management

The Group Management is responsible for ensuring that the Company has implemented appropriate guidelines for green bond management and internal control.

The Group Management is responsible for evaluating and selecting eligible green projects, for the use and management of bond proceeds, and for preparing a "Green Financing Report" that is free of material misstatements, whether due to fraud or error, in accordance with the Company's "Green Finance Framework".

Our Independence and Quality Management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

We apply International Standard on Quality Management (ISQM) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Our Responsibilities

Our responsibility is to express a limited assurance conclusion on the Subject Matter Information based on the procedures we have performed and the evidence we have obtained. We conducted our work in accordance with International Standard on Assurance Engagements (ISAE) 3000 revised – «Assurance Engagements other than Audits or Reviews of Historical Financial Information», issued by the International Auditing and Assurance Standards Board. This standard requires us to plan and perform procedures to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement in accordance with ISAE 3000 involves assessing the suitability in the circumstances of management's use of the criteria as the basis for the preparation of the Subject Matter Information, assessing the risks of material misstatement of the Subject Matter Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and, among others, included an assessment of whether the criteria used are appropriate. Our procedures also included meetings with representatives from the Company who are responsible for the allocation reporting; obtaining and reviewing relevant information that supports the preparation of the allocation reporting; assessment of completeness and accuracy of the allocation reporting; performing substantive testing on a selective basis through inspection of documents; and testing (or reviewing) various supporting documentation.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Subject Matter Information has been prepared, in all material respects, in accordance with the criteria.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the limited assurance procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the section "Allocation Report" disclosed in the Green Finance Report 2023 has not been prepared, in all material respects, in accordance with the relevant criteria.

Oslo, 18 March 2024
PricewaterhouseCoopers AS

Thomas Fraurud
State Authorised Public Accountant



Impact report

Mainstream had a renewable capacity of 1.5 GW in operation and under construction in December 2023. Aker Horizons' Green Bond financed 33 percent of Aker Horizons' acquisition of Mainstream, originally equivalent to a 24.7 percent ownership stake. This has subsequently decreased to 19.3 percent ownership through the arrival of Mitsui & Co as a shareholder. This development is summarized in the table below.

	2021	2022	2023
Original investment (EUR million)	758		
Aker Horizons Green Bond value (EUR million)	250		
Aker Horizons' Green Bond contribution to investment	33.0 %		
Aker Horizons ownership of Mainstream	75.0 %	58.4 %	58.4 %
Aker Horizons' Green Bond contribution to ownership	24.7 %	19.3 %	19.3 %

The table below gives a breakdown of project portfolios, their degree of completion¹ as of 31 December 2023, location, project type (wind/solar), production capacity, estimated production volume and avoided emissions, based on a local grid factor and lifecycle emissions per MWh produced. The *Impact of Green Bond* column takes into account Mainstream's ownership stake in the projects, Aker Horizons' ownership stake in Mainstream Renewable Power, as well as the Green Bond's contribution to Aker Horizons' acquisition of Mainstream (as described in the table above).

Platform	Platform completion (cost based, average)	Project type	Country	Mainstream ownership	Total impact of projects			Impact of Green Bond		
					Production capacity (MW)	Annual production (MWh)	Avoided emissions (tCO ₂ e)	Production capacity (MW)	Annual production (MWh)	Avoided emissions (tCO ₂ e)
Andes										
		Solar	Chile	90%	350	919,800	448,485	61	159,464	77,753
		Wind	Chile	90%	1,020	2,680,560	1,229,276	159	418,121	191,746
Total	88.6%				1,370	3,600,360	1,677,761	220	577,585	269,499
Other										
Total	19.4%	Solar	South Africa	49%	98	256,230	244,070	2	4,685	4,462
Grand total					1,468	3,856,590	1,921,830	222	582,270	273,961

¹ Degree of completion is reached by dividing total CapEx deployed at the reporting date by the budgeted total CapEx. Budgeted Total CapEx represents the anticipated CapEx need from current and future capital sources to reach completion of development. For calculations of impact, the completion of individual assets (not the average) has been used.

Note on methodology

It should be noted that the current, ownership-based approach ensures that there is no double-counting across the shareholders of Mainstream nor across the different providers of capital for the equity investment. Nevertheless, other available methods were considered for calculating the share financed, including the consideration of contributions to Capital expenditure ('CapEx') rather than ownership. Such an approach would have also taken into account the contribution of project lenders, whose capital constitutes a material part of a project's capital structure. Challenges associated with taking a "CapEx contribution approach" includes having to assess the portion of an equity investment contributing towards existing and future CapEx, which further requires establishing certain assumptions on the tracking of how each Euro from a transaction was deployed.

From 2022 onwards, Aker Horizons has chosen the "ownership approach" in order to provide consistency with peers (as this appears to be the most common approach) as well as consistency with our first year of reporting. This may be subject to change in the future, as impact reporting on green financing instruments becomes more mature and more advanced industry standards evolve.

The process for calculating avoided emissions has been developed on the basis of best practice and the current draft of the GHG Protocol and supporting documents for comparative emissions, and may also be updated in the future. For further details on the calculation method and assumptions for avoided emissions, see the next page.



Avoided emissions – Calculation method and assumptions

The assessment of avoided emissions involves calculating the difference in marginal emissions between the power produced and the local grid average, taking into account all lifecycle emissions.

Capacity factor for estimated production

Assessing avoided emissions involves taking into account what was actually produced, or could actually be produced, based on an expected/estimated/observed capacity factor. The capacity factors used for the calculations above are estimates across the portfolios per country including all sites. The capacity factor further takes into account projected weather conditions on site, expected reliability of the substation and equipment (turbines/panels), electrical losses and so forth.

Lifecycle emissions

Since information about sources and the inclusion of lifecycle emissions for grid average factors is not always easy to find, the best practice for Aker Horizons' portfolio companies is to always use lifecycle analysis (LCA) emission factors for own products, and energy generation. Producing a kWh will have zero or close to zero emissions, which is why materials, production, distribution, use phase (repairs, etc.) and end-of-life emissions should be distributed as CO₂ per kWh for the expected total output of the unit throughout its expected lifetime. If no own LCA calculation is available, Aker Horizons will refer to available studies. For the above calculation, life-cycle emissions of 0.011 kg CO₂e per kWh produced from wind and 0.04 kg CO₂ per kWh produced from solar were assumed².

Grid emission factors

For grid emission factors, the International Financial Institutions (IFI) Harmonized Framework approach and their standards for greenhouse gas accounting have been utilized, as recommended by the NPSI Position Paper on Green Impact Reporting. The factors in the table are drawn from the IFI Default Grid Factors v.3.1 dataset (published December 2021, revised January 2022). The emission factors are based on country-specific Combined Margins, based on a split between 25 percent Build Margin and 75 percent Operating Margin as recommended for variable generation (such as wind and solar PV). For the above calculation, the grid emission factors applied were: 0.499 tCO₂e per MWh for Chile and 0.964 tCO₂e per MWh for South Africa.



2) National Renewable Energy Laboratory Life-Cycle Analysis Harmonized Factors, available at: <https://www.nrel.gov/analysis/life-cycle-assessment.html>



Transparent Reporting

Frameworks

For Aker Horizons, transparency is a foundation for building trust with its stakeholders. To provide the most comprehensive and holistic overview, Aker Horizons has adopted complementary, well-established international reporting frameworks and complies with relevant laws and regulations.

Aker Horizons' 2023 annual report is an integrated report, presenting the financial, environmental, social and governance (ESG) performance of Aker Horizons and its portfolio companies, for the period 1 January 2023 to 31 December 2023. The report was published on 20 March 2024. For any questions or queries related to this report, please contact:

- Marianne Stigset, Director of Communications and External Affairs
(marianne.stigset@akerhorizons.com)
- Stian Andreassen, Investment Manager and head of Investor Relations
(stian.andreassen@akerhorizons.com)

Global Reporting Initiative Standards 2021 (GRI)

The ESG part of the report has been prepared with reference to the Global Reporting Initiative Standard of 2021.

Corporate Sustainability Reporting Directive (CSRD) and double materiality

Aker Horizons' materiality assessment has been conducted as described in the EU's Corporate Sustainability Reporting Directive (CSRD). The adopted approach follows the concept of double materiality, which acknowledges that businesses should assess both the risk and opportunities linked to ESG topics that can influence enterprise value creation ("outside-in") and the ESG impacts that a company can have on the planet and society ("inside-out"). In 2023, Aker Horizons did not conduct a new, external materiality assessment, but conducted an internal review of its stakeholder engagements and considered the continued validity of the identified material topics. A detailed list of material topics can be found in the [Materiality Assessment](#) chapter.

World Economic Forum Stakeholder Capitalism Metrics

Aker Horizons supports the World Economic Forum's (WEF) Stakeholder Capitalism Metrics and the disclosures contained within the report are aligned with the WEF's 21 core metrics. The four WEF themes Planet, People, Prosperity and Governance serve in this report as an overarching framework.

Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) are the world's shared goals for a sustainable future. Aker Horizons has identified eight priority SDGs where the Company can exert the greatest positive impact.

Greenhouse Gas Protocol (GHG Protocol)

The Greenhouse Gas Protocol is the most widely used international accounting methodology to quantify and manage businesses' greenhouse gas emissions. Aker Horizons' carbon footprint reporting on direct and indirect GHG emissions aligns with the three scopes defined in the GHG Protocol.

Norwegian Transparency Act

This report includes Aker Horizons 2023 reporting under the Norwegian Transparency Act. The section "Aker Horizons' Approach to Sustainability" and the following section on "Sustainability Progress" include reporting on human and labor rights, risks and mitigating actions, as well as the Group's broader work on human and labor rights due diligence. This due diligence account will be published on the sustainability pages of [Aker Horizons' website](#).

Task Force on Climate-related Financial Disclosures (TCFD)

Aker Horizons' reports in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) framework. A complete [climate-related assessment](#) can be found in the appendix to this report.

**International Financial Reporting Standards (IFRS)**

Aker Horizons' consolidated financial statements have been prepared in accordance with IFRS[®] Accounting Standards as adopted by the EU and associated interpretations by the EU as of 31 December 2023, and Norwegian disclosure requirements pursuant to the Norwegian Accounting Act as of 31 December 2023.

EU Taxonomy

The EU Taxonomy Regulation, defining what may be classified as green economic activity, is a regulation and framework relevant for Aker Horizons' business activities. Aker Horizons discloses its share of Revenue, Operational Expenditures and Capital Expenditures as set out in the EU Taxonomy Directive. Further details concerning the approach may be found in the section [Sustainability Accounting Principles and Methodology](#).

Sustainable Finance Disclosure Regulation (SFDR)

The Sustainable Finance Disclosure Regulation and its Principal Adverse Impact indicators are not applicable to Aker Horizons. Nevertheless, Aker Horizons chooses to report on its core indicators, as a matter of good practice, as they are relevant to many of Aker Horizons' shareholders.

Norwegian Accounting Act

The [Corporate Governance Report](#) presents Aker Horizons' corporate governance principles and practices in accordance with the requirements of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance.

The report also covers the sustainability reporting requirement under Norwegian Accounting Act (section 3-3c). More information about the Board's composition and approach to ESG governance can be found in the [Board of Directors' Report](#) and the [Corporate Governance Report](#).

Report boundaries

The report covers Aker Horizons and companies in its portfolio. Where the report refers to the "Group" or "Group Companies," this includes Aker Horizons' financially-consolidated investees Aker Carbon Capture, Aker Horizons Asset Development and Mainstream Renewable Power (Mainstream Renewable Power or Mainstream). The term "portfolio companies" also includes SuperNode.

Please refer to the section [Aker Horizons in Brief](#) or the Company's website www.akerhorizons.com for more information about Aker Horizons and its portfolio.



Sustainability Accounting Principles and Methodology

Greenhouse gas emissions calculations

The Greenhouse Gas Protocol (GHG Protocol) is the most widely-used international accounting methodology to quantify and manage businesses' greenhouse gas (GHG) emissions. Aker Horizons' reporting on direct and indirect GHG emissions is done according to the GHG Protocol's three scopes. By using acknowledged emission factors, consumption data is recalculated into CO₂ emissions. According to the GHG Protocol, Scope 2 emissions relating to electricity are calculated using both location-based and market-based emission factors.

Aker Horizons reports according to the financial control approach. Financially controlled investees are included in Aker Horizons' own emissions (Scope 1-3 line by line). Equity accounted investees are included in Aker Horizons' Scope 3 Category 15 - Investments. Aker Horizons has close dialogue with Group companies on the reporting of GHG emissions. Across all scopes, underlying data on physical consumption (in units of for instance liters, tonnes, or MWh) was received. Methodologies for calculating Scope 3 emissions were more closely coordinated in 2023 than in 2022, but still saw differences in the available data, as well as the location and maturity of the operations. Transparency for reporting this information in its fullest form remains a priority.

Aker Horizons' total GHG emissions in 2023 came to 40,601 tonnes (location-based) and 37,992 tonnes (market-based).

Scope 1

Aker Horizons' Scope 1 emissions in 2023 totaled 1,321 tonnes CO₂e. This relates predominantly to emissions deriving from Aker Horizons Asset Development (Narvik) and Mainstream Renewable Power's consumption of diesel and petrol.

Scope 2

Aker Horizons' Scope 2 emissions in 2023 totaled 3,330 tonnes (location-based) and 719 tonnes (market-based).

For Scope 2, Aker Horizons Holding and Aker Horizons Asset Development report electricity, district heating and cooling. Guarantees of origin were not purchased for electricity, which is reflected in the Scope 2 market-based emissions.

The approach to calculating office-based emissions was coordinated across the Aker Horizons Group (such as emissions from heating/cooling). The same applies to sources for emission factors.

Scope 3

Aker Horizons' Scope 3 emissions in 2023 totaled 35,950 tonnes (location-based) and 35,953 tonnes (market-based).

As described above, the methodologies used to calculate Scope 3 emissions were more closely coordinated across the Group in 2023. However, due to differences in available data, as well as the different geographical locations and maturity of the operations there were some differences as follows:

- Aker Carbon Capture and Aker Horizons Asset Development reported on Category 1 - Purchased goods and Services, Category 3 - Fuel and energy (both location-based and market-based), Category 4 - Upstream Transportation and Distribution, Category 5 - Waste, and Category 6 - Business travel.
- Mainstream Renewable Power reported on estimated emissions for Category 1 - Purchased goods and Services as well as Category 5 - Waste, and Category 6 - Business travel.
- SuperNode reported Scope 3 emissions for business travel and committed to expanding its Scope 3 emissions reporting in 2024.

Below is a description of the approach taken to determine Aker Horizons Holding and Aker Asset Development's Scope 3 emissions. Reported emissions for the other Group companies were presented and followed up through direct dialogue.

For Scope 3, Aker Horizons is reporting on seven (of fifteen) categories: purchased goods and services, fuel and energy, upstream transportation and distribution, waste, business travel, employee commuting, and investments. When accounting for the Scope 3 categories, the following GHG Protocol calculation methods were used:

- Category 1 (purchased goods and services) - estimated emissions based on spend data.
- Category 5 (waste) - the average-data method was used. Aker Horizons' own waste data is expressed as a pro rata share of the volume recorded at the Fornebuporten complex, where its offices are located.
- Category 6 (business travel, flights) - the distance-based method was used and where data was not available, spend was converted. Aker Horizons utilizes AMEX for booking business travel, which provides estimated emissions based on distance. Some travel was not booked through AMEX – for these trips, the emissions were extrapolated from the AMEX data based on costs in the travel cost system. Finally, some individuals seconded from one company to another (and therefore not captured by the employee cost system) delivered custom travel reports for manual inclusion.
- Category 7 (employee commuting) - the distance-based method was used by Aker Carbon Capture. For other Aker Horizons companies, no survey was conducted in 2023 due to limited resources and other organizational changes. Employee commuting is expected to be reported on again in 2024.



- Category 15 (investments) - was calculated using the equity approach and investment specific method. In 2023, this included emission data from SuperNode.

The table to the right summarizes the emission factors used for the calculations of Aker Horizons Holding and Asset Development's own emissions.

The table on the next page summarizes all of Aker Horizons' emissions in 2023, line by line.

Emission factors

Scope 1

Reporting	Emission factor	Unit	Source
-----------	-----------------	------	--------

Scope 2

Reporting	Emission factor	Unit	Source
Electricity (location-based)	0.007	tCO ₂ e/MWh	NVE
Electricity (residual market-based)	0.502	tCO ₂ e/MWh	NVE
Electricity (market based with GoOs)	0	tCO ₂ e/MWh	Assumption
District heating	0.007	tCO ₂ e/MWh	Oslofjord Varme
District cooling	0.007	tCO ₂ e/MWh	Oslofjord Varme

Scope 3

Reporting	Emission factor	Unit	Source
Waste	21.281	kg CO ₂ e/t	DEFRA
Business air travel	Various	tCO ₂ e	DEFRA ⁵
Employee commuting			
Bus	N/A	tCO ₂ e	SSB
Car (petrol)	N/A	tCO ₂ e	DEFRA
Car (diesel)	N/A	tCO ₂ e	DEFRA
Car (hybrid)	N/A	tCO ₂ e	DEFRA
Car (plug-in hybrid electric vehicle)	N/A	tCO ₂ e	DEFRA
Car (battery electric vehicle)	N/A	tCO ₂ e	DEFRA
Rail	N/A	tCO ₂ e	SSB
Biking	N/A	tCO ₂ e	DEFRA
Walking	N/A	tCO ₂ e	DEFRA

⁵ Utilized travel agency's own estimate of air travel CO₂ emissions



Aker Horizons' total greenhouse gas emissions

Type	Data	Unit	tCO ₂ e
Scope 1			
LNG	—	Liter	0
LPG	—	Tonnes	0
Natural Gas	—	Tonnes	0
Propane	—	Tonnes	0
Burning oil	—	Litres	0
Diesel	410,160	Litres	1321
Petrol	—	Litres	0
Marine gas oil	—	Litres	0
Marine fuel oil	—	Litres	0
SF-6 gas	—	Kilograms	0
Scope 1 total			1,321

Scope 2			
Electricity (location-based)	12,428	MWh	3,055
Electricity (market-based)	1,043	MWh	520
District heating (location / country)	1,723	MWh	269
District cooling (location / country)	270	MWh	6
Scope 2 total (Location based)			3,330
Scope 2 total (Market based)			719

Type	Data	Unit	tCO ₂ e
Scope 3			
1: Purchased goods and services	—		33,019
2: Capital goods	—		—
3: Fuel and energy (Location based)	—		17
3: Fuel and energy (Market based)	—		20
4: Upstream transportation and distribution	28,000		79
5: Waste	4,376	tonnes	93
6: Business travel	—		2,556
Flights	459,751		19,760
Car allowance	—		26
7: Employee commuting	—		51
8: Upstream leased assets	—		—
9: Downstream transportation and distribution	—		—
10: Processing of sold products	—		—
11: Use of sold products	—		—
12: End-of-life treatment of sold products	—		—
13: Downstream leased assets	—		—
14: Franchises	—		—
15: Investments (Location based)	—		134
15: Investments (Market based)	—		123
Scope 3 total (Location based)			35,950
Scope 3 total (Market based)			35,953



Taxonomy accounting policy

Taxonomy financial assessment

The key performance indicators (KPIs) presented in this report include Turnover, CapEx and OpEx for the reporting period 2023. The KPIs have been calculated according to Annex 1 of the Article 8 Delegated Act, and include Aker Horizons' consolidated share of taxonomy-eligible and taxonomy-aligned turnover, CapEx and OpEx in relation to total turnover, CapEx and OpEx. For further details on how the different KPIs have been calculated, please refer to the description under "Approach to classifying activities".

Turnover

The Turnover KPI has been calculated as the part of net turnover derived from taxonomy-eligible projects divided by the total net turnover. Total net turnover equals the external revenue according to the IFRS consolidated accounts.

CapEx

The CapEx KPI is defined as taxonomy-eligible capital expenditure (numerator) divided by total capital expenditure (denominator)

Denominator

The denominator in the CapEx KPI calculation is defined as all capitalized costs in the consolidated financial statements. The denominator in the CapEx KPI includes capitalized costs from the following IFRS standards (not an exhaustive list, only Aker Horizons-relevant standards have been included):

- IAS 2 - Inventories
- IAS 16 – Property, plant and equipment
- IAS 38 – Intangible assets
- IFRS 16 – Leases

The CapEx denominator also includes additions to fixed and intangible assets resulting from business combinations (acquisitions of business).

Numerator

The numerator in the CapEx KPI includes total capitalized costs related to taxonomy-eligible assets during the year. Taxonomy-eligible assets means that the assets are associated with an activity that is covered by the taxonomy in the delegated acts (see "eligibility" above).

OpEx

The Opex KPI is defined as taxonomy-eligible operating expenditure (numerator) divided by total operating expenditure (denominator). It is important to point out that total OpEx in the OpEx KPI does not necessarily equal total OpEx from the consolidated financial statements, see more details below.

Denominator

The denominator in the Opex KPI shall include all direct non-capitalized costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditure relating to the day-to-day maintenance of fixed assets.

The denominator will typically include non-capitalized research and development costs, early phase project development costs, costs related to short-term and low-value assets (i.e., lease costs not covered by IFRS 16), and maintenance and repair costs on fixed assets. General overhead costs shall not be included. Costs related to training are also excluded.

Numerator

The numerator in the OpEx KPI shall include the part of the denominator that is associated with taxonomy-eligible activities, direct non-capitalized research and development costs. In addition to the KPIs as determined in accordance with Annex 1 of the Art 8 Delegated Act.



Turnover

2023				Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
		MNOK	%	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1. Environmentally sustainable activities (Taxonomy-aligned)

3.6. Manufacture of other low carbon technologies	CCM 3.6	1 605	44%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	44%	E	
4.3. Electricity generation from wind power ¹	CCM 4.3	2 029	56%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	56%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		3 634	100%	100%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y	100%		
Of which enabling		1 605	44%	44%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y	44%	E	
Of which transitional		0	0%	0.00%						Y	Y	Y	Y	Y	Y	Y	0%		T

1. The revenue generated by the generation assets in the Andes platform consist of both solar and wind revenue. Due to challenges in separating the revenue per source of generation, 100% of the revenue has been classified as CCM 4.3 "Electricity generation from wind power" in the above.

A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)

			EL : N/EL	EL : N/EL	EL : N/EL	EL : N/EL	EL : N/EL	EL : N/EL											
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	0	0%																	0%
Turnover of Taxonomy-eligible activities (A.1+A.2)	3 634	100%																	100%

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

Turnover of Taxonomy-non-eligible activities	15	0%
Total (A+B)	3 649	100%



CapEx

2023				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum Safeguards (17)	Proportion of Taxonomy- aligned (A.1.) or - eligible (A.2.) CapEx, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
		MNOK	%	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1. Environmentally sustainable activities (Taxonomy-aligned)

3.6. Manufacture of other low carbon technologies	CCM 3.6, CCA 3.6	180	10%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	10%	E	
3.15. Manufacture of anhydrous ammonia	CCM 3.15, CCA 3.15	278	16%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	16%		
4.3. Electricity generation from wind power	CCM 4.3, CCA 4.3	1 282	72%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	72%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1 740	98%	99.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y			
Of which enabling		180	10%	9.70%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y	10%	E	
Of which transitional		0	0%	0.00%						Y	Y	Y	Y	Y	Y	Y	0%		T

A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)

				EL : N/EL	EL : N/EL	EL : N/EL	EL : N/EL	EL : N/EL	EL : N/EL										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	0	0%																	
CapEx of Taxonomy-eligible activities (A.1+A.2)	1 740	98%																	

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

CapEx of Taxonomy-non-eligible activities	40	2%
Total (A+B)	1 780	100%



OpEx

2023				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
		MNOK	%	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y ; N ; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T

A. TAXONOMY-ELIGIBLE ACTIVITIES

A.1. Environmentally sustainable activities (Taxonomy-aligned)

3.6. Manufacture of other low carbon technologies	CCM 3.6, CCA 3.6	93	11%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	11%	E	
3.10. Manufacture of hydrogen	CCM 3.10, CCA 3.10	33	4%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	4%		
3.15. Manufacture of anhydrous ammonia	CCM 3.15, CCA 3.15	72	9%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	9%		
4.3. Electricity generation from wind power	CCM 4.3, CCA 4.3	455	55%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	55%		
9.1. Close to market research, development and innovation	CCM 9.1	3	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E	
9.1. Engineering activities and related technical consultancy dedicated to adaptation to climate change	CCA 9.1	31	4%	N/EL	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	4%	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		686	83%	79.24%	3.72%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y	83%		
Of which enabling		127	15%	12.12%	3.72%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y	15%	E	
Of which transitional		0	0%	0.00%						Y	Y	Y	Y	Y	Y	Y	0%		T

A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)

				EL ; N/EL	EL ; N/EL	EL ; N/EL	EL ; N/EL	EL ; N/EL	EL ; N/EL									
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	0	0%																
OpEx of Taxonomy-eligible activities (A.1+A.2)	686	83%																

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

OpEx of Taxonomy-non-eligible activities	142	17%
Total (A+B)	828	100%



SFDR Principal Adverse Impact Indicators

The Sustainable Finance Disclosure Regulation (SFDR) presents fourteen core indicators applicable to investments in investee companies. The approach to calculating the individual indicators, and the definitions provided, are drawn from the Template principal adverse sustainability impacts statement from Annex I to the Regulatory Technical Standards issued in April 2022 (C 2022 1931 Annex 1).

All investment values are as of 31 December 2023. The exchange rate used between NOK and EUR for investment value is as of 31 December 2023. The exchange rate used between NOK and EUR for revenue is the average exchange rate also applied in Aker Horizons' P&L.

The indicators are presented for the full portfolio.

When calculations at the portfolio level are weighted, this is done on the basis of the share of the individual investment in the total portfolio (current value of investment divided by the current value of total investments). Where data has not been received from all investee companies, the current value of total investments has been adjusted accordingly (so remaining investee companies carry a larger proportion of the total investments each).

In some instances, data was not available for all portfolio companies. In this case, the indicators have been weighted accordingly. The table indicates the percentage of portfolio data coverage.

Details of how each individual indicator was calculated is provided below.

Indicator 1: GHG emissions

Greenhouse gas emissions were calculated as the sum of Aker Horizons' equity share of each investee company's GHG emissions (scopes 1, 2, 3 and total). This was done in accordance with the following formula:

$$\sum_i \left(\frac{\text{current value of investment}_i}{\text{investee company's enterprise value}_i} \times \text{investee company's Scope}(x) \text{ GHG emissions}_i \right)$$

Indicator 2: Carbon footprint

Carbon footprint was calculated as the total GHG emissions (from Indicator 1) divided by the current value of all investment in EUR million. This was done in accordance with the following formula:

$$\frac{\sum_i \left(\frac{\text{current value of investment}_i}{\text{investee company's enterprise value}_i} \times \text{investee company's Scope 1, 2 and 3 GHG emissions}_i \right)}{\text{current value of all investments (€M)}}$$

Indicator 3: GHG intensity of investee companies

The GHG intensity of investee companies was calculated as the ratio between each of the investee companies' total GHG emissions (from Indicator 1) and weighted by the share of the individual investment in the total portfolio. This was done in accordance with the following formula:

$$\sum_i \left(\frac{\text{current value of investment}_i}{\text{current value of all investments (€M)}} \times \frac{\text{investee company's Scope 1, 2 and 3 GHG emissions}_i}{\text{investee company's €M revenue}_i} \right)$$

Indicator 4: Exposure to companies active in the fossil fuel sector

Here, investee companies have been classified as active or not active according to the definition provided in the draft Regulatory Technical Standards. The portfolio-level total value is weighted by each investee company's share in the total portfolio.

Indicator 5: Share of non-renewable energy consumption and production

This indicator describes the share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage.

The draft Regulatory Technical Standards do not provide a clear calculation method for this indicator. Aker Horizons' approach was to collect data on GWh for all energy consumption and production, broken down by renewable and non-renewable. This was adjusted to Aker Horizons' equity share, and added together to reach portfolio-wide consumption and production. Then, the non-renewable production and consumption were added together, and divided by total production and consumption.

This differs from the calculation method in 2021, when data was collected in percentages from portfolio companies (each company's individual share of non-renewable energy consumption and production), and consolidated on a financial basis. This is thus presented as two separate figures — one weighted average for production and one for consumption. The portfolio-level total value was weighted by each investee company's share in the total portfolio. Further guidance on this approach for future reporting may lead to adaptations in the calculation method.

Indicator 6: Energy consumption intensity per high-impact climate sector

This indicator describes energy consumption in GWh per million EUR of revenue in investee companies, per high-impact climate sector. First, investee companies were classified according to whether they are considered high-impact climate sectors. This is considered to be the case for all of Aker Horizons' investments. Because of the limited amount of sectors represented through Aker Horizons' portfolio companies, no segmentation across sectors has been made. Then, an intensity measure per company was calculated as energy consumption divided by million EUR of revenue. Finally, this was then weighted at the portfolio level by multiplying the individual intensity values by the share of each investee company in the total portfolio.

Indicator 7: Activities negatively affecting biodiversity-sensitive areas



This indicator describes the share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas, where the activities of those investee companies negatively affect those areas.

Here, Aker Horizons' portfolio companies were asked to provide information on the number of operational sites owned, leased or managed in or adjacent to biodiversity-sensitive areas, and the share of those areas covered by effective measures for preserving biodiversity. If any companies reported having sites in biodiversity-sensitive areas that were not covered by effective measures, this is considered as negatively affecting those areas. The portfolio-level total value is weighted by each investee company's share in the total portfolio.

Indicator 8: Emissions to water

This indicator describes the tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average. Here, an intensity measure per company was calculated as emissions to water divided by million EUR invested. Then, this was weighted at the portfolio level by multiplying the individual intensity values by the share of each investee company in the total portfolio.

Indicator 9: Hazardous waste ratio

This indicator describes the tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average. Here, an intensity measure per company was calculated as tonnes of hazardous waste divided by million EUR invested. Then, this was weighted at the portfolio level by multiplying the individual intensity values by the share of each investee company in the total portfolio.

Indicator 10: Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

This indicator describes the share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises. Here, investee companies have been classified according to whether they have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises. The portfolio-level total value is weighted by each investee company's share in the total portfolio.

Indicator 11: Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises

This indicator describes the share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises, or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises. Here, investee companies have been classified according to whether they lack policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises, or grievance/complaints handling mechanisms to

address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises. The portfolio-level total value is weighted by each investee company's share in the total portfolio.

Indicator 12: Unadjusted gender pay gap

This indicator describes the average unadjusted gender pay gap in investee companies. The ratio is based on average salary in the organization regardless of employment level, including the CEO, and is calculated as the difference between average male and female annual base salary expressed as a percentage of average male annual base salary. The portfolio-level total value is weighted by each investee company's share in the total portfolio.

Indicator 13: Board gender diversity

This indicator describes the average ratio of female to male board members in investee companies. The portfolio-level total value is weighted by each investee company's share in the total portfolio.

Indicator 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

This indicator describes the share of investments in investee companies involved in the manufacture or sale of controversial weapons. Here, investee companies have been classified according to whether they have been involved in the manufacture or sale of controversial weapons. The portfolio-level total value is weighted by each investee company's share in the total portfolio.



Company Sustainability Summary Guide

This section serves as a guide for how to read the [Company sustainability summaries](#), and the reasoning behind what has been included on the individual pages.

The company sustainability summaries give a detailed status on the Aker Horizons Group companies' progress on key areas such as corporate purpose, sustainability governance and highlights, diversity, external commitments, ESG implementation and management. If definitions are based on specific frameworks or pieces of legislation, this will be specified. Otherwise, they are based on Aker Horizons' own view grounded in experience and competence in the area of ESG.

Corporate purpose, governance, and sustainability highlights

The qualitative section highlights corporate purpose, governance and sustainability highlights. Corporate purpose is an important top anchor for companies. Employees value working for companies with a purpose greater than financial profitability. Aker Horizons aims to create awareness around its importance as a driver for sustainable business practice and its attractiveness as a workplace. Sustainability governance is important to ensure accountability, integration across businesses and reporting. The publication of sustainability highlights is a way to enable companies to communicate key focus areas and progress made in the past year.

Diversity

Gender diversity represents one of several important dimensions of diversity and equal representation and opportunity. Norwegian companies are subject to legal requirements to both have active measures to promote and also subsequently report on gender balance. Publicly listed companies in Norway must also ensure gender representation at the board level. Aker Horizons finds gender equality at all levels in the organization to be an important objective and aims to achieve a gender balance.

External commitments and the UN Sustainable Development Goals

Signing up to external commitments sends a strong signal of commitment. The UN Sustainable Development Goals (SDGs) are the world's shared goals for a sustainable future. Aker Horizons has identified eight priority SDGs where the Company can exert the greatest positive impact. Aker Horizons also encourages companies to identify and work towards relevant SDGs, not only as a means to contribute to sustainable development, but also to reduce risk, identify opportunities and shape a meaningful sustainability agenda.

ESG performance summary table

The summary table highlights key topics across the four overarching themes of the WEF Measuring Stakeholder Capitalism Framework: Planet, People, Prosperity and Governance. Here, it is highlighted with a tag whether the topics are covered by the companies' policies (P), targets (T), strategy (S) and reporting (R). Aker Horizons does not expect companies to cover all topics, merely those that are material. In addition, one key quantitative indicator is highlighted on the summary page. Additional indicators per company can be found in the [Full ESG performance metrics](#) in the appendix.

Further information on how selected ESG indicators in the performance summary table were defined:

- Pay equality gap is based on the average salary in the organization regardless of employment level, including the CEO, and is calculated as the difference between average male and female annual base salary expressed as a percentage of average male annual base salary.

- TRIF is based on the sum of fatalities, lost time incidents, and medical treatment incidents. Mainstream Renewable Power also includes First Aid Cases in TRIF figures, but they have not been included in the table for comparability.
- R&D expenditure is here defined as all direct non-capitalized cost related to research and development. Capitalized cost related to research and development is not included here, but may also be considered in total R&D expenditure.
- Total taxes paid is defined as the total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes and other taxes that constitute costs to the company, by category of taxes.
- Employee wages and benefits are defined as total payroll (including employee salaries and amounts paid to government institutions on behalf of employees) plus total benefits (excluding training, costs of protective equipment or other cost items directly related to the employee's job function). Amounts paid to government institutions on behalf of employees can include levies and unemployment funds.



Boards of directors

Effective boards benefit from diversity of thinking, which can be generated by diversity in gender, background, education, experience and expertise. Boards should demonstrate appropriate ESG capabilities. A corporate sustainability policy should be approved by the company's board, and sustainability should be formally incorporated in the responsibilities of the board.

Sustainability policy

-  Policy approved by the Board of Directors
-  Policy in place but not approved by the Board
-  Policy in progress or not in place

Formalized responsibility

-  Formalized responsibility on sustainability in place
-  Formalized responsibility on sustainability in progress
-  Formalized responsibility on sustainability not in place

ESG competence

-  Min. one member with in-depth ESG competence
-  Board has a general good ESG competence
-  ESG competence of Board in progress (e.g. training)

ESG implementation

To ensure integration of ESG, certain elements are of particular value to drive performance and progress. Therefore, Aker encourages forward-looking time-bound ambitions on material areas, a strategy for reaching targets and transparent reporting on corporate progress towards these ambitions.

Targets

-  Three or more forward-looking targets in place
-  One forward-looking target in place
-  Forward-looking targets in progress

Strategy

-  Three or more strategies in place to reach target
-  One strategy in place to reach target
-  Strategy in progress

Reporting

-  Reporting on three or more areas material to the company
-  Performance reporting on material issue
-  No performance reporting on material topic

ESG management

Good ESG management includes important elements such as materiality assessments, based on what are material aspects both to the company and other stakeholders. Regular ESG risk and opportunity monitoring helps to mitigate material risks and seize opportunities. ESG risk management in supply chains includes having a business partner code of conduct and subsequent monitoring to mitigate adverse impacts.

Materiality assessment

-  Regular materiality assessment performed (min. annual)
-  Materiality assessment performed once
-  Materiality assessment in progress

ESG risk management

-  Regular risk and opportunity monitoring (min. annual)
-  Risk and opportunity assessment performed
-  Risk and opportunity monitoring in progress

Supply chain monitoring

-  Regular supply chain monitoring in place
-  Business partner Code of Conduct in place
-  Business partner Code of Conduct in progress



Appendix

Full ESG Performance Metrics

Planet	Unit	Aker Horizons	Aker Carbon Capture	Mainstream Renewable Power
Commitments				
Climate emissions: Net zero commitment (or more ambitious)	Y/N	Y	Y	Y
Has as a formal initiative to front a Net Zero Commitment on climate been joined? (E.g. the Race to Zero, commitment to the SBTi)	Y/N	Y	Y	Y
Concrete, quantified, time-bound targets for GHG emissions reductions	Y/N	Y	Y	N
Approved Science-Based Targets in place	Y/N	N	N	N
Biodiversity and deforestation: Targets on avoiding, mitigating and addressing biodiversity impact with an ambition of Net Zero impact	Y/N	N	N	Y
Has a formal initiative to front a Net Zero Commitment on biodiversity been joined?	Y/N	N	N	N
Zero waste: Targets on circularity and resource usage, with a Zero Waste ambition	Y/N	N	Y	Y
Has a formal initiative to front a Net Zero Commitment on waste been joined?	Y/N	N	N	N
Freshwater: Targets on minimizing impact on water and marine resources, and a Net Zero freshwater impact	Y/N	N	N	N
Has a formal initiative to front a Net Zero Commitment on water been joined?	Y/N	N	N	N
Greenhouse Gas Emissions				
Scope 1 emissions	Tonnes CO2e	950	0	371
Scope 2 emissions - location-based	Tonnes CO2e	5	45	3,281
Scope 2 emissions - market-based	Tonnes CO2e	131	52	536
Scope 3 emissions - location-based ⁶	Tonnes CO2e	204	17,236	18,421
Scope 3 emissions - market-based ⁷	Tonnes CO2e	204	17,246	18,421
Co2e "offset" through offsetting mechanisms, nature-based solutions and/or carbon removal technologies	Tonnes CO2e	0	0	0
Unit of solution utilized for offsetting (e.g. capture/removal/nature-based capacity restored)	N.A.	—	n.a	—
Energy				
Non-renewable energy consumption	MWh	5	173	6,261
Renewable energy consumption	MWh	364	1,026 ⁸	103
Non-renewable energy production	MWh	0	0	0
Renewable energy production	MWh	0	0	2,311,897

⁶ Not all the same Scope 3 categories have been considered across the companies

⁷ Not all the same Scope 3 categories have been considered across the companies

⁸ Limited to HQ offices in Norway



Planet	Unit	Aker Horizons	Aker Carbon Capture	Mainstream Renewable Power
Biodiversity				
Land occupation from own and portfolio companies operations (hectares)	Hectares	1,167	—	2,998
Number of operational sites owned, leased or managed in or adjacent to protected areas and/or biodiversity-sensitive areas	# sites	0	0	N/A
Area (in hectares) of operational sites owned, leased or managed in or adjacent to protected areas and/or biodiversity-sensitive areas	Hectares	0	0	0
Only for companies with sites/operations located in or near to biodiversity-sensitive areas: Do any of the activities negatively affect those areas?	Y/N	N	N	N/A
Sites/operations that affect threatened species (IUCN Red List)	Y/N	N	N	N/A
Conservation/reforestation efforts - value	Value (unit defined below)	N	—	N/A
Denominator of biodiversity offsets value (land area concerned, protection/restoration, duration of protection, other properties of area)	N.A.	N	0	Y
Water				
Sites/operations located in areas of high or extremely high baseline water stress (according to WRI Aqueduct water risk atlas tool)	Y/N	N	N	Y
Report for operations where material, mega liters of water withdrawn	Mega liters	2	3	3
Report for operations where material, percentage of water withdrawn in regions with high or extremely high baseline water stress	% high water stress	0	0	in progress
Water protection/replenishment efforts - value	Mega liters	N/A	—	N/A
Denominator of water replenishment value (type of water area concerned, other properties)	N.A.	N/A	N/A	N/A
Pollution				
Emissions to water	Tonnes	0	0	0
Waste				
Hazardous waste generated	Tonnes	0	3	2,043
Total waste - tonnes	Tonnes	10	318	3,590
Non-recycled waste - tonnes	Tonnes	8	181	2,344
Non-recycled waste - proportion of all waste generated	% non-recycled waste	80	57	65
Recycled waste - proportion of all waste generated	% recycled waste	20	43	35
Climate risk				
Has a TCFD-assessment been undertaken, disclosed and updated in the last two years?	Y/N	Y	Y	Y



People	Unit	Aker Horizons	Aker Carbon Capture	Mainstream Renewable Power
Diversity/employees⁹				
Own employees: Total (FTE)	# employees (FTE)	50	126	443
Own employees: Total (HC)	# employees (HC)	51	128	445
Contractors	# contractors (FTE)	4	20	90
Own employees: Permanent	# employees (FTE)	50	125	436
Own employees: Temporary	# employees (FTE)	0	1	6
Own employees: Full-time	# employees (FTE)	50	125	439
Own employees : Part-time	# employees (FTE)	0	1	4
Own employees: Men (absolute)	# men (HC)	36	86	273
Own employees: Men (percentage)	% men (HC)	71	67	61
Own employees: Women (absolute)	# women (HC)	15	42	172
Own employees: Women (percentage)	% women (HC)	29	33	39
Executive management: Women (percentage)	% women (HC)	50	50	50
Executive management: Men (percentage)	% men (HC)	50	50	50
Management excluding executive management: Women (percentage)	% women (HC)	33	35	31
Management excluding executive management: Men (percentage)	% men (HC)	67	65	69
Employees under 30 years (absolute)	# under 30 (HC)	1	3	48
Employees under 30 years (percentage)	% under 30 (HC)	2	2	11
Employees between 30-50 years (absolute)	# 30-50 (HC)	32	80	352
Employees between 30-50 years (percentage)	% 30-50 (HC)	63	63	51
Employees over 50 years (absolute)	# over 50 (HC)	18	45	45
Employees over 50 years (percentage)	% over 50 (HC)	35	35	7
Number of different nationalities amongst employees	# nationalities	11	19	37
Pay equality women to men (average salary in the organization regardless of employment level), expressed as the difference in payment as a percentage of men's salary	% pay gap	30.7	4.4	23.8
Ratio of CEO's total annual compensation to median total annual compensation of all employees (excluding the CEO): CEO salary/Median salary excl. CEO	Ratio	4.6	2.7	7.0
Average hours of training per person that the organization's employees have undertaken during the reporting period - total	Hours	58.5	49	40

⁹ During 2022, Aker Horizons introduced four gender options in its systems and reporting; male, female, other* (*gender specified by the employees themselves) and not disclosed. No other genders than male and female were reported in 2023, and are therefore not included in the table.



People	Unit	Aker Horizons	Aker Carbon Capture	Mainstream Renewable Power
Employee participation in employment satisfaction survey (% of total)	%	Not available	80	Not available
Employee satisfaction level (%) (based on survey)	%	Not available	Not measured in %	NA
Health and Safety				
Fatalities among own employees - absolute	# incidents	0	0	0
Fatalities among own employees - rate per million hours worked	Rate	0	0	0
Fatalities among contractors - absolute	# incidents	0	0	0
Fatalities among contractors and hired-ins - rate per million hours worked	Rate	0	0	0
Lost time injuries (LTI/LTIF) among own employees - absolute	# incidents	0	0	0
Lost time injuries (LTI/LTIF) among own employees - rate per million hours worked	Rate (LTIF)	0	0	0
Lost time injuries (LTI/LTIF) among contractors - absolute	# incidents	0	0	5
Lost time injuries (LTI/LTIF) among contractors - rate per million hours worked	Rate (LTIF)	0	0	7.57
Medical treatment cases (MTC/MTCF) among own employees - absolute	# incidents	0	0	0
Medical treatment cases (MTC/MTCF) among own employees - rate per million hours worked	Rate (MTCF)	0	0	0
Medical treatment cases (MTC/MTCF) among contractors - absolute	# incidents	0	0	2
Medical treatment cases (MTC/MTCF) among contractors - rate per million hours worked	Rate (MTCF)	0	0	3.03
Recordable work-related injuries (TRI/TRIF) among own employees - absolute	# incidents	0	0	0
Recordable work-related injuries (TRI/TRIF) among own employees - rate per million hours worked	Rate (TRIF)	0	0	0
Recordable work-related injuries (TRI/TRIF) among contractors - absolute	# incidents	0	0	7
Recordable work-related injuries (TRI/TRIF) among contractors - rate per million hours worked	Rate (TRIF)	0	0	10.59
Sickness absence (%)	% sick leave	1.90	2.25	2.01
Human rights				
Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Y/N	N	N	N/A
Processes and compliance mechanisms to monitor compliance with UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (Yes/No).	Y/N	Y	Y	Y
Total percentage of employees who have received human rights training and/or training on the organization's human rights policies and procedures	%	61	62	83



Prosperity	Unit	Aker Horizons	Aker Carbon Capture	Mainstream Renewable Power
Economic contribution				
Direct economic value generated and distributed (EVGandD) – on an accrual basis, covering the basic components for the organization's global operations - Employee wages and benefits	NOK million	208.3	216.8	803.9
Total costs related to research and development	NOK million	0.2	139.1	12.2
The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes and other taxes that constitute costs to the company	NOK million	104.7	81.3	130.7
Job creation				
Jobs created (difference between permanent own employees last year and current year)	# employees (HC)	-43	9	-277
Leavers (everyone who has left the organization during the year)	# employees (HC)	26	10	260
Turnover (percent - leavers divided by number employees at the end of the year)	%	51	8	59



Governance	Unit	Aker Horizons	Aker Carbon Capture	Mainstream Renewable Power
Ethical conduct, integrity and anti-corruption training				
Total percentage of governance body members who have received training on the organization's ethical conduct, integrity and anti-corruption policies and procedures	%	0	100	67
Total percentage of employees who have received training on the organization's ethical conduct, integrity and anti-corruption policies and procedures	%	95	100	83
Total percentage of business partners who have received training on the organization's ethical conduct, integrity and anti-corruption policies and procedures	%	0.0036	0	N/A
Compliance with laws and regulations				
# of legal proceedings associated with corruption, fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, other economic crime, malpractice or violations of other related industry laws or regulations that ended with a penalty	# proceedings	0	0	0
Board composition				
Total amount of board members.	# board members	4	7	6
Female (or other gender minority) board members - number	# female directors	2	4	2
Female (or other gender minority) board members - percent	% female directors	50%	57%	33%
Board members with executive positions in the company - number.	# directors with exec. positions	0	0	0
Independent board members - number	# independent directors	2	5	0
Employee elected board members - number	# stakeholder directors	0	1	0
Board members aged below 50 - number	# directors 30-50	0	2	3
Board members aged over 50 - number	# directors over 50	4	5	3
Board meetings				
Number of board meetings held	# meetings	10	8	22
Directors average meeting attendance (%)	%	94	94	98
Other				
Is a system in place for monitoring stakeholder engagement?	Y/N	Y	N	Y
Is there a grievance mechanism in place and available to external stakeholders?	Y/N	Y	Y	Y
Has board oversight of the compliance program been implemented, with regular reporting to the Board or a designated board committee?	Y/N	Y	Y	Y
Has a program been implemented to manage third party integrity risks, which sets requirements to IDD, audits and monitoring?	Y/N	Y	Y	Y



GRI Content Index

Statement of use	Aker Horizons has reported the information cited in this GRI content index for the period of 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1: Foundation	GRI1: Foundation 2021

DISCLOSURE	LOCATION	PAGE
Organizational profile		
GRI 2: General Disclosures 2021		
The organization and its reporting practices		
2-1 Organizational details	Introduction - Annual Report	2
	Aker Horizons in brief	3
	Introduction – Board of Director's Report	12
	Company portfolio - Board of Directors' Report	15-18
	General information – Notes	86
2-2 Entities included in the organization's sustainability reporting	Our Portfolio Companies – Aker Horizons in brief	5-9
	Company portfolio – Board of Directors' Report	15-18
	Aker Horizons and the Portfolio's Sustainability Summary	72-75
	Report Boundaries – Transparent Reporting	160-161
2-3 Reporting period, frequency and contact point	Transparent Reporting	160-161
2-4 Restatements of information	Report Boundaries - Transparent reporting	160-161
Activities and workers		
2-6 Activities, value chain and other business relationships	Aker Horizons in Brief	3
	Board of Directors' Report	12-24
	Company Portfolio - Board of Directors Report	15-18
2-7 Employees	People – Board of Directors' Report	21-22
	People summary	47-49
	Full ESG Performance Metrics – Appendix	173-178
2-8 Workers who are not employees	People – Board of Directors' Report	21-22
	People summary	47-49
	Full ESG Performance Metrics – Appendix	173-178
Governance		
2-9 Governance structure and composition	Management model, corporate governance, control, and compliance – Board of Directors' Report	20
	Board of Directors	25
	People summary - Respect for People	47-61
	Aker Horizons and the Portfolio's Sustainability Summary	72-75
	SFDR Principal Adverse Impact Indicators	76
	Corporate Governance Report	143-147
	Full ESG Performance Metrics – Appendix	173-178
2-10 Nomination and selection of the highest governance body	Corporate Governance Report	143-147
	Board of Directors	25
2-11 Chair of the highest governance body	Management model, corporate governance, control and compliance – Board of Directors' Report	20
	Board of Directors	25
	Meeting chair, voting, etc. – Corporate Governance Report	144-145



2-12 Role of the highest governance body in overseeing the management of impacts	Management model, corporate governance, control, and compliance – Board of Director's Report	20
	Board of Directors' activities – Board of Directors' Report	20
	Materiality process and approach	32-34
	Climate change	37-40
	Energy	41-42
	Biodiversity	43-44
	Circular economy	45-46
	Human and labor rights	50-55
	Health, safety and well-being	56-57
	Diversity, equality and inclusion	58-59
	Talent attraction and development	60-61
	Local communities	63-64
	Responsible business conduct	66-69
	Risk management and internal control – Corporate Governance Report	145-146
	TCFD Assessment – Appendix	187-192
2-13 Delegation of responsibility for managing impacts	Human and labor rights - Respect for People	50-55
	Responsible business conduct – Good Governance	66-69
	The work of the Board of Directors – Corporate Governance Report	145
2-14 Role of the highest governance body in sustainability reporting	Responsible business conduct - Good Governance	66-69
	Declaration by the Board of Directors and CEO - Board of Directors Report	137
2-15 Conflicts of interest	Conflict of interest – Good Governance	66-69
2-16 Communication of critical concerns	Reporting concerns – Good governance	67-68
	The work of the Board of Directors - Corporate Governance Report	145
2-17 Collective knowledge of the highest governance body	Board of Directors	25
	Aker Horizons and the Portfolio's Sustainability Summary	72-75
	Full ESG Performance Metrics – Appendix	173-178
2-18 Evaluation of the performance of the highest governance body	Board of Directors' activities – Board of Directors' Report	20
2-19 Remuneration policies	Board Remuneration – Corporate Governance Report	152
	Remuneration Report 2023	148-152
2-20 Process to determine remuneration	Board Remuneration – Corporate Governance Report	152
	Remuneration Report 2023	148-152
2-21 Annual total compensation ratio	Full ESG Performance Metrics – Appendix	173-178
Strategy, policies and practices		
2-22 Statement on sustainable development strategy	Aker Horizons' Approach to Sustainability	26-34
	External commitments	31
2-23 Policy commitments	Aker Horizons' Sustainability Policy	27
	Responsible business conduct - Good Governance	66-69
	Aker Horizons' sustainable library	
2-24 Embedding policy commitments	Aker Horizons' Strategy for Achieving Sustainability Impact	28-29
	Human and labor rights - Respect for People	50-55
	Diversity, equality and inclusion – Respect for People	58-59
	Responsible business conduct - Good Governance	66-69
	Aker Horizons and the Portfolio's Sustainability Summary	72-75



2-25 Processes to remediate negative impacts	Human and labor rights Responsible Business Conduct Local Communities	50-55 66-69 63-64
2-26 Mechanisms for seeking advice and raising concerns	People - Board of Directors' Report Reporting concerns – Good Governance Responsible Business Conduct	21-22 67-68 66-69
2-27 Compliance with laws and regulations	Human and labor rights – Respect for People Responsible business conduct Full ESG Performance Metrics – Appendix	50-55 66-69 173-178
2-28 Membership associations	External commitments Aker Horizons and the Portfolio's Sustainability Summary	31 72-75
Stakeholder engagement		
2-29 Approach to stakeholder engagement	Materiality Assessment Public Policy Engagement Stakeholder Engagement - Appendix TCFD-assessment - Appendix	32-34 70-71 185-186 187-192
2-30 Collective bargaining agreements	Human and labor rights – Respect for People	50-55
Material topics 2023		
GRI 3: Material Topic 2021		
3-1 Process to determine material topics	Materiality Assessment Stakeholder Engagement - Appendix	32-34 185-186
3-2 List of material topics	Aker Horizons' Material Topics	34
GRI 201: Economic Performance 2016		
3-3 Management of material topics	Board of Directors' Report	18-20
201-1 Direct economic value generated and distributed	Income Statement – Financials and Notes 3 Operating segments – Financials and Notes 4 Revenue – Financials and Notes 5 Employee benefits – Financials and Notes 6 Other operating expenses – Financials and Notes 8 Tax – Financials and Notes Full ESG Performance Metrics – Appendix	80 80-93 94 96 97 98-100 173-178
201-2 Financial implications and other risks and opportunities due to climate change	26 Climate risk - Financials and Notes TCFD Assessment – Appendix	120 187-192
201-4 Financial assistance received from government	11 Intangible assets and goodwill - Financials and Notes	102
GRI 203: Indirect Economic Impacts 2016		
3-3 Management of material topics	Prosperity for All	62-64
203-1 Infrastructure investments and services supported	Local communities - Prosperity for All	63-64
203-2 Significant indirect economic impacts	Local communities - Prosperity for All	63-64
GRI 205: Anti-corruption 2016		



3-3 Management of material topics	Management model, corporate governance, control, and compliance – Board of Directors' Report Aker Horizons' Sustainability Policy - Aker Horizons' Approach to Sustainability External Commitments and Initiatives Responsible business conduct - Good Governance Risk management and internal control in financial reporting – Corporate Governance Report	20 26-34 31 66-69 146
205-1 Operations assessed for risks related to corruption	Responsible business conduct - Good Governance	66-69
205-2 Communication and training about anti-corruption policies and procedures	Responsible business conduct - Good Governance Full ESG Performance Metrics – Appendix Aker Horizons and the Portfolio's Sustainability Summary	67 173-178 72-75
205-3 Confirmed incidents of corruption and actions taken	Responsible business conduct - Good Governance Full ESG Performance Metrics – Appendix	69 173-178
206: Anti-competitive Behavior 2016		
3-3 Management of material topics	Responsible business conduct - Good Governance	69
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Responsible business conduct - Good Governance Full ESG Performance Metrics – Appendix	69 173-178
GRI 302: Energy 2016		
3-3 Management of material topics	Energy – Planet-Positive Impact	41-42
302-1 Energy consumption within the organization	Energy – Planet-Positive Impact	41-42
302-3 Energy intensity	Principal Adverse Impact Indicators - Aker Horizons and the Portfolio's Sustainability Summary SFDR Principal Adverse Impact Indicators – Sustainability Accounting Principles and Methodology	76 169-170
GRI 304: Biodiversity 2016		
3-3 Management of material topics	Biodiversity – Planet-Positive Impact	43-44
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Aker Horizons' and the Portfolio's Sustainability Summary Principal Adverse Impact Indicators - Aker Horizons and the Portfolio's Sustainability Summary SFDR Principal Adverse Impact Indicators – Sustainability Accounting Principles and Methodology Full ESG Performance Metrics – Appendix	72-75 76 169-170 173-178
304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity – Planet-Positive Impact Full ESG Performance Metrics – Appendix Principal Adverse Impact Indicators - Aker Horizons and the Portfolio's Sustainability Summary SFDR Principal Adverse Impact Indicators – Sustainability Accounting Principles and Methodology	43-44 173-178 76 169-170
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Full ESG Performance Metrics – Appendix	173-178
GRI 305: Emissions 2016		
3-3 Management of material topics	Climate Change – Planet-Positive Impact	37-40
305-1 Direct (Scope 1) GHG emissions	Climate Change – Planet-Positive Impact Aker Horizons' and the Portfolio's Sustainability Summary Greenhouse Gas Emissions calculations - Sustainability Accounting Principles and Methodology Full ESG Performance Metrics – Appendix	37-40 72-75 162-164 173-178
305-2 Energy indirect (Scope 2) GHG emissions	Climate Change – Planet-Positive Impact Aker Horizons' and the Portfolio's Sustainability Summary Greenhouse Gas Emissions calculations - Sustainability Accounting Principles and Methodology Full ESG Performance Metrics – Appendix	37-40 72-75 162-164 173-178
305-3 Other indirect (Scope 3) GHG emissions	Climate Change – Planet-Positive Impact Aker Horizons' and the Portfolio's Sustainability Summary Greenhouse Gas Emissions calculations - Sustainability Accounting Principles and Methodology Full ESG Performance Metrics – Appendix	37-40 72-75 162-164 173-178



305-4 GHG emissions intensity	Principal Adverse Impact Indicators - Aker Horizons and the Portfolio's Sustainability Summary SFDR Principal Adverse Impact Indicators – Sustainability Accounting Principles and Methodology	76 169-170
GRI 306: Waste 2020		
3-3 Management of material topics	Circular economy – Planet-Positive Impact	45-46
306-1 Waste generation and significant waste-related impacts	Circular economy – Planet-Positive Impact	45-46
306-2 Management of significant waste-related impacts	Circular economy – Planet-Positive Impact	45-46
306-3 Waste generated	Circular economy – Planet-Positive Impact Principal Adverse Impact Indicators – Aker Horizons' and the Portfolio's Sustainability Summary Transparent reporting	45-46 76 169-170
306-4 Waste diverted from disposal	Circular economy – Planet-Positive Impact Full ESG Performance Metrics – Appendix	45-46 173-178
306-5 Waste directed to disposal	Circular economy – Planet-Positive Impact Full ESG Performance Metrics – Appendix	45-46 169-170
GRI 308: Supplier Environmental Assessment 2016		
3-3 Management of material topics	Human and labor rights - Responsible supply chain management Aker Horizons and the Portfolio's Sustainability Summary	68 72-75
308-1 New suppliers that were screened using environmental criteria	Human and labor rights - Responsible supply chain management	68
GRI 401: Employment 2016		
3-3 Management of material topics	People – Board of Directors' Report	21-22
401-1 New employee hires and employee turnover	People – Board of Directors' Report People summary Full ESG Performance Metrics – Appendix	21-22 49 173-178
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Health, Safety and Well-being - Respect for People	56-57
401-3 Parental leave	Diversity, equality and inclusion - Respect for People	58-59
GRI 402: Labor/Management Relations 2016		
GRI 403: Occupational Health and Safety 2018		
3-3 Management of material topics	Health, Safety, Security and Environment – Board of Directors' Report Health, safety and well-being – Respect for People Responsible Business Conduct	22 56-57 69
403-1 Occupational health and safety management system	Responsible Business Conduct	69
403-2 Hazard identification, risk assessment, and incident investigation	Health, safety and well-being – Respect for People Health, Safety, Security and Environment – Board of Directors' Report Responsible Business Conduct	56-57 22 69
403-4 Worker participation, consultation, and communication on occupational health and safety	Health, Safety, Security and Environment – Board of Directors' Report Health, safety and well-being – Respect for People	22 56-57
403-6 Promotion of worker health	Health, safety and well-being – Respect for People	56-57
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health, Safety, Security and Environment – Board of Directors' Report Responsible Business Conduct	22 69
403-9 Work-related injuries	Health, Safety, Security and Environment – Board of Directors' Report Health, Safety and well-being - Respect to People Full ESG Performance Metrics – Appendix	22 56-57 173-178
GRI 404: Training and Education 2016		



3-3 Management of material topics	Talent attraction and development - Respect for People Local communities - Prosperity for All	60-61 63-64
404-1 Average hours of training per year per employee	People summary Aker Horizons and the Portfolio's Sustainability Summary Full ESG Performance Metrics – Appendix	48-49 72-75 173-178
404-2 Programs for upgrading employee skills and transition assistance programs	Talent attraction and development - Respect for People	60-61
404-3 Percentage of employees receiving regular performance and career development reviews	Talent attraction and development - Respect for People	60-61
GRI 405: Diversity and Equal Opportunity 2016		
3-3 Management of material topics	Diversity, equality and inclusion – Respect for People Equality, diversity and inclusion – Corporate Governance Report	58-59 147
405-1 Diversity of governance bodies and employees	People summary Diversity, equality and inclusion – Respect for People Aker Horizons and the Portfolio's Sustainability Summary Full ESG Performance Metrics – Appendix	48-49 58-59 72-75 173-178
405-2 Ratio of basic salary and remuneration of women to men	People summary Aker Horizons and the Portfolio's Sustainability Summary Full ESG Performance Metrics – Appendix	48-49 72-75 173-178
GRI 408: Child Labor 2016		
3-3 Management of material topics	Human and labor rights – Respect for People	50-55
408-1 Operations and suppliers at significant risk for incidents of child labor	Human and labor rights – Respect for People	50-55
GRI 409: Forced or Compulsory Labor 2016		
3-3 Management of material topics	Human and labor rights – Respect for People	50-55
significant risk for incidents of forced or compulsory	Human and labor rights – Respect for People	50-55
GRI 411: Rights of Indigenous Peoples 2016		
3-3 Management of material topics	Human and labor rights – Respect for People	50-55
411-1 Incidents of violations involving rights of indigenous peoples	Human and labor rights – Respect for People	50-55
GRI 413: Local Communities 2016		
3-3 Management of material topics	Local communities – Prosperity for All Human and labor rights – Respect for People	63-64 50-55
413-1 Operations with local community engagement, impact assessments, and development programs	Local communities – Prosperity for All Human and labor rights – Respect for People	63-64 50-55
GRI 414: Supplier Social Assessment 2016		
3-3 Management of material topics	Human and labor rights – Respect for People Health, Safety, Security and Environment – Board of Directors' Report	50-55 22
414-2 Negative social impacts in the supply chain and actions taken	Human and labor rights – Respect for People Aker Horizons and the Portfolio's Sustainability Summary	50-55 72-75
GRI 415: Public Policy 2016		
3-3 Management of material topics	Public policy engagement - Good Governance	70
415-1 Political contributions	Public policy engagement - Good Governance	70



Stakeholder Engagement

During 2023, Aker Horizons engaged in ongoing dialogues with a broad spectrum of relevant stakeholders. The table below presents an overview of the various stakeholder groups, the type of engagement and the prioritized topics for the stakeholder groups, which are largely unchanged from 2022. The overview shows only Aker Horizons' own stakeholder engagement. For information on Mainstream Renewable Power and Aker Carbon Capture's stakeholder engagements, please see the companies' respective sustainability reports.

Stakeholder group	Why Aker Horizons engages	How Aker Horizons engages	Stakeholders' key ESG priorities in 2023
Investors/owners	- Provide accurate, comprehensive and timely information about the company - Contribute to the formation of a good basis for financial market participants to make decisions related to the valuation and trade of Aker Horizons' share	- Annual General Meeting - Board meetings - Press releases, analyst calls, conferences, investor roadshows and meetings - Quarterly presentations - Investor relations and ad hoc engagement meetings	- Mitigating climate change through the scaling of green solutions - ESG challenges in the supply chains of green companies, especially raw materials - Land use challenges and biodiversity impacts - Responsible business conduct - Good governance, including ensuring that all members of the Board of Directors are well-versed and competent in sustainability matters, and have experience in addressing the interests of broader stakeholder groups - Sound materiality assessment to identify topics of financial and impact materiality - Transparent reporting, which presents both challenges and opportunities - General concerns around external factors that may slow the deployment of renewables, CCS, clean hydrogen and green ammonia
Partners	Build partnerships to accelerate the development of functioning commercial models and value chains, e.g. with suppliers, customers, co-owners, JV partners and technology providers	- Direct interaction with actual and potential partners through meetings, negotiations - Engagement with potential partners in industries at conferences, panel debates, etc. - Dialogue with partners on requirements to, and assessment of, suppliers	- Reaching own sustainability ambitions within decarbonization, contributing to the expansion of green solutions - Industrial credentials important in the selection of partners - Governance high on the agenda for co-owners/JV partners - Transparent and responsible business conduct - Demonstrated track record on health and safety - Human rights performance - Safety in design and execution
Governments	- Share knowledge, showcase available technology solutions to reduce emissions and enable the energy transition - Contribute to accelerating the formulation and implementation of effective policy responses to climate change and energy security concerns - Communicate the need for efficient support schemes for solutions that are dependent on government support during an introductory phase	- Direct dialogue with key stakeholders, both nationally and locally - Contribution to public hearings - Media engagement and participation at conferences - Company reporting, in line with emerging national and international regulations on sustainability performance and governance reporting - Indirect engagement through industry associations, participation at conferences and seminars, etc. For further information, see the section on Public policy engagement.	- Developing policies that speed up the deployment of solutions needed for the green transition - Considering international markets and policy developments when designing national policies and support schemes - Strengthening sustainability-related reporting, including standardization; currently particularly focused on greenhouse gas emissions, climate risk, human rights, diversity; emerging focus on biodiversity



Suppliers	- Develop an understanding of the value chains required for new climate technologies and industries - Map capabilities, capacities, risks and offerings and how they fit with Aker Horizons' needs when developing new assets - Engage with key suppliers early in the process, aligning strategic priorities - Follow up to ensure compliance with Aker Horizons' standards and expectations to suppliers	- Regular direct dialogue, tender processes and contract awards - Top management engagement to understand strategies and priorities - Site visits - Use of third party supplier assessments	- Strategic positioning for suppliers in the green transition - contributing to reaching Net Zero, increasing their proportion of revenue coming from "green projects" - Early-stage dialogue means that more concrete ESG topics are expected to be raised in the future - Demonstrated track record on health and safety - Human rights performance - Safety in design and execution
Employees	- Attract, retain and develop the right in-house talent - Establish and maintain a reputation as a responsible employer that wishes to develop and maintain a safe and healthy work environment, and promote equal opportunities	- Regular job appraisals - Engagement with safety delegates - Internal communication channels - Staff meetings and offsite gatherings	- Assurance of contributing to Aker Horizons' mission of reducing greenhouse gas emissions and promoting sustainable living, while creating value over time - Flexible working hours and work-life balance - Personal development and knowledge building
Local communities	- Build mutual trust as a foundation for developing projects - Understand needs and expectations to create long-term value - Obtain a social license to operate	- Regular engagement on a project-by-project basis - Meetings and calls - Conferences - Media engagement and public relations activities For further information, see the section on Local communities.	- Job creation - Local value creation - Retaining and attracting more people to work and live in communities - Support for local initiatives, e.g. culture and welfare
NGOs, civil society, industry Groups	- Build support and social acceptance for Aker Horizons' projects and activities - Coordinate policy input with other industry and civil society actors	- Participation at conferences and seminars - Participation in industry associations - Direct engagement on topics of common interest For further information, see the section on Public policy engagement.	- Mitigating climate change through the scaling of green solutions - Building broader coalitions for climate action - Green industry development - Concern for biodiversity and the social impact of green industry
Banks	Ensure a good understanding of which ESG factors and requirements are considered in decision-making processes	Meetings and ongoing communication	- Mitigating climate change through the expansion of green solutions - Land use and biodiversity - Raw materials sourcing - Governance, including anti-corruption - Transparency
Media	- Exercise thought leadership on topics associated with the green transition - Raise awareness, understanding and support for Aker Horizons' technology solutions and projects - Reach broader groups of stakeholders - including but not limited to shareholders, national and local authorities, lenders and commercial partners, NGOs	- Interviews - Op-eds - Conference attendance - Quarterly presentations - Press releases - Social media	- Aker Horizons' industrial plans for specific regions and local community development - Interaction with progress on specific projects



TCFD Assessment

Governance		
1	Describe the board's oversight of climate-related risks and opportunities.	Aker Horizons has active board oversight of climate-related risks and opportunities, and climate risk is part of the Board of Directors' Audit Committee's mandate. The Audit Committee is specially qualified with respect to sustainability credentials, in addition to financial, risk and audit expertise. The mandate requires management to, once a year, present the climate-related financial analysis, the sustainability and climate risk materiality and stakeholder analysis and mitigating actions to the Audit Committee for review. Further, the Audit Committee is mandated to review both financial and ESG reporting, and oversee systems for the management of risk. To ensure a unified Enterprise Risk Management (ERM) process, Aker Horizons has developed, across the portfolio companies, a process for risk assessment that includes climate-related risks (further details in Disclosure 6). The results of enterprise risk assessments are presented quarterly to, and considered by, the Audit Committee. Climate-related risks and opportunities are an integral aspect of evaluating potential new investments for the Company's portfolio and the Board considers whether they are within Aker Horizons' planet-positive mandate. The Board of Directors has approved the Sustainability Policy that governs environmental aspects of Aker Horizons own performance, investment decisions, as well as Aker Horizons' role as an owner of all portfolio companies. Climate risk is an integral part of this policy. The Board of Directors also approves the Annual and Sustainability Report, including the TCFD disclosures (as described in the Board of Director's Report). The Board is involved in establishing management incentive schemes through the Remuneration Committee. Aker Horizons' incentives provided for management are inherently intertwined with climate-related issues, as the Company is solely focused on successfully expanding renewable energy and the decarbonization of industry across technologies and markets. The risk assessment and oversight process are further described in the annual Corporate Governance Report.
2	Describe management's role in assessing and managing climate-related risks and opportunities.	Aker Horizons' management performs quarterly enterprise risk assessments of the Company and across the portfolio. Climate-related risks and opportunities are integrated in the regular risk review of the portfolio, which is presented to the Aker Horizons' CEO and CFO. Contributors to the quarterly risk review include key functions within Sustainability, Compliance, Investments, Legal, Treasury and Finance. Aker Horizons' management assesses on a quarterly basis the likelihood of the occurrence and impact on the Company of risks identified as part of the ERM process, and will, where applicable, respond by conducting a detailed risk mitigation assessment to determine the most effective strategy to reduce the impact of the climate-related risk.



Strategy

3	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Summary and backdrop for the 2023 climate risk assessment Overall, climate-related financial risk for Aker Horizons is considered to be low. At an overarching level, the main transition risk faced is that the development towards a Net Zero world will be too slow or with insufficient magnitude because this is the very foundation of Aker Horizons' business and strategy. In 2023, Aker Horizons continued to use the International Energy Agency's Net Zero Emissions (NZE) scenario as a benchmark for assessing transition risk. Comparing this scenario with scenarios based on current policy settings gives a picture of how much is missing due to lack of policy implementation. 2023 saw an increase in policy announcements and implementation. This follows on a positive trend the last few years. The Global Stocktake, a key topic at COP 28, concluded that policies are starting to have an effect and that emissions growth trajectories are now lower than business-as-usual scenarios before the Paris Agreement. Nevertheless, much additional progress is still required to stay on track with the NZE Scenario, which is consistent with meeting the Paris Agreement temperature goal. In terms of physical risk, there will be risk associated with physical assets prone to the effects of extreme weather or chronic climate change, which must be managed. Below, a more detailed account of Aker Horizons' climate-related risks and opportunities is presented. Policy While there were positive developments on the policy front in 2023, market risk increased due to inflationary pressure, increased interest rates and geopolitical unrest. In many market segments, it means that even stronger incentives and regulatory measures are needed to speed up deployment of new energy solutions. Hence there is a risk that policy actions by governments will not be sufficient or implemented too slowly. This is a particular risk for projects that depend on government support during an introductory phase. Getting markets moving for such projects is crucial for driving down costs and making new technologies and value chains commercially viable. Aker Horizons has experienced transitional risk related to market design in Chile, where market design and transmission system remain dislocated, with operators exposed to an unfavorable differential in price between injection and withdrawal. For further information, see Financials and Notes, Note 25 Climate risk. Furthermore, policy push is not uniform across all world regions, which constitutes a risk for individual actors. This is particularly the case for producers of globally tradable commodities, such as ammonia or steel. Energy cost is a major differentiator in the competitiveness of countries' energy-intensive industry sectors – and contributes to very different starting points for energy and climate policies. All else equal, regions with high energy prices will have a stronger incentive for investments in energy supply while investment in processes that require energy input such as production of hydrogen and green steel, will be require more policy support than in regions with lower prices. With shifting energy markets, and great variation in the ambition and concreteness of climate and industrial policy, there is a risk for individual industry actors associated with tying up capital or production capacity in locations that may eventually have higher costs or less favorable support schemes. For further information on the risks and opportunities of public policy, and Aker Horizons' work in this area, see the section on Public Policy Engagement.
---	--	---



3	Cont.	Market Businesses involved in the development of green energy and green industry experience significant demand for renewable energy and decarbonization solutions across multiple industries, but are reliant on a well-functioning market for their input factors as well as for their solutions. Also, policies rely on a set of assumptions on how they translate into the real economy. Over the past year, there has been a sharp increase in market risks that affect these assumptions, including inflation, supply chain disruptions and interest rate hikes. For renewables to grow at a pace needed to both secure supply security and at the same time displace hydrocarbon-based energy production and consumption, project returns need to be at a level that incentivizes corporates to invest. During the past 12 to 18 months, the renewables industry has experienced a significant deterioration in project returns following an unprecedented increase in funding cost and input cost, such as PV panels and turbines, which has led to a slowdown in the growth in investment decisions. An increase in the levelized cost of energy for renewables projects, like that observed over the last 18 months, will result in less investments unless there is a change in power and/or PPA prices that rebalances the return profile to a level that incentivizes corporates to invest. Simultaneously, supply chain issues that have resulted in delayed construction of renewables assets have further exposed risk related to fulfillment of commitments under long term off-take agreements. Another market risk is the fact that supporting physical infrastructure for green technologies is not fully in place, e.g. grid infrastructure, pipelines, storage, batteries, etc. Finally, for the green shift to succeed, customers' behavior must also change. However, their ability to shift to new technologies (i.e., hydrogen, ammonia, carbon capture) is yet to be proven in many industries. Technology From a technology perspective there is a risk of under- or over-investing due to immature technologies and rapid technological development. In terms of opportunities, increased demand is expected for the technologies Aker Horizons is invested in if the companies succeed in investing in and scaling attractive technologies and solutions compared to peers. Reputation From a reputational perspective, there is a risk of being identified with (or not being distinguished from) the oil and gas related operations of the wider Aker group. At a general industry level, there has been negative attention linked to adverse impacts from renewable energy production and its supply chain, as well as conflicts with local communities. However, being a green investment company (providing amongst other solutions for CO₂ emission reduction) is generally deemed to have a significant positive impact on reputation, including recruitment. Further, engagement with and the involvement of local communities in the vicinity of renewables projects represents an opportunity to identify potential areas of conflict early, reduce adverse impacts, and thus also reduce reputation risk. Taking steps to build a reputation as a responsible investor/developer, also from a climate risk perspective, represents a significant opportunity for Aker Horizons and the portfolio companies. Legal Legal risk, understood as lawsuits, litigation, etc., associated with climate risk, is not considered a high risk for Aker Horizons, given the company's sole engagement in solutions aiming to accelerate decarbonization of energy and industrial activities. Physical Physical risks, both acute and chronic, related to both extreme weather events as well as rising sea levels, are relatively low for Aker Horizons directly but exist for several of the portfolio companies. Climate change-induced natural perils, such as extreme windstorms, earthquakes, floods of any type including storm surges, and hail and lightning storms, are potentially significant external hazards which represent risks to both safety (of staff, contractors and neighbors), as well as property damage, which can furthermore cause costly delays to construction or interruption to power generation and revenue, or changes to estimated production output. Therefore, Aker Horizons' portfolio companies increasingly take strategic actions to ensure the robustness and resilience of their assets to mitigate physical risk and drive down the total cost of risk to the business. In 2023, Aker Horizon's portfolio company Mainstream Renewable Power implemented a climate risk assessment tool for its portfolio which considers both physical and transitional climate risks for each asset based on geospatial data. Based on this assessment, the physical climate risk of Mainstream's portfolio is considered to be low. For further information, see Financials and Notes, Note 26.
---	-------	--



4	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Aker Horizons' overall business and strategy is founded on a commitment to create a planet-positive impact by developing green energy and green industry. This is rooted in a motivation for climate action and a drive to accelerate the transition to Net Zero. As a result, Aker Horizons' strategy is inherently shaped as a response to climate-related risks and opportunities. Aker Horizons' investments are currently placed within growth areas such as CCS, onshore and offshore wind power, solar power, and hydrogen and its derivatives. To realize projects and opportunities, Aker Horizons aims to create robust business entities and establish good models for partnerships and alliances. Aker Horizons aims to foster the expansion of solutions within renewables and decarbonization of industry, through mergers and acquisitions as well as organic growth and project development. Aker Horizons has developed measures to support portfolio companies in their own processes for strategy development, risk management and financial planning, and in targeting new investments to further develop the portfolio. A key priority for Aker Horizons is to continuously assess policy developments and policy instruments (subsidies, carbon quotas/regimes, licenses) as factors in strategic decision-making and financial planning. Aker Horizons actively monitors climate-related policies, regulations, technology, commercial and market developments which feed into the company's strategy, investment decisions and project development activities. Climate risk also impacts on Aker Horizons' financial planning, as exemplified through Aker Horizons' issuing of its first Green Bond in February 2021 under Aker Horizons' and Aker ASA's Green Finance Framework.
5	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Aker Horizons' overall business and strategy is founded on a commitment to create a planet-positive impact by developing green energy and green industry. This is rooted in a motivation for climate action and a drive to accelerate the transition to Net Zero, and involves investing in companies that contribute to solving the climate crisis by accelerating decarbonization and providing the solutions needed in a 1.5°C scenario. In other words, the commercial opportunities are created by climate action. Aker Horizons' investments are currently placed within growth areas such as CCS, onshore and offshore wind power, solar power, and hydrogen and its derivatives, which are all poised to benefit from increased climate action. Aker Horizons uses the International Energy Agency's (IEA) Net Zero Emissions (NZE) 2050 as its main guiding global scenario for identifying and assessing opportunities. As described under Disclosure 3, Aker Horizons uses the IEA's NZE scenario as a benchmark for transition risk, and monitors how progress towards Net Zero has been impacted by events over the past year, and how this affects Aker Horizons. Following a positive trend over the last few years, 2023 saw an increase in policy announcements and implementation. Moreover, Aker Horizons continuously analyzes scenarios based on a variety of market assumptions, such as power prices, commodity and CO₂ prices. This is used to evaluate the commercial viability and resilience of projects and potential investments, as well as pathways to net zero.

**Risk management**

6	Describe the organization's processes for identifying and assessing climate-related risks.	Aker Horizons assesses its own and its portfolio companies' exposure to climate-related risks and opportunities. In 2022 the Company conducted a Double Materiality assessment according to the CSRD framework, which incorporated input from a wide variety of internal functions, including Sustainability, Communications and External Relations, Risk, Finance, Investor Relations, People and Organization, Investments, and Insights and Market Analysis. The outcome of the analysis was validated internally by the Risk and Sustainability functions and approved by the CFO and CEO as well as submitted to the Audit Committee. This assessment of risks and opportunities for Aker Horizons was reviewed and updated for validity in 2023, and will form the basis for the Company's climate reporting disclosures in 2024. Aker Horizons assesses portfolio and enterprise-level risk and opportunity exposure qualitatively across various topics on a quarterly basis through the ERM process, and climate risk in-depth qualitatively and very high-level quantitatively on an annual basis. As part of the ERM process, Aker Horizons requests portfolio companies to provide an assessment of the risks most critical to their business within four broad enterprise-level risk categories. Climate risk is found to touch upon two of the main categories: Strategic and market risk (Transition risk), and Project and operational risk (Physical risk). The results of the risk assessment for both Aker Horizons and the portfolio are aggregated and then presented to, and considered by, the Audit Committee. Aker Horizons expects its portfolio companies to identify and manage both physical as well as transitional climate-related risks as part of their core business procedures. Aker Horizons encourages all portfolio companies to report their climate-related risks and opportunities according to TCFD, and in alignment with the requirements of the EU Taxonomy.
7	Describe the organization's processes for managing climate-related risks.	The quarterly risk review described in Disclosure 6 involves reviewing: • Changes in estimated impact or probability of previously identified risks • Newly identified risks, including an estimate of impact and probability, and proposed mitigating actions • Progress of mitigating actions taken, how they have affected the risk assessment and, where applicable, additional mitigating actions Thus, the ERM process is used to evaluate strategies to mitigate risk at the management and Board level, including climate-risks to the extent they are considered critical enough to be included in the short-list. In addition to Aker Horizons' procedures for risk management, the portfolio companies have individual processes for managing climate-related risks. Management of project and operational risk, including physical climate-related risk affecting projects and operations, lies primarily with the portfolio companies. Nevertheless, Aker Horizons monitors and follows up risk through regular dialogue with the managements of the portfolio companies and through participation on their boards.
8	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	The climate-related risk assessment process is integrated into the overall ERM process of Aker Horizons. At the portfolio level, the companies are reporting to Aker Horizons in a pre-agreed format, and the portfolio companies' input is integrated into an overall risk assessment for Aker Horizons. This is further described in Disclosure 6, as well as mentioned in disclosures 1, 2 and 7.



Metrics & targets

9	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Aker Horizons' overall business and strategy is founded on a commitment to create a planet-positive impact by developing green energy and green industry. Central to this ambition is the understanding of impact. Understanding how to measure such impact is therefore central to the Company. For instance, the Company considers reduced/avoided emissions, captured CO₂e and renewable energy capacity as relevant metrics to assess climate-related risks and opportunities. The green bond issued by Aker Horizons also requires the impact of such aspects to be reported on. As an active owner, Aker Horizons engages with all its portfolio companies to ensure that the GHG emissions for Scope 1, 2, and partly 3 are calculated and reported, and that the companies have set ambitions for GHG emission reduction. To monitor and track the portfolio's progress, Aker Horizons has, worked systematically to improve consistency in GHG emission reporting across the portfolio, in line with the requirements of the International GHG Protocol. This work continues in 2024 with the aim of providing audit-ready GHG accounting across the Company's portfolio by the end of the year. . For further information, see the section on Climate change. Aker Horizons also tracks energy usage and share of renewable energy, as well as other metrics related to climate performance. Additionally, Aker Horizons supports the assessment of activities in relation to the EU Taxonomy Regulation across its portfolio. It will continue working with comprehensive taxonomy screenings for a thorough and compliant reporting of taxonomy-related quantitative metrics in the future. A preliminary assessment of Aker Horizons' investments vis-à-vis the EU Taxonomy can be found in the section Taxonomy Status. Finally, Aker Horizons monitors and tracks relevant market metrics that influence the Company's business, such as power prices, commodity and CO₂ prices – as described under Disclosure 5.
10	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Aker Horizons' 2022 GHG emissions were: - Scope 1: 1,321 tonnes CO₂e - Scope 2: 3,330 tonnes CO₂e (location-based) - Scope 2: 719 tonnes CO₂e (market-based) - Scope 3: 35,950 tonnes CO₂e (location-based) - Scope 3: 35,953 tonnes CO₂e (market-based) For further details on Aker Horizons' climate impact, see the section on Climate Change. For details on the approach to calculating greenhouse gas (GHG) emissions, see the section Transparent Reporting.
11	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	As a developer of green industrial solutions, Aker Horizons and its portfolio companies must also reduce the footprint of their own operations, and cut emissions in line with the Paris Agreement. Aker Horizons has been committed to the Science Based Targets initiative (SBTi) since the start of 2022. Due to the changes to the Aker Horizons Group's carbon accounting methodology in 2022 the process of developing and submitting targets for approval has been put on hold. However, Aker Horizons remains committed to the SBTi and will continue to develop its targets and Net Zero pathways in 2024.

AKER HORIZONS

Aker Horizons ASA
Johan Strandrudsvei 10 og 12,
NO-1366 Lysaker, Norway