



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	925 355 496
Organisasjonsform:	Allmennaksjeselskap
Foretaksnavn:	AKER CARBON CAPTURE ASA
Forretningsadresse:	Oksenøyveien 8 1366 LYSAKER

Regnskapsår

Årsregnskapets periode:	08.07.2020 - 31.12.2020
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Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Camilla Gonsholt Hov
Dato for fastsettelse av årsregnskapet:	20.04.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 31.07.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Kostnader			
Annen driftskostnad	4	2 326 000	
Sum kostnader		2 326 000	
Driftsresultat		-2 326 000	
Finansinntekter og finanskostnader			
Annen finansinntekt		452 000	
Sum finansinntekter		452 000	
Netto finans		452 000	
Ordinært resultat før skattekostnad		-1 874 000	0
Skattekostnad på ordinært resultat	7	0	
Ordinært resultat etter skattekostnad		-1 874 000	0
Årsresultat		-1 874 000	0



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	5	987 030 000	
Sum finansielle anleggsmidler		987 030 000	
Sum anleggsmidler		987 030 000	0
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer		338 000	
Sum fordringer		338 000	
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		14 553 000	
Sum bankinnskudd, kontanter og lignende		14 553 000	
Sum omløpsmidler		14 891 000	0
SUM EIENDELER		1 001 921 000	0
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		566 060 000	
Overkurs		431 576 000	
Sum innskutt egenkapital	3	997 636 000	
Sum egenkapital		997 636 000	0



Balanse

Beløp i: NOK	Note	2020	2019
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Annen kortsiktig gjeld		4 285 000	
Sum kortsiktig gjeld		4 285 000	
Sum gjeld		4 285 000	0
SUM EGENKAPITAL OG GJELD		1 001 921 000	0



Konsernets resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	4	15 801 000	
Sum inntekter		15 801 000	
Kostnader			
Varekostnad		9 955 000	
Lønnskostnad	12	21 147 000	
Avskrivning på varige driftsmidler og immaterielle eiendeler	11	1 881 000	
Annen driftskostnad	5	27 400 000	
Sum kostnader		60 383 000	
Driftsresultat		-44 582 000	
Finansinntekter og finanskostnader			
Annen finansinntekt		462 000	
Sum finansinntekter		462 000	
Annen finanskostnad		341 000	
Sum finanskostnader		341 000	
Netto finans		121 000	
Ordinært resultat før skattekostnad		-44 461 000	0
Skattekostnad på ordinært resultat	6	0	
Ordinært resultat etter skattekostnad		-44 461 000	0
Årsresultat		-44 461 000	0



Konsernets balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets	9	3 792 000	
Right-of-use assets	11	13 184 000	
Sum immaterielle eiendeler		16 976 000	
Varige driftsmidler			
Maskiner og anlegg	8	2 610 000	
Sum varige driftsmidler		2 610 000	
Sum anleggsmidler		19 586 000	0
Omløpsmidler			
Varer			
Fordringer			
Andre fordringer	10	7 196 000	
Sum fordringer		7 196 000	
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		457 699 000	
Sum bankinnskudd, kontanter og lignende		457 699 000	
Sum omløpsmidler		464 895 000	0
SUM EIENDELER		484 481 000	0
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		566 060 000	
Annen innskutt egenkapital		-114 200 000	
Sum innskutt egenkapital	13	451 860 000	

**Konsernets balanse**

Beløp i: NOK	Note	2020	2019
Sum egenkapital		451 860 000	0
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	12	2 849 000	
Sum avsetninger for forpliktelser		2 849 000	
Annen langsiktig gjeld			
Non-current lease liabilities	11	9 272 000	
Sum annen langsiktig gjeld		9 272 000	
Sum langsiktig gjeld		12 121 000	0
Kortsiktig gjeld			
Current lease liabilities	11	4 908 000	
Trade and other payables	10	15 592 000	
Sum kortsiktig gjeld		20 500 000	
Sum gjeld		32 621 000	0
SUM EGENKAPITAL OG GJELD		484 481 000	0



Skatteetaten

Vår dato
24.11.2020

Din/Deres dato
02.11.2020

Saksbehandler
Nazish Fatima Mohammad

800 80 000
Skatteetaten.no

Din/Deres referanse

Telefon
90151930

Org.nr
974761076

Vår referanse
2020/6094904

Postadresse
Postboks 9200 Grønland
0134 OSLO

U.off. offl. § 13, sktfvl. § 3-1

Aker Carbon Capture AS og Aker Carbon Capture Norway AS
Postboks 169
1325 Lysaker
v/ Ola Beinnes Fosse

Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk

Vi viser til deres søknad om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk for Aker Carbon Capture AS og Aker Carbon Capture Norway AS.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapet dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Fra søknaden siteres:

Aker Carbon Capture AS er sammen med datterselskapet Aker Carbon Capture Norway AS (samlet betegnet som «Aker Carbon Capture») et karbonfangstselskap med løsninger, tjenester og teknologier som dekker hele CCUS-verdikjeden fra fangst, transport og anvendelse til lagring av CO₂. Morselskapet, Aker Carbon Capture AS, har hovedkontor på Fornebu og er notert på Merkur Market ved Oslo Børs. Virksomheten er global og den nåværende porteføljen består av utviklingsprosjekter og prospekter i Norge og Europa.

Morselskapet Aker Carbon Capture AS (org nr. 925 355 496) og konsernets datterselskap, Aker Carbon Capture Norway AS (org nr. 925 200 65), søker gjennom dette brevet om dispensasjon fra språkravet i regnskapsloven § 3-4 slik at årsregnskap og årsrapport kan utarbeides på engelsk.

Søknaden er grunnlagt nærmere nedenfor.

Bakgrunnen for søknaden

Nyetablert konsern

Virksomheten til Aker Carbon Capture var inntil 31. juli 2020 en del av Aker Solutions-konsernet. Aker Solutions ASA besluttet å skille ut sin virksomhet for karbonfangst i en separat juridisk enhet.



Aker Carbon Capture har derfor begrenset operasjonell historikk. Adskillelsen fra Aker Solutions innebærer at konsernet er etablert med få ansatte og en begrenset organisasjon. Gruppen er derfor avhengig av bistand fra blant annet Aker Solutions som vil bistå med enkelte tjenester i en overgangsfase, herunder regnskapstjenester. Aker Solutions ASA og dets datterselskaper avlegger både selskapsregnskap og konsernregnskap på engelsk og har engelsk som arbeidsspråk.

Aker Carbon Capture AS-aksjen har høy omsetning og det er interesse rundt selskapet fra internasjonale investorer. Samlet eier de 20 største aksjonærene ca 73,2 % av selskapet, som i all hovedsak er profesjonelle investorer. Største eier er Aker ASA som direkte og indirekte eier 51 % av selskapets aksjer (indirekte eierskap gjennom Aker Horizons AS 34,29 % og Aker Kværner Holding AS 19,49 %). Omlag 17,5 % av aksjene eies av aksjeeiere med adresse utenfor Norge (1677 aksjonærer). Selv om utenlandsk eierskap således er knappe 17,5 %, står utenlandske investorer for en vesentlig del av aksjene som regulært omsettes i fri flyt over børs. Videre har 18 av de 40 største aksjonærene adresse i utlandet eller utenlandsk opprinnelse. Per 30. september 2020 hadde Aker Carbon Capture AS rundt 27 000 aksjonærer.

Regnskapsdata er et sentralt element for analyser som foretas av analytikere og investorer. Selskapsregnskapet for datterselskapet Aker Carbon Capture Norway AS vil også være av interesse. Dersom årsregnskapet for dette datterselskapet kun utarbeides på norsk, foreligger en skjevhet i det totale informasjonsbildet som er lett tilgjengelig for de analytikere og investorer som forstår norsk og de som ikke gjør det. Dette er ikke optimalt. Konsekvent angivelse av regnskapsdata forutsetter samme språk. Det er derfor hensiktsmessig at begge selskapene avleverer årsregnskapet og årsrapporten på samme språk for å unngå unøyaktigheter og avvik i beskrivelsen av tekniske regnskapsuttrykk som kan gi grunnlag for misforståelser.

Aker Carbon Capture har som generelt siktemål at alle tredjeparter som har interesse for Aker Carbon Captureaksjen på børs, både norske og utenlandske, skal stille likt i forhold til å nyttiggjøre seg offentlig tilgjengelig finansinformasjon om konsernet.

*Se tegningen som ble lagt ved i søknaden

Aker Carbon Capture-konsernet er for øvrig i ferd med å opprette et datterselskap i Storbritannia og tilstedeværelse (datterselskap eller filial) i Danmark i løpet av 2020/2021. Dette vil ytterligere aktualisere behovet for å utarbeide finansinformasjon på engelsk.

Oslo børs

Aker Carbon Capture AS er et aksjeselskap notert på Merkur Market ved Oslo Børs og har tillatelse fra Oslo Børs til å bruke engelsk som språk for pliktig informasjon til børsen og børsrapportering til markedet.

Ambisjonen er at Aker Carbon Capture AS etter hvert skal omdannes til et allmennaksjeselskap og noteres på Oslo Børs.



Kunder og bransje

Aker Carbon Capture AS har kunder i en rekke bransjer med karbonutslipp, inkludert sement, avfallsgjenvinning, olje & gass og stålproduksjon.

Markedet for karbonfangst er globalt, og konsernet planlegger for en utpreget internasjonal virksomhet. Konsernets nåværende virksomhet knytter seg blant annet til prosjekter i Norge, Nederland og Storbritannia, og konsernets tilbudsportefølje relaterer seg til prospekter i ytterligere europeiske land og Nord-Amerika. Både kunde- og leverandørbasen er internasjonal.

For å øke redusere utslipp av klimagasser, har flere land utviklet støtteordninger for å stimulere til karbonfangst. Karbonfangstanlegg er store kapitalkrevende industriprosjekter og tilgang på tilstrekkelig finansiering vil være en viktig faktor for prosjekters igangsetting framover. Konsernet vil søke finansiering fra bransjepartnere og offentlige støtteordninger i relevante land. For å kunne delta i slike internasjonale samarbeid eller støtteordninger, vil det være krav om å fremlegge regnskapsdokumentasjon på engelsk.

Engelsk som arbeidsspråk og brukere av regnskapet

Arbeidsspråket i Aker Carbon Capture er engelsk. Bakgrunnen er at Aker Carbon Capture driver i en bransje hvor en vesentlig del av kommunikasjon er på engelsk, videre er konsernet nylig er skilt ut fra Aker Solutions ASA, hvor samtlige ansatte har hatt engelsk som arbeidsspråk. Flere nasjonaliteter representert blant de om lag 60 ansatte (inkluderer innleid personell i Norge, Storbritannia og India). Det er forventet at den utenlandske arbeidsstokken vil vokse videre fremover ettersom selskapet planlegger å opprette kontor i Storbritannia og Danmark. Bruk av engelsk som arbeidsspråk, særlig for skriftlig kommunikasjon og materiale, er helt sentralt for effektiv drift og samhandling.

All rapportering til konsernledelsen med tilhørende underliggende dokumentasjon, herunder regnskapsdata, gjøres på engelsk. Dette innebærer også at selskapene må produsere en vesentlig del av sin informasjon på engelsk.

Nærmere om Aker Carbon Capture AS

Aker Carbon Capture AS er konsernets morselskap og er notert på Merkur Market ved Oslo Børs. Selskapet er et holdingselskap og direkte eier av datterselskapet, Aker Carbon Capture Norway AS. Aker Carbon Capture AS er ikke et operativt selskap og har heller ingen ansatte. Ved inngivelse av fremtidige tilbud på utlyste konkurranser om produkter og tjenester, vil konsernet måtte fremlegge regnskapsinformasjon. Bruk av engelsk vil være positivt for utenlandske analytikere og investorer samt konsernets banker og forretningsforbindelser. Aker Carbon Capture AS må derfor i stor utstrekning presentere regnskapsinformasjon på engelsk.

Nærmere om Aker Carbon Capture Norway AS



Aker Carbon Capture Norway AS er det operative hovedselskapet for konsernets virksomhet, både i Norge og i land der lokal tilstedeværelse ikke er påkrevet for å kunne levere karbonfangst-prosjekter. Regnskapet for Aker Carbon Capture Norway AS utgjør derfor en vesentlig del av konsernets konsoliderte regnskap. Konsernregnskapet for det samlede Aker Carbon Capture-konsernet ønskes utarbeidet på engelsk. Dersom årsregnskapet til Aker Carbon Capture Norway AS utarbeides på norsk, innebærer dette at det vil medgå ikke ubetydelig tid og ressurser for å omklassifisere regnskapsdata inn i konsernregnskapet.

Som nevnt er gruppen avhengig av bistand fra blant annet Aker Solutions som vil bistå med enkelte tjenester i en overgangsfase, herunder regnskapstjenester. Bruk av engelsk språk for utarbeidelsen av årsregnskap og årsrapport for Aker Carbon Capture Norway AS vil også innebære at Aker Solutions' regnskapsavdelings engelskspråklige ressurser kunne delta utarbeidelsen av disse dokumentene for Aker Carbon Capture Norway AS.

Aker Carbon Capture Norway AS er videre kontraktspart i konsernets kunde- og leverandøravtaler, herunder med mange utenlandske selskaper. Ved inngåelse av nye kundeavtaler, og særlig i forbindelse med inngivelse av tilbud på utlyste konkurranser om produkter og tjenester, vil selskapet måtte fremlegge regnskapsinformasjon. Det samme gjelder overfor banker. Aker Carbon Capture Norway AS må derfor i stor utstrekning presentere regnskapsinformasjon på engelsk. I praksis innebærer dette betydelig merarbeid i form av oversettelse av regnskapet fra norsk, dog slik at oversettelsene - på grunn av omfanget - typisk er begrenset til resultatregnskapet og balansen (ikke noteverket).

Oppsummering

Aker Carbon Capture AS og Aker Carbon Capture Norway er nyetablerte selskaper og har derfor ikke tidligere hatt dispensasjon for utarbeidelse av årsregnskap og årsberetning på norsk. Markedet for karbonfangst er globalt og konsernets portefølje består av prosjekter både i Norge, Nederland og Storbritannia.

Oversettelse til engelsk av den sentrale regnskapsinformasjonen vil innebærer et ikke ubetydelig merarbeid og kostnader. Oversettingen binder også opp interne ressurser som ellers kunne vært frigjort til annet arbeid. Etter vår mening er det klart at innsatsen ikke står i forhold til nytteverdien, behovet eller interessen for en norsk versjon av årsregnskapet og årsrapporten til de to selskapene. Bruk av engelsk vil også være positivt for utenlandske analytikere og investorer samt konsernets forretningsforbindelser.

Med henvisning til redegjørelsen ovenfor, søkes det derfor herved om at Aker Carbon Capture AS og Aker Carbon Capture Norway AS gis dispensasjon fra språkkravet i regnskapsloven § 3-4 tredje ledd, slik at årsregnskap og årsrapport kan avlegges på engelsk."

Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."



I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *“informative regnskaper for ulike grupper av regnskapsbrukere”*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte, kunder og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I dette tilfellet er det opplyst at selskapets arbeidsspråk er engelsk, selskapet har eiere som er engelskspråklige og selskapet opererer i et internasjonalt marked hvor engelsk er hovedspråket. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Inger Mette Dahler
underdirektør
Innsats, storbedrift
Skatteetaten

Nazish Fatima Mohammad

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.



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To the General Meeting of Aker Carbon Capture AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aker Carbon Capture AS, which comprise:

- The financial statements of the parent company Aker Carbon Capture AS (the Company), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the period 8 July – 31 December 2020, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Aker Carbon Capture AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, the income statement and other comprehensive income, statement of changes in equity and statement of cash flows for the period 8 July – 31 December 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the period 8 July – 31 December 2020 in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the period 8 July – 31 December 2020 in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 laws and regulations, 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.

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

Offices in:

Oslo	Elverum	Mo i Rana	Stord
Alta	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodo	Knaresvik	Sandnessjøen	Tynset
Drammen	Kristiansund	Slavanger	Ålesund



Aker Carbon Capture AS

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Aker Carbon Capture AS

- 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 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.

Report on Other Legal and Regulatory Requirements

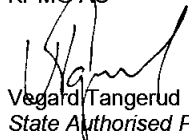
Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 25 March 2021
KPMG AS



Vegard Tangerud
State Authorised Public Accountant



1

Home

Explore

Adjust

Search



Content

Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group Financials and notes	38
Aker Carbon Capture AS Financials and notes	54
Auditor's report	61

Annual report 2020





Content

Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group Financials and notes	38
Aker Carbon Capture AS Financials and notes	54
Auditor's report	61



Search



Adjust



Explore



Home

Aker Carbon Capture in brief

company delivering ready-to-use
capture plants

friendly
solvent and other patented plant
technologies for better all-round
plant performance

market-leading proprietary
technology with more than 50,000
operating hours



Content

Key industries

Aker Carbon Capture in brief	2				
CEO letter	7				
Board of directors' report	8				
Board of directors	15				
Sustainability report	17				
GRI tables	34				
ESG accounts	36				
Aker Carbon Capture Group Financials and notes	38				
Aker Carbon Capture AS Financials and notes	54				
Auditor's report	61				
					
		CEMENT The cement industry accounts for 6-7 percent of CO ₂ emissions, from more than 2,000 plants in about 150 countries around the world.	BIO/WASTE-TO-ENERGY There are more than 1,200 waste-to-energy plants in the world, with 400 of them in Europe. Applying CCS at bio energy plants offers a route towards negative emissions.	GAS-TO-POWER Gas-fired power plants contributed 23 percent of global power generation in 2019, according to the IEA, and account for some of the biggest single emission points in Europe.	BLUE HYDROGEN Producing hydrogen from natural gas with CCS, represents a major opportunity to create an efficient energy carrier without greenhouse gas emissions.



Content

Key markets

Aker Carbon Capture in brief	2	The carbon capture market is expected to develop into a global market. Aker Carbon Capture has in the initial phase prioritized the European market, where market interest from prospective customers and the regulatory environment to support adaptation of carbon capture technology is most mature.
CEO letter	7	
Board of directors' report	8	
Board of directors	15	
Sustainability report	17	
GRI tables	34	
ESG accounts	36	In 2020, the highest market activity was seen in Scandinavia, Benelux and the UK, with several capture and storage projects being launched.
Aker Carbon Capture Group Financials and notes	38	SCANDINAVIA The Norwegian parliament approved funding for the Longship project to establish the full CCS value chain at industrial scale. Aker Carbon Capture won the contract to deliver the world's first carbon capture plant at a cement factory.
Aker Carbon Capture AS Financials and notes	54	BENELUX The Porthos storage project, outside the Port of Rotterdam, received funding from the EU. Aker Carbon Capture has secured a contract to deliver its modular Just Cast plant to Twence for a waste-to-energy plant in Hengelo, in the Netherlands.
Auditor's report	61	UK The government launched ambitions to capture 10m tonnes CO ₂ by 2030, and plans to invest up to £1 billion to support the establishment of CCUS in 4 industrial clusters.

Content

Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group Financials and notes	38
Aker Carbon Capture AS Financials and notes	54
Auditor's report	61

CCS economics turning positive

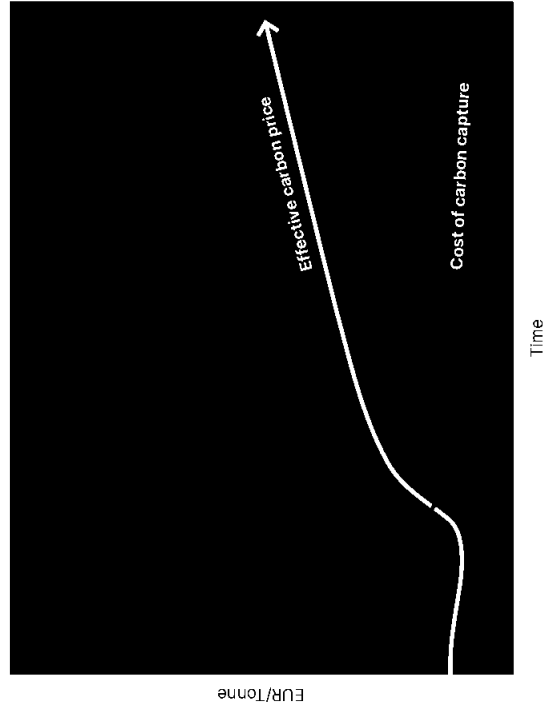
Carbon capture is a cost-competitive option to dramatically cut CO₂ emitted during heavy industry processes such as cement, steel and chemicals production. It can also be more cost-effective to retrofit CCUS to existing facilities than building new capacity with alternative technologies. The cost of emitting CO₂ to the atmosphere is expected to rise further in the European quota market, and beyond. At the same time, Aker Carbon Capture has identified several cost-reducing initiatives. Cost reduction is viewed as a key strategic pillar to execute the Group's strategy to improve project economics.

Continuous cost reductions

- Standardization of products
- Digitalization
- Technology development
- Competitive supply chains
- Learning by doing

Favorable price development

- Other regulations
- New carbon taxes
- CO₂ quota system
- Public sentiment



Content

CCS technology

Aker Carbon Capture in brief

CEO letter

Board of directors' report

Board of directors

Sustainability report

GRI tables

ESG accounts

Aker Carbon Capture Group
Financials and notes

Aker Carbon Capture AS
Financials and notes

Auditor's report

2

7

8

15

17

34

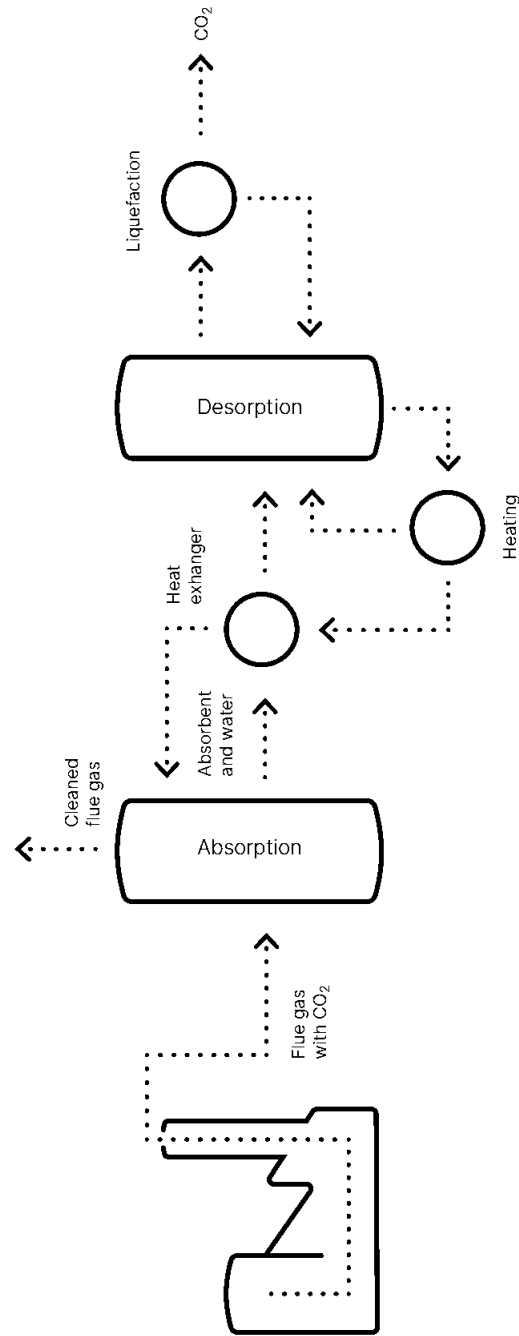
36

38

54

61

Aker Carbon Capture's technology is cost-effective, robust and flexible, meaning it can be applied to existing plants or new builds. Our proprietary carbon capture process uses a mixture of water and organic amine solvents to absorb the CO₂. This process can be applied on emissions from various sources, from gas, cement, refineries, and waste-to-energy through to hydrogen and other process industries.





Content

Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group Financials and notes	38
Aker Carbon Capture AS Financials and notes	54
Auditor's report	61

CEO letter



Aker Carbon Capture was established in 2020, an extraordinary year with a global pandemic affecting societies, businesses and lives.

Nevertheless, the timing was right to launch the company due to an increased focus on fighting climate change and many countries taking action to meet the goals of the Paris agreement.

Few companies have had longer runways before taking off than Aker Carbon Capture. Aker's involvement in managing CO₂ goes all the way back to the 1990s. Some colleagues have worked on developing our proprietary technology and solutions their entire careers.

We established Aker Carbon Capture as a pure play company to combine the agility of a start-up with the strength of the Aker group. It has been an exciting journey, from a small group of industry experts to become a company with a broad set of capabilities, in just a matter of months. I am very thankful to everyone at Aker Carbon Capture for their commitment and positive attitude during this first period. Our company was formally established as a spin-off from Aker Solutions, and I know the separation will benefit both organizations and the companies continue to work closely together.

2020 was also a special year for the carbon capture and storage industry. While the technology has proven itself over time, it was only recently that CCS became widely accepted as part of the solution to reach the Paris goals. In September, the Norwegian government launched the Longship project to establish the entire CCS value chain, from capture to transport and permanent storage underneath the North Sea. Longship includes the Brevik CCS project, where Aker Carbon Capture will deliver a complete CO₂ capture plant in 2024.

The contract marks a breakthrough for Aker Carbon Capture and the carbon capture industry. During the autumn, we signed a contract with Norcem HeidelbergCement for the delivery of what will be the first industrial scale carbon capture plant at a cement factory. The captured CO₂ at the plant, 400,000 tonnes per year, equals the total emissions from about 200,000 cars from the roads.

Sustainability
This annual report also contains Aker Carbon Capture's first sustainability reporting. Aker Carbon Capture will contribute to the sustainable development of society through responsible commercial operations and continuous improvement to enable emission free industries and energy solutions through carbon capture.

Sustainability at Aker Carbon Capture is about operating and making decisions that add value to the company, its stakeholders and society. We offer the most environmentally friendly carbon capture solution. In business, we act responsibly and according to our Code of Conduct, wherever we are.

This report outlines Aker Carbon Capture's priorities and ambitions with regards to sustainability. It highlights some key accomplishments for 2020, and describes how we want to operate going forward, with sustainability as a natural and integrated part of our operations. The report reflects both the fact that the company had only five months of operations and that our projects were in an early phase of development with limited industrial activity.

I am proud of our accomplishments during our first year. Together with our customers, partners and suppliers, and with the backing of the Aker group, we are in a great position to make a major positive impact and contribute to creating a sustainable future for our company, our customers and society.


Valborg Lurdegård
CEO



Content

Board of directors' report

Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group Financials and notes	38
Aker Carbon Capture AS Financials and notes	54
Auditor's report	61

Aker Carbon Capture supplies the solutions and technology which together comprise a carbon capture plant and the downstream processing and management of CO₂, including capture, compression, liquefaction, and intermediate storage at site. These solutions and services are provided to industrial plant owners and operators across various industries to remove CO₂ emissions.

Aker Carbon Capture was established as a standalone company in the summer of 2020, following more than 15 years of developing carbon capture technology and solutions as part of Aker Solutions. The group is headquartered in Norway. The proprietary technology with unique HSE characteristics includes the company's patented amine-solution, which is used as the reagent separating CO₂ from the flue gas in the capture process.

Key services include technology development, feasibility studies, project management, engineering, procurement, construction and fabrication services, as well as assistance with operations and aftermarket services.

During 2020, market interest in carbon capture technologies continued to increase markedly. In order to pursue these market opportunities, it was this decided by the board of directors of Aker Solutions to spin off the CCUS activity into a separate entity and list this as a pure play company on the Oslo Stock Exchange's Euronext Growth (previously Merkur Market) trading platform. The plans were announced on July 17, including an intention to distribute shares in the new company – Aker Carbon Capture – to Aker Solutions shareholders. A private placement, raising NOK

500 million, and a subsequent listing followed trading on August 26, 2020. See [note 3](#) in the consolidated accounts for more information about the internal restructuring that took place related to the spin off.

STRATEGY AND DEVELOPMENT

The carbon capture market is considered a global market in various stages of development. Europe and North America are the primary markets for Aker Carbon Capture, as this is where market interest from prospective customers and the regulatory environment to support adaptation of carbon capture technology is seen as most mature. In 2020, the highest market activity was seen in Scandinavia, Benelux and the UK, with several capture and storage projects being launched.

In addition to its geographical focus, Aker Carbon Capture identified four prioritized market segments: cement, bio- or waste to energy, gas power and blue hydrogen. During 2020, the company made substantial progress in all four segments; securing contracts and studies, entering partnerships or performing test campaigns.

Continued technology development will be a key enabler for the company's long-term competitive advantage. Aker Carbon Capture invests in reducing costs associated with its product offering and have identified several cost-reducing initiatives. Cost reduction is a pillar in the company's strategy, as it will significantly improve project economics, lowering the investment hurdle for customers. The company developed its core execution capabilities, in terms of project management, engineering and subcontracting, to act as a

solid counterpart in the market. As part of the Aker group of companies, Aker Carbon Capture benefits from the deep and broad capacity and know-how across engineering, fabrication and project execution. Last year, the company established agreements with Aker Solutions to assist with inter alia fabrication and project execution.

Since the start-up during the summer of 2020, Aker Carbon Capture maintained a certified operating model based on the methods developed in Aker Solutions. To strengthen the organizational development of Aker Carbon Capture, the company developed a new management system in late 2020 which has been certified to ISO 9001 and ISO 14001 by DNV. The new management system serves the company through technology development, studies, EPCI projects and plant life services.

PROJECTS

In September, the Norwegian government launched the Longship project to establish the entire CCS value chain, from capture to transport and permanent storage underneath the North Sea. The public funding of the project was approved by the Norwegian parliament in December. Longship includes the Brevik CCS project, where Aker Carbon Capture will deliver a complete and fully functioning CO₂ capture plant in Brevik, Telemark in southern Norway in 2024.

Aker Carbon Capture signed an EPC contract with Norcem HeidelbergCement for the delivery of what will be the first industrial scale carbon capture plant at a cement factory anywhere in the world. The captured CO₂ at the plant, 400,000 tonnes per year, equals the total emissions from about 200,000 cars from the roads. Securing the Brevik CCS project was a



Content

Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group Financials and notes	38
Aker Carbon Capture AS Financials and notes	54
Auditor's report	61

major milestone for Aker Carbon Capture, and a big step towards the industrialization of carbon capture in major industries.

The company has also secured a EPC contract for a delivery of its modular Just Catch™ unit to Twence, a Dutch operator of waste-to-energy plants. In this project the captured CO₂ will be utilized as fertilizer at local greenhouses, making it one of the first industrial scale carbon capture and utilization (CCU) cases. The project is pending public funding and expected to commence in 2021.

PARTNERSHIPS & COLLABORATION

Forming partnerships and collaborating with prospective customers and suppliers of technologies and solutions are central to Aker Carbon Capture's strategy to realize its ambitions. Early engagement with customers is prioritized, and the company signed three such collaborative agreement in 2020.

In October, Aker Carbon Capture signed a Memorandum of Understanding with Sweden's Vattenfall to accelerate the evaluation of future carbon capture plants in Sweden and Northern Europe. The agreement supports Vattenfall's ambitions to achieve negative emissions in waste and bio CCS plants.

In December, Aker Carbon Capture and MAN Energy Solutions of Germany signed a technology-cooperation agreement to develop energy-efficient compression solutions for CCS applications with heat recovery. The cooperation builds on MAN's experience in compressor technology, the integration of system components and their design and delivery, as well as Aker Carbon Capture's proprietary amine technology and efficient carbon-capture process design.

Aker Carbon Capture and Haldor Topsoe signed an MoU with the intention to offer a complete solution for low-carbon hydrogen production. The solution combines Danish group Haldor Topsoe's proven hydrogen process and Aker Carbon Capture's post combustion carbon capture technology to achieve low-emission

and cost-effective production of 'blue' hydrogen – a clean energy carrier with a wide array of applications in industry and as a fuel.

The European Union foresees investments of €11 billion for retrofitting half of the existing European hydrogen plants with carbon capture and storage before 2030.

ORGANIZATION

The company was established with a core team of Carbon Capture, Utilization and Storage (CCUS) technology experts, most of whom have worked specifically on developing CCUS at Aker over the past decade. Valborg Lundegaard was appointed CEO of Aker Carbon Capture in July 2020. She brings with her more than 25 years' of experience from the energy industry, including the past decade as a member of Aker Solutions executive management team.

During the autumn of 2020, the company recruited for several key departments to strengthen the capabilities across the group and in response to increased market activity. At the end of 2020, Aker Carbon Capture employed a total of 26 employees, as well as 56 contractors.

In December 2020, Egil Fagerland was appointed chief financial officer, with effect from April 1, 2021. Fagerland was previously head of ERP and Business Systems at DeepOcean. Before that, he held various roles at Aker Solutions' finance department from 2012 till 2020, including as senior vice president, group controlling and financial systems. Ola Beinnnes Fosse, Head of Treasury at Aker Horizons, was the acting CFO since the company was listed in 2020.

MARKET OUTLOOK

The Carbon Capture and Storage market is expected to grow significantly over the next decade, driven by political ambitions to reduce CO₂ emissions from industrial sources and energy production in order to reach the Paris agreement targets. In September last year, the EU raised its climate ambition and proposed a 55 percent cut in emissions by 2030, from

50 percent previously. Several countries have followed up the ambition by launching 'net zero' ambitions and declaring CCS will play a pivotal role in reaching the targets.

Projects nearing a final investment decision represented an estimated potential investment of around USD 27 billion – more than double the investment planned in 2017, according to a report published by the International Energy Agency last year.

The company is primarily focused on the European market, where interest from prospective customers and the regulatory environment to support adaptation of carbon capture technology is seen as most mature. The company is also monitoring developments in North America, where activity levels are rising.

In November, the European Commission reported that applications for the €10 billion EU Innovation Fund included 14 large scale CCS projects. Aker Carbon Capture is involved in several of these projects. There are now at least eight major storage projects – once seen as a bottleneck for realizing CCS – underway across Europe.

Based on the favorable market development expected in the coming years, the company launched a long-term ambition called "10 in 25" – stating that Aker Carbon Capture aims to secure contracts for the combined capture of 10 million tonnes per year by the end of 2025.

Carbon capture is considered the core operational activity, but the company also sees viable business opportunities in leveraging its in-house capabilities in enabling customers to connect to the carbon capture value chain. The company has so far delivered services and products through engineering, procurement, construction and service contracts.

The Group is continuously exploring alternative delivery models to meet the needs of its customers. As both the Group and the market further matures, it is envisaged that alternative business models such as "Carbon Capture as a Service" and "Pay per tonne Captured" may be potential profitable avenues in the longer-term



Content

Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group Financials and notes	38
Aker Carbon Capture AS Financials and notes	54
Auditor's report	61

to enable growth and improve margins.

SUSTAINABILITY

The company's commitment to human and labor rights is covered by the Global Framework Agreement between Aker ASA and the Norwegian and international trade unions Fellesforbundet, IndustriALL Global Union, NITO and Tekna. Aker Carbon Capture follows the Euronext guidance on ESG reporting as of January 2020. This includes reporting based on the Global Reporting Initiative (GRI). Aker Carbon Capture's strategy supports the UN Sustainable Development Goals.

From the outset, as the company was established in 2020, a concerted effort was made to ensure the company and its operations are sustainable, with particular regard to environmental, social and governance-related aspects. To ensure that Aker Carbon Capture's activities were aligned with stakeholders' expectations, a materiality assessment was conducted by a reputable third-party organization. The 2020 results reflect both the fact that the company had only five months of operations and that the carbon capture market remains in an early phase with limited industrial activity.

More information can be found in the sustainability reporting section of the annual report.

CORPORATE GOVERNANCE

Good corporate governance at Aker Carbon Capture will ensure sustainable operations and value creation over time to the benefit of shareholders and other stakeholders. Corporate governance is a framework of processes, mechanisms and responsibilities for managing the business and making sure the right objectives and strategies are set and implemented with results that can be measured and followed up.

The management and the board of directors are responsible for ensuring that the company conducts business using sound corporate

governance and sets the standards for corporate governance.

The board holds exclusive authority under the company's authorization matrix to approve matters of significance. The board of directors regularly receives extensive reports from the chief executive officer and the chief financial officer on key aspects of the business. These reports reflect underlying reporting to executive management from the business operations.

Aker Carbon Capture's Code of Conduct outlines the company's commitments and requirements for ethical business practices and personnel conduct. The Code of Conduct describes what Aker Carbon Capture expects from its employees, subsidiaries, subcontractors, representatives and other partners and explains the company's policies in a number of areas of particular importance such as corruption, conflict of interest, protecting the environment and human rights. The Code of Conduct is available at www.akercarboncapture.com.

Aker Carbon Capture has a total of 13 policies providing business practice guidance within several key areas. These policy documents define commitment and express the expected behaviour across the company within areas such as HSSE, sustainability, project execution, quality, governance and finance.

More information can be found in the sustainability reporting section of the annual report.

GROUP FINANCIAL PERFORMANCE

Aker Carbon Capture presents its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

All amounts below refer to the consolidated financial statements for the group, unless otherwise stated. The financial statements cover the period from incorporation on July 8, 2020 to December 31, 2020.

In the period, the company had service revenues from various studies of NOK 15.8 million. Operating loss ended at negative NOK





Content

Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group Financials and notes	38
Aker Carbon Capture AS Financials and notes	54
Auditor's report	61

44.6 million and was primarily caused by an increase in salary and personnel costs as well as other operating expenses in line with the growing complexity of operations. Loss for the period was negative by NOK 44.5 million, resulting in loss per share of NOK 0.09.

Total assets of the group amounted to NOK 484.5 million as of December 31, 2020, of which NOK 457.8 million was cash and cash equivalents. Net current operating assets ended at negative NOK 8.4 million. The company has no interest-bearing debt. Total equity amounted to NOK 451.9 million at year-end 2020, giving an equity ratio of 93 percent.

Cash flows from operating activities ended at negative NOK 25.5 million, being lower than operating loss of NOK 44.5 million due to cost accruals in the end of the period. Cash flows from investing activities were negative by NOK 2.5 million, mainly reflecting capitalized development costs related to Just Catch technology. Cash flows from financing activities of NOK 485.8 million mainly include NOK 500 million from the share issue in August 2020, reduced by related transaction costs of NOK 12.5 million.

INVESTING IN RESEARCH, INNOVATION AND TECHNOLOGY

Continued technology development will be a key enabler for the company's long-term competitive advantage. Aker Carbon Capture invests in reducing costs associated with its product offering and have identified several cost-reducing initiatives. Cost reduction is viewed as a key strategic pillar to execute the Group's strategy as it is expected to significantly improve project economics.

Beyond pure technology improvements in the fields of capture technology, CO₂ conditioning and heat integration, large scale plants are believed to have a significant cost reduction potential where utilizing standardized building blocks and digitalization, as well as industrialisation and partnering schemes with key equipment suppliers will drive economies of

scale in project realization.

In 2020 Aker Carbon Capture initiated and participated in six Research, Development and Innovation (RD&I) projects. The gross RD&I spend in 2020 was NOK 19.9 million, of which NOK 2.5 million qualified for capitalization. The company received external funding of NOK 15.3 million to support these RD&I initiatives, which included activities to strengthen core technology, as well as to expand the technological footprint to adjacent areas. Aker Carbon Capture emphasizes collaboration with universities and scientific institutions as an important tool for innovation, and are members of the Norwegian CCS Center (CCS) hosted by SINTEF and NTNU.

Aker Carbon Capture's Mobile Test Unit (MTU) is a fully functional carbon capture plant used to qualify the company's technology for new flue gases and to validate new technological solutions in an industrial environment. In 2020 the company successfully qualified its technology for carbon capture from hydrogen production during a test campaign at Preeam's refinery in Lysekil, Sweden. The MTU campaign was part of a larger CCS project together with several partners (Preeam, SINTEF, Chalmers University, Equinor, Climet and the Swedish Energy Agency). During the nine-month campaign the mobile test unit achieved more than 3,000 operating hours. The campaign was executed without any HSE incidents.

Aker Carbon Capture also performed a number feasibility studies in market segments including waste to energy, oil and gas and hydrogen.

PARENT COMPANY AND ALLOCATION OF NET LOSS

The parent company Aker Carbon Capture AS is the ultimate parent company in the Aker Carbon Capture group and its business is the ownership and management of the subsidiary Aker Carbon Capture Norway AS. Aker Carbon Capture AS has outsourced all company functions to its subsidiary.

Aker Carbon Capture AS has a net loss of NOK 1.9 million in period from incorporation on July 8 to December 31, 2020. The company is currently in a growth phase and not in a position to pay any dividends. The board thereby proposes the following allocation of net loss (amounts in NOK million):

Dividends:	0
From share premium:	1.9
Total allocated:	1.9

HEALTH, SAFETY, SECURITY AND ENVIRONMENT

Aker Carbon Capture is committed to a goal of zero harm to people, assets and the environment. The cornerstone of this objective is a strong, structured and company-wide HSE system, setting clear standards for HSE management and leadership. Regular audits aim to identify, isolate and help address potential shortcomings. At Carbon Capture, the HSE culture is founded on the principle that HSE is a personal responsibility for every employee.

HEALTH AND WORKING ENVIRONMENT

Aker Carbon Capture is committed to a goal of zero harm to its employees, not just through accident prevention, but also through safeguarding employee's physical and mental health. Easy access to a variety of services from health personnel in 2020 has been provided by Aker Care.

In 2020, the COVID-19 pandemic had an adverse impact on working life. The company implemented a series of measures, in accordance with national recommendations and Aker group-wide initiatives, to reduce the spread of the virus while maintaining productivity. Throughout long periods, most or all employees worked from home, communicating via digital tools. In challenging conditions, the Mobile Test Unit team was able to complete an ongoing client project under strictly implemented



Content

Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group Financials and notes	38
Aker Carbon Capture AS Financials and notes	54
Auditor's report	61

COVID-19 procedures for travel of personnel and performance of work.

During these working conditions, an additional emphasis was placed on mental health issues among the workforce. Aker Carbon Capture introduced employee training sessions to manage this unprecedented situation, and the broader Aker group implemented various support measures, including anonymous helplines and free consultancy by medical professionals.

Aker Carbon Capture's global sick leave for 2020 was 0.8 percent.

SAFETY

Aker Carbon Capture operates with a zero-harm mindset and the belief that all incidents can be prevented. In its first year of operation, nearly all activities were office based. However, the company introduced a reporting structure and established methodologies and metrics such as a Lost Time Injury Frequency (LTIF) and Total Recordable Injuries Frequency (TRIF), in order to measure performance and drive improvement across the company from 2021 onwards, as on-site activity levels will increase in line with the execution of industrial projects.

SECURITY

Aker Carbon Capture's commitment towards safeguarding employees, assets and reputation is demonstrated by the core team of security professionals and the operation of a 24/7 Global Security Operations Center. The Center is supporting all aspects of operations as well as some affiliated Aker companies. No serious security incidents were reported in 2020.

Cybercrime can be a major threat to operations. As part of the Aker group, Aker Carbon Capture continually monitors the threat landscape and takes the necessary steps to safeguard employees, systems, data and products. Phishing emails remain the most important vector for cyber attacks and further measures have been taken to secure email, improve capabilities to identify ongoing

malicious activities and increase employee awareness of cyber threats. With smarter products connected to the internet, there is an increased risk to these devices and the systems they are connected to. Precautions have been taken to protect Aker Carbon Capture and its assets.

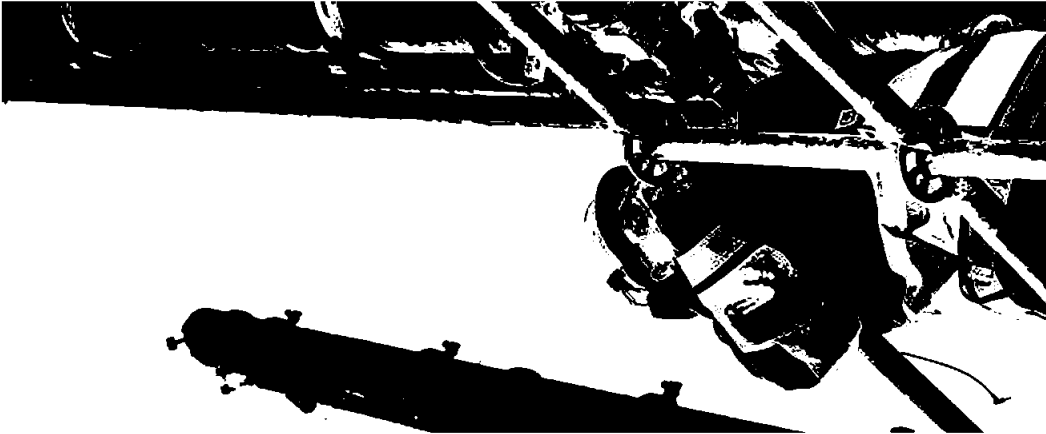
EMERGENCY PREPAREDNESS AND RESPONSE

The company's capabilities within crisis management were set up in 2020, with support from the Aker group. Dedicated resources are assigned to advise and assist management on development of systems and structure of emergency response and business continuity. In 2020 Aker Carbon Capture established and implemented RAYVN, a cloud-based system for efficient notification and coordination of critical events through an assigned critical event response team.

ENVIRONMENT

Aker Carbon Capture works to protect the environment by offering products, systems and services that reduces the CO₂ footprint of customers' operations, and by seeking to reduce negative climate impact of own operations. The company's biggest effect on the environment will be through its customer offerings. In 2020 Aker Carbon Capture was awarded certification according to the environmental management system standard ISO 14001:2015.

The major contributor to Aker Carbon Capture's carbon dioxide equivalent emissions is from energy consumption. The total carbon dioxide equivalent emissions in 2020 was 20.7 tonnes. More details are given in the ESG accounts. More information can be found in the sustainability reporting section of the annual report.





Content

Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group Financials and notes	38
Aker Carbon Capture AS Financials and notes	54
Auditor's report	61

SAFEGUARDING DIVERSITY EQUAL OPPORTUNITY AND INCLUSION

Aker Carbon Capture had 26 employees and 56 contract staff at the end of 2020. Aker Carbon Capture is strongly committed to the principles of non-discrimination and equal opportunity, regardless of gender, nationality or other factors. Men have traditionally dominated the industry. This continues to be reflected in our organization, where around 26 percent of our employees are women. The percentage of women in leadership roles was 37.5 percent in 2020. Aker Carbon Capture's workforce represented six nationalities and a range of competencies and insights, benefitting both its partners and the business.

Aker Carbon Capture seeks to promote inclusion and diversity in its workforce through clear recruitment requirements and the development of individuals and programs supporting equal opportunity, in accordance with its people policy and recruitment procedures. Focusing on inclusion helps build a sense of belonging. More information regarding the company's commitment to equality and diversity is available in the company's 2020 sustainability report.

Aker Carbon Capture has a procedure for handling whistleblower cases, and it is followed with respect to investigating discrimination allegations. It ensures all allegations are investigated and feedback provided to the whistleblowers where identity is known. At the end of 2020 no such cases had been reported.

LEADERSHIP, TALENT AND PERFORMANCE

Aker Carbon Capture's ambition is to offer professional development, career opportunities, competitive pay and benefits and a healthy work-life balance for all its employees.

The COVID-19 pandemic has led to new ways of working and collaborating and Aker Carbon Capture has a digitally-connected, collaborative and mobile workplace for all employees. This will enhance end-user collaboration and communications through an agile, mobile and

secure computing platform, in this case the Microsoft Office 365 set of tools. Employees can be onboarded and will continue to work in a more digitally-connected, collaborative and mobile world.

The company's performance process is built upon frequent performance conversations between managers and employees to ensure that all employees work towards common goals, accelerate performance and help people grow and develop. The dialogues are mandatory for all employees and have been simplified to make them efficient and impactful for both leader and employee.

RISK FACTORS

Aker Carbon Capture is operating in a global market which is influenced by CO₂ taxes, government subsidies and volatile commodity prices which provide both opportunities and risks that may affect the company's operations, performance, finances, reputation and share price. It is evident that external risk factors such as pandemics, market risk, CO₂ tax levels, ethical and political risks and climate related risks may have a significant adverse impact on the company, in addition to internal risk factors such as operational risks and financial risks. These risk factors are further described below.

MARKET RISK

The market outlook for CO₂ capture has been steadily increasing over time, driven by a clear need for carbon capture to reduce the climate effects from the industry. Significant investment decisions to industrialize carbon capture and permanent storage have been made in 2020, mainly through the Longship investment in Norway. With the COVID-19 pandemic effects expected to reduce during 2021, it is expected that more carbon capture and storage developments will be sanctioned. The main risks related to the market are listed below:

- Delayed investments in key carbon capture developments in Europe, where government subsidies are part of the business case

- Slow ramp-up of carbon capture and storage in global market
- Reduced or delayed CO₂ tax increase post COVID-19
- Supplier base, supplier capacity and logistics challenges in new market conditions

Aker Carbon Capture is committed to industrializing carbon capture, to drive down the cost of carbon capture to make it commercially attractive to the main target industries. The company has clear commitment to Environment Social Governance (ESG) requirements, and is dedicated to reduce energy consumption and continue developing environmentally friendly solutions for CO₂ removal.

ETHICAL AND POLITICAL RISKS

Aker Carbon Capture has implemented [ethical] policies and procedures to act according to domestic and international standard, anchored with the Code of Conduct visible on the company website. The company has limited direct exposure in countries associated with high political, corruption and human rights risks. Aker Carbon Capture could, nevertheless, potentially become involved in unethical behaviour, either directly or through third parties and partners.

Aker Carbon Capture has a zero tolerance for corruption and works continuously to avoid such behaviour. To ensure compliance with the standards, ethical training is conducted annually as a minimum. Aker Carbon Capture expects their suppliers to act according to the same standards. Aker Carbon Capture has an established Business Integrity Compliance (BIC) and whistleblower channel to ensure reporting of any concerns in our operations. Compliance training of all permanent personnel was conducted in 2020 and will continue annually.

OPERATIONAL RISK

For 2020 the operational risk was low with studies and testing only. However, going forward Aker Carbon Capture will be engaged



Content

Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group	38
Financials and notes	54
Aker Carbon Capture AS	61
Financials and notes	
Auditor's report	

through contracts on fixed price, reimbursable and a combination of these. The main risks are related to fixed price contracts, where potential cost overruns will need to be covered by the company. The projects are demanding from technology and complexity point of view, with extensive sourcing, sub-contracting and project management activities. These can impact upon the company's ability to deliver on time and in accordance with a contract, potentially harming Aker Carbon Capture's reputation, performance and finances. Factors that may have an adverse material effect on the business, results of operations and finances of Aker Carbon Capture include, but are not limited to:

- Loss of business from a significant customer, delivery issues or alterations to order backlog
- Competitiveness or ability to develop a significant market position
- Commercialization of new technology
- Partnerships, joint ventures and other types of cooperation that expose the company to risks and uncertainties outside its control.
- Non-delivery and/or disputes with a key supplier.
- Significant delays or quality issues impacting upon project delivery or performance.
- Cybercriminals and cyber security issues leading to system downtime or significant loss of intellectual property.

Henrik O. Madsen
Henrik Overgaard Madsen
Chairman

Oscar Fredrik Graff
Oscar Fredrik Graff
Director

Fomebu, March 25, 2021

Kristian Monsen Røkke
Kristian Monsen Røkke
Director

Nina Jensen
Nina Jensen
Director

FINANCIAL RISKS

The objective of financial risk management is to manage exposure from financial risks to increase predictability of earnings and minimize potential adverse effects on financial performance.

Aker Carbon Capture is exposed to a variety of financial market risks such as currency risk, interest rate risk, tax risk, price risk, credit and counterparty risk, liquidity risk and capital risk as well as risks associated with access to and terms of financing.

The financial risks affect the group's income and the value of any financial instruments held. The objective of financial risk management is to manage and control financial risk exposures and thereby increase the predictability of earnings and minimize potential adverse effects on Aker Carbon Capture's financial performance.

Aker Carbon Capture and its subsidiary will use financial derivative instruments to hedge certain risk exposures and aim to apply hedge accounting whenever possible in order to reduce the volatility resulting from the periodic market-to-market revaluation of financial instruments in the income statement. Risk management is performed in every project in order to identify, evaluate and hedge financial risks under policies approved by the board of directors.

Financial risk management and exposures are described in detail in [note 15](#) and capital management is described in [note 14](#).

GOING CONCERN

The world is currently in the middle of the COVID-19 pandemic, and how this will unfold remain uncertain. Aker Carbon Capture is continuously monitoring the development and will continue to take measures to mitigate the negative impacts for the company, including measures required to meet restrictions from governmental authorities. However, there is a risk that the COVID-19 outbreak may have substantial negative effects on the global economy which are worse than current estimates, in which case this will also have increased negative effects on Aker Carbon Capture. The COVID-19 outbreak gives higher uncertainty for the going concern assumption for most companies. This is also the case for Aker Carbon Capture. However, the company has no external debt and a solid liquidity reserve as of December 31, 2020.

Therefore, in accordance with the Norwegian Accounting Act, the board of directors confirms that the going concern assumption, on which the consolidated financial statements have been prepared, is appropriate.

Oyvind Eriksen
Oyvind Eriksen
Director

Valborg Lundegaard
Valborg Lundegaard
CEO

Content

Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group Financials and notes	38
Aker Carbon Capture AS Financials and notes	54
Auditor's report	61

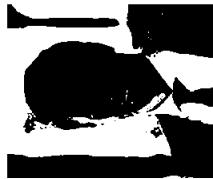
Board of directors

HENRIK O. MADSEN
Chairman



Henrik O. Madsen (Chairman) has worked more than 25 years for DNV GL in a number of scientific research and management positions, and served as the President and CEO of the company from 2006 to 2015. He holds a PhD in civil and structural engineering from the Technical University of Denmark, where he also serves as adjunct professor. In 2002, he was appointed a technology pioneer by the United States Offshore Energy Center's Technology Hall of Fame. Madsen was previously chairperson of the Norwegian Research Council.

KRISTIAN MONSEN RØKKE
Board Member



Kristian Monsen Røkke has experience from offshore services and shipbuilding in several companies in the Aker group. Prior to assuming his current position as CEO of Aker Horizons AS, Røkke served as Chief Investment Officer of Aker ASA. Before that, he served as CEO of Akastor ASA, a publicly listed oil service investment company and prior to this he spent several years in various operational and executive roles at Philly Shipyard. He has an MBA from The Wharton School of the University of Pennsylvania. Kristian Røkke is a board member of several companies, including: Akastor ASA (Chairman), Philly Shipyard ASA (Chairman), American Shipping Company ASA and Aker Offshore Wind AS.

ØYVIND ERIKSEN
Board Member



Øyvind Eriksen (born 1964) joined Aker ASA in January 2009. Mr. Eriksen holds a law degree from the University of Oslo. He joined Norwegian law firm BA-HR in 1990, where he became a partner in 1996 and a director/ chairman in 2003. As a corporate attorney he among other things worked with strategic and operational development, M&A and negotiations. Mr. Eriksen has held several board positions in different industries, including shipping, finance, asset management, offshore drilling, fisheries, media, trade and industry. As CEO Mr. Eriksen is currently chairman of the board in Aker BP ASA, Aker Solutions ASA, Cognite AS, Aker Capital AS, Aker Kværner Holding AS, and REV Ocean Inc. He is also a director of several companies, including Aker Energy AS, Akastor ASA, The Resource Group TRG AS, TRG Holding AS, The Norwegian Cancer Society (Kreftforeningen), and a member of World Economic Forum C4IR Global Network Advisory Board. Mr. Eriksen is a Norwegian citizen.



Content

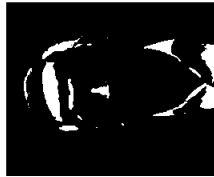
Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group Financials and notes	38
Aker Carbon Capture AS Financials and notes	54
Auditor's report	61

NINA JENSEN
Board Member



Nina Jensen (born 1975) is the CEO of REV Ocean and is a tireless champion for promoting environmentally responsible solutions for the world's ocean. She started this position in 2018 after 15 years of positive impact in WWF-Norway (as Secretary-General since 2012). Ms. Jensen holds a Master's degree in Marine Biology from the University of Fishery Science in Tromsø, and has a background in communications and marketing from Ogilvy&Mather. Ms. Jensen is a board member of The Business for Peace Foundation, The Plastic Revolution Foundation, The C4IR Ocean and The Brain Tumour Association. She was named Young Global Leader by the World Economic Forum in 2014. She is also part of Friends of Ocean Action and an advisor to the High Level Panel for a Sustainable Ocean Economy. Ms. Jensen is a Norwegian citizen.

OSCAR GRAFF
Board Member



Oscar Graff (born 1952) joined Aker in 1980. Mr. Graff holds a master degree in chemical engineering from the Norwegian University of Science and Technology (NTNU). Since 2000 he has been instrumental in the development of carbon capture technology to reduce carbon emissions. Mr. Graff has held several positions in CO₂ and climate related technical boards and advisory committees in Norway, UK and the EU. Mr. Graff was appointed as Chief Technology Officer for Aker Clean Carbon in 2008, and has in recent years been responsible for Carbon Capture in Aker Solutions. Mr. Graff is a Norwegian citizen.



Content

Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group Financials and notes	38
Aker Carbon Capture AS Financials and notes	54
Auditor's report	61



Sustainability report



Content

Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group Financials and notes	38
Aker Carbon Capture AS Financials and notes	54
Auditor's report	61

Introduction to sustainability

Aker Carbon Capture is a dedicated carbon capture technology provider that aims to mitigate the environmental impact of industry for a brighter, more sustainable future. We have more than 15 years of experience developing carbon capture technologies, including a proprietary solvent, suitable for large-scale carbon capture plants at industrial sites around the world.

Carbon capture is a key measure to reduce global CO₂ emissions. Implementing carbon capture across industries, in combination with renewables and energy efficiency, is essential to meet the Paris Agreement targets.

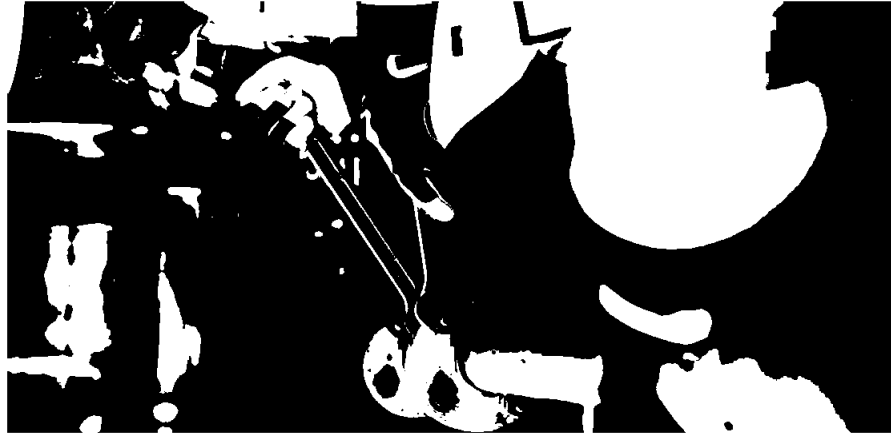
Large CO₂ emitters in energy, cement, waste-to-energy, steel, and other heavy industries are prepared to take action to become carbon neutral and transform their business models into sustainable operations.

Health, Safety and Environmentally (HSE) friendly CO₂ capture is essential when realizing carbon capture at scale. Aker Carbon Capture delivers best-in-class HSE based on our patented, proprietary solvent and technologies that prevent hazardous emissions.

Aker Carbon Capture is a young company with a long history – and a bright future. From the outset, as the company was established as a separate entity in the summer of 2020, a concerted effort was made to ensure that all parts of the company and its operations are sustainable, with particular regard to environmental, social and governance-related aspects.

Aker Carbon Capture is majority owned by Aker Horizons, a planet-positive investment company and part of the Aker group. Aker companies including Aker Carbon Capture operate in accordance with the overall values

of Aker ASA; to be oriented around results, knowledge, opportunity and cooperation. This report outlines the company's sustainability strategy, some early accomplishments in 2020, and how the company intends to operate in the future, with sustainability as a natural and integrated element across all activities. The sustainability report also constitutes our reporting to the UN Global Compact. The 2020 results reflect both the fact that the company had only five months of operations and that the carbon capture market remains in an early phase with limited industrial activity.



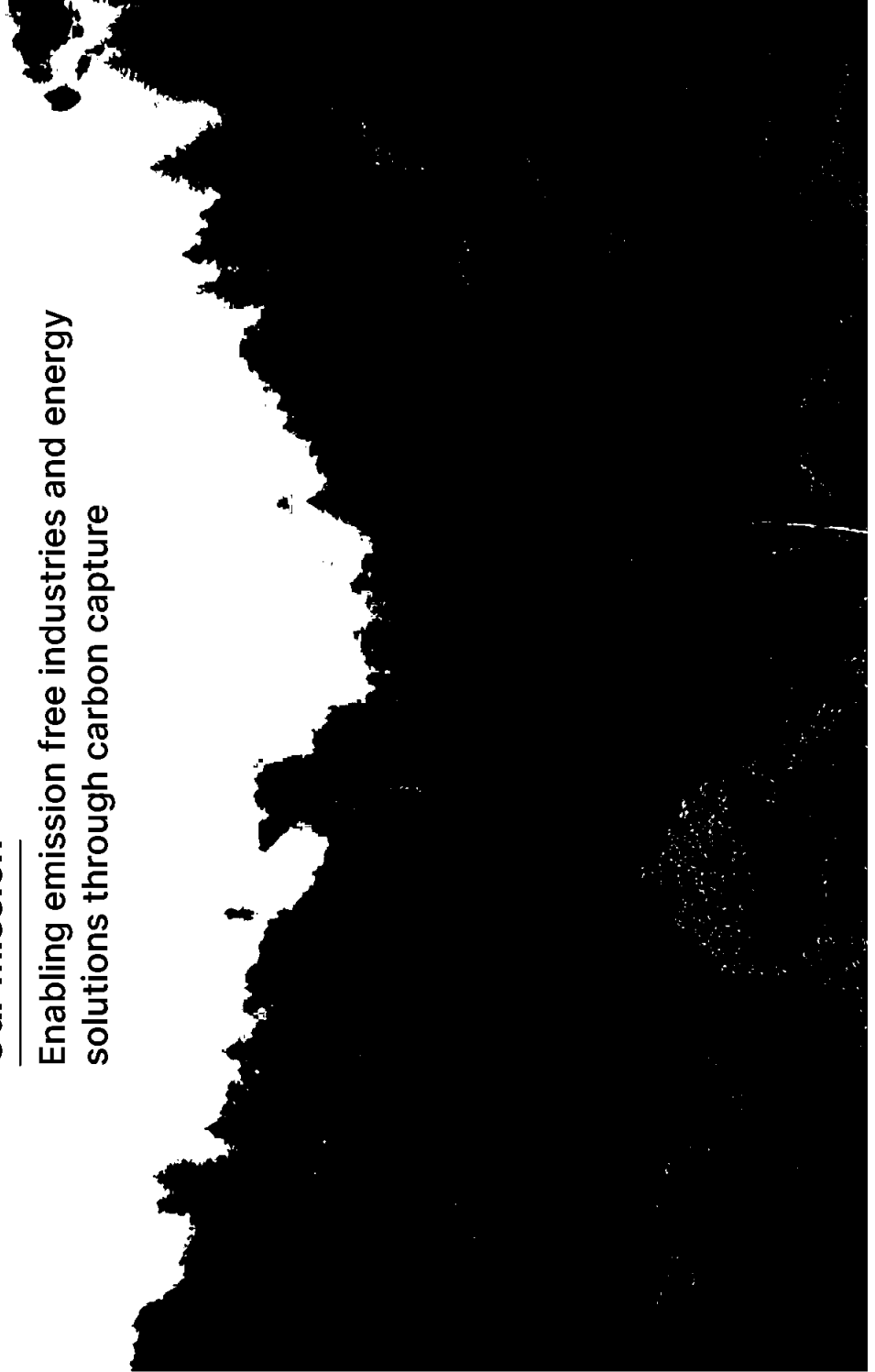


Content

Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group Financials and notes	38
Aker Carbon Capture AS Financials and notes	54
Auditor's report	61

Our mission

Enabling emission free industries and energy solutions through carbon capture





Content

Stakeholder engagement and materiality assessment

Aker Carbon Capture in brief	2	Aker Carbon Capture interacts with numerous stakeholders; employees, owners and shareholders; project partners and suppliers, governments and national authorities, regulators, customers, non-governmental organizations, civil society and local communities. The nature of our engagement and stakeholders' key priorities are presented in the table below.	materiality"), and how the company's ESG performance may influence stakeholders' decisions about the company and thus influence the company's ability to create value ("financial materiality").	and disclosing the company's ESG performance. Aker Carbon Capture has chosen to base the reporting on the Global Reporting Initiative (GRI), as this is a recognized framework and applicable to our business.
Board of directors' report	7			
Board of directors	8			
Sustainability report	15			
GRI tables	17			
ESG accounts	34			
Aker Carbon Capture Group Financials and notes	36			
Aker Carbon Capture AS Financials and notes	38			
Auditor's report	54			
	61			
STAKEHOLDERS' KEY ESG PRIORITIES				
Employees	Daily			
Owners/ shareholders	Daily			
Government and regulators	Daily			
Customers	Daily/Regular engagement on a project-by-project basis			
Project partners and suppliers	Daily/Regular engagement on a project-by-project basis			
Non-Governmental Organizations / Civil society	Regular engagement, and continuous monitoring			
Local communities	Regular engagement on a project-by-project basis, and continuous monitoring			

Content

Material ESG topics

Aker Carbon Capture in brief	2		
CEO letter	7		
Board of directors' report	8		
Board of directors	15		
Sustainability report	17		
GRI tables	34		
ESG accounts	36		
Aker Carbon Capture Group Financials and notes	38		
Aker Carbon Capture AS Financials and notes	54		
Auditor's report	61		

These are the material ESG topics selected for Aker Carbon Capture, and our contribution is further described in this report.

ENVIRONMENT	SOCIAL	GOVERNANCE
• Reducing CO₂ emissions • Lifecycle perspective on minimizing emissions • Environmentally friendly technology	• Creating new opportunities in green growth markets • Diversity • Health and safety in the value chain • Human rights and labor rights	• Transparent and purpose-driven company culture • Responsible supply chain management • Anti-corruption and anti-money laundering



Content

Governance

Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group Financials and notes	38
Aker Carbon Capture AS Financials and notes	54
Auditor's report	61

With the mission of Aker Carbon Capture of enabling emission free industries and energy solutions through carbon capture, it is essential to manage material aspects, with an extra emphasis on environment. This is secured through making sustainability an integrated part of the company strategy which is operationalized through various business processes.

MANAGEMENT SYSTEM

Aker Carbon Capture's sustainability policy defines our commitments and behaviors when it comes to sustainability. This includes our commitment to the ten principles of the UN Global Compact within the areas of human rights, labor, environment, and anti-corruption. The policy is part of the company's management system. The management system sets out ambitions, direction, and detailed requirements pertaining to our business processes, facilitating a structured and holistic management approach across the organization. Aker Carbon Capture is certified according to the international standards ISO 9001 Quality Management System and ISO 14001 Environmental Management.

The management system contains policies, specific procedures, controls and review mechanisms to ensure operations are conducted in accordance with applicable internal and external regulatory frameworks. Aker Carbon Capture has a total of 13 policies providing business practice guidance across key areas. The policy documents define the commitment and express the expected behavior across the company within areas such as health, safety, security and environment (HSSE), project execution, quality, governance and finance.

Business processes are owned by global functions and business owners, who have the responsibility and authority to standardize and optimize work processes to secure efficient operation.

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

The Board of Directors of Aker Carbon Capture provides strategic guidance on sustainability. The Board of Directors approves and monitors the sustainability ambitions in our corporate strategy.

The Management Team is accountable for the sustainability program and approves the annual update of sustainability initiatives. This is linked to the materiality assessment which shall be reviewed and approved by the Management Team on an annual basis. It is the responsibility of the Management Team to ensure sustainability is an integral part of Aker Carbon Capture's strategy and annual objectives. Sustainability ambitions are communicated to the Board of Directors for approval and subsequently operationalized by the Management Team. Executing the company's sustainability ambitions is a business line responsibility, and sustainability issues including climate-related risks and opportunities are regularly discussed by the Management Team.

RULES OF PROCEDURE

There are Rules of Procedure for the Board of Directors which govern areas of responsibility, duties and the distribution of roles between the Board, the Chairman and the Chief Executive Officer (CEO). The rules of procedure also include provisions on matters such as convening and chairing board meetings, decision making,

the duty and right of the CEO to disclose information to the Board of Directors and the duty of confidentiality.

CONFLICT OF INTEREST

Aker Carbon Capture applies a strict norm as far as independence assessments are concerned, and has prepared guidelines ensuring that directors and executive personnel notify the Board of Directors if they have any material direct or indirect personal interest in any agreement concluded by the group.

The Rules of Procedure for the Board of Directors stipulate that neither the board members, the CEO nor anyone else shall participate in the preparation, deliberation, or resolution by the board of any matters that are of such special importance to themselves or any of their related parties such that the person in question is deemed to have a prominent personal or financial interest in these matters. The relevant board member or person shall raise the issue of his or her independence whenever there may be cause to question it, and is the primary responsible for adopting the correct decision as to whether he or she should step down from participating in the discussion of the matter at hand.

As far as the other officers and employees of Aker Carbon Capture are concerned, transactions with related parties are comprehensively addressed and regulated in the company's Code of Conduct.



Content

Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group Financials and notes	38
Aker Carbon Capture AS Financials and notes	54
Auditor's report	61

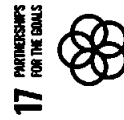
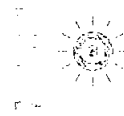
Contribution towards the UN's sustainable development goals

The UN Sustainable Development Goals (SDG) form a key part of the framework for our long-term strategic processes. All 17 goals are of relevance to our business activities, however we have identified a set of specific goals as material to our operations. These goals cover areas where we believe our company can have the greatest impact.

The most important contribution on the part of Aker Carbon Capture, and the very reason for why we are in business, is towards SDG 13 Climate Action – where we aim on having a transformative impact. This will be achieved through decarbonization of fossil energy through enabling blue hydrogen, and by decarbonization of hard-to-abate industries, i.e. industries where there is no other means to reduce emissions. An overview of the SDGs where we have the greatest impact, as well as examples of our contribution, is given in the following.



Our purpose and reason for being in business



Our greatest areas of impact



Our foundation for responsible business conduct



Content

Our contribution

Aker Carbon Capture in brief	2		
CEO letter	7		
Board of directors' report	8		
Board of directors	15		
Sustainability report	17		
GRI tables	34		
ESG accounts	36		
Aker Carbon Capture Group Financials and notes	38		
Aker Carbon Capture AS Financials and notes	54		
Auditor's report	61		

Our purpose and reason for being in business			
13 Climate Action			
Our purpose of being in business is to provide solutions to mitigate climate change. Our ambition is to scale carbon capture and secure contracts for a total of 10 million tons of carbon captured per year by 2025.			
Our greatest areas of impact			
7 Affordable and Clean Energy			
We are directly contributing to the decarbonization of fossil energy by enabling blue hydrogen. It is expected that blue hydrogen – produced from natural gas with Carbon Capture and Storage (CCS) – will be required as part of the energy transition, while the scaling up of green hydrogen – based on renewables and electrolysis technologies – is under development. CCS in combination with bioenergy and biogenic waste to energy enables carbon removal, a requirement for reducing current carbon emissions in the atmosphere.			
9 Industry, Innovation and Infrastructure			
We contribute to decarbonizing hard-to-abate industries such as cement and bio/waste to energy. We will drive down the cost of carbon capture through further investments in our proprietary solutions and benefit from standardization and digitalization, making it a viable solution to implement for more emitters.			

12 Responsible Consumption and Production			
Circularity is key when it comes to designing our solutions. Integrating waste heat from the plants where we apply our technology improves energy efficiency, and our long-term dedication to improving the amine solvent has reduced the overall consumption and waste. Our designs are made to last for decades with limited maintenance requirements.			
5 Gender Equality			
We will maintain a strong emphasis on diversity across our workforce and management as our company develops.			
8 Decent Work and Economic Growth			
As the company grows it will strive to maintain a positive working environment with equal rights and opportunities for all, free from harassment and discrimination. Employee development, participation and ownership are core in this respect.			
16 Peace, Justice and Institutions			
We conduct our business with integrity, respecting the laws, cultures, dignity and rights of individuals in all the countries where we operate. Our Code of Conduct describes Aker Carbon Capture's commitments and requirements regarding ethical business practices and personal conduct, and we encourage all our business partners to adhere to principles that are consistent with this. We are committed to making the UN Global Compact's guiding principles an integral part of our business strategy, day-to-day operations, and organizational culture.			

Our foundation for responsible business conduct			
3 Good Health and Well-being			
The occupational health of our employees and those in our value chain is a fundamental enabler of our business. With our long industrial history in the Aker group this is core to our identity and will continue to be so. Excellent HSE performance is a license to operate.			



Content

Sustainability ambitions and programs

Aker Carbon Capture in brief	2	
CEO letter	7	
Board of directors' report	8	
Board of directors	15	
Sustainability report	17	
GRI tables	34	
ESG accounts	36	
Aker Carbon Capture Group Financials and notes	38	
Aker Carbon Capture AS Financials and notes	54	
Auditor's report	61	

As we scale up our activities, we will do so in a way that builds resilience for the future. Being in business to combat climate change, we pay special attention to driving down our own footprint while maximizing the positive contribution through carbon capture solutions.	Aker Carbon Capture has not formally signed the SDG ambition program, but as a participant member of UN Global Compact we are supporting SDG ambitions relevant to our operations. Relevant ambitions are included in the following sections, alongside with information on how we can contribute towards reaching the 2030 agenda.	SDG Ambition is an accelerator initiative that aims to challenge and support participating companies of the UN Global Compact in setting ambitious corporate targets and accelerating integration of the 17 Sustainable Development Goals into core business management. SDG Ambition enables companies to move beyond incremental progress and step-up transformative change – unlocking business value, building business resilience, and enabling long-term growth.
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We will drive forward our sustainability program in the areas of:

- Progressing towards '10 in 25'
 - Introducing framework to identify scope 1/2/3 footprint reduction initiatives
 - Technology investment for continued improved environmental impact and energy efficiency
- Collaboration with partners and suppliers on ESG aspects
 - Transition to circularity
- Maintain and strengthen a diverse workforce as the company grows
 - Strengthen employee training programs with a wider set of ESG topics



Content

Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group Financials and notes	38
Aker Carbon Capture AS Financials and notes	54
Auditor's report	61

Sustainability program:



invest in research and innovation, and explore novel capture technologies. Energy efficiency is an important cost driver when implementing carbon capture and reducing energy consumption through advanced heat integration is essential.

When it comes to reducing our emissions during the construction phase, we are dependent on close collaboration with our suppliers and partners. During 2021 we expect to engage in multiple dialogues with our network of partners and collaborators to decide on the appropriate measures to be implemented.

STATUS AND RESULTS

- First project contract Brevik CCS enables emission reduction of 0.4 million tons/year
- Greenhouse gas emissions total: 20.7 t CO₂ equivalents (further details in Journey towards carbon neutrality):
 - Scope 1: 0.0 t CO₂ equivalents
 - Scope 2: 1.2 t CO₂ equivalents
 - Scope 3: 19.4 t CO₂ equivalents

Scope 1: Direct greenhouse gas emissions. Emissions that occur from sources owned or controlled by the company, for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.

Scope 2: Indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company.

Scope 3: All other indirect emissions that occur in a company's value chain.

KEY AMBITIONS

- Securing contracts of capturing 10 million tons CO₂/annum by 2025 (10 in 25), by enabling low carbon energy and by decarbonizing hard-to-abate industries.
- Set science-based emission reductions targets in-line with a 1.5°C pathway (SDG ambition). Set carbon neutrality targets for scope 1, 2 & 3 aligned with the publishing of new guidelines from Greenhouse Gas Protocol (expected 2021) on how to calculate negative Scope 3 emissions from carbon capture.

MATERIAL TOPICS

- Reducing CO₂ emissions

KEY ACTIVITIES

Our ambition of carbon capture is clear, securing contracts of 10 million tons CO₂ captured annually by 2025. We are directly contributing to decarbonization of fossil energy by enabling blue hydrogen and to decarbonization of hard-to-abate industries such as cement and bio/waste to energy.

One of the key barriers of implementing carbon capture, utilization and storage (CCUS) is the cost. As the CO₂ tax is expected to rise, we will contribute to making CCUS a viable solution for more emitters through significant reduced cost.

We will report on scope 1, 2 and 3 greenhouse gas emissions from 2020 and we will further start the process of setting Science Based Targets and prepare for reporting on the aforementioned within two years at the latest, including Carbon Disclosure Project (CDP) and Task Force on Climate-related Financial Disclosures (TCFD).

Regarding our scope 3 emissions we will implement measures to continue to reduce emissions both during the construction phases and the operational phases.

Our operational footprint starts with design and as part of our technology development, we will continue to improve plant performance,



Content

Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group Financials and notes	38
Aker Carbon Capture AS Financials and notes	54
Auditor's report	61

Sustainability program:



KEY AMBITIONS

- Transition to circularity
 - Zero waste to landfill and incineration (SDG ambition)
 - Zero discharge of hazardous pollutants and chemicals (SDG ambition)
 - 100% sustainable material inputs that are renewable, recyclable, and reusable (SDG ambition)
 - 100% resource recovery, with all materials and products recovered and recycled or reused at end of use (SDG ambition)
- Establish collaboration framework with partners and suppliers on ESG aspects

MATERIAL TOPICS:

- Lifecycle perspective on minimizing emissions
- Environmentally friendly technology
- Creating new opportunities in green growth markets

KEY ACTIVITIES

Part of the decarbonization journey is also to grow new green industries. In order to meet our decarbonization targets and to support the required systemic shift to circularity, we will establish close collaboration with partners and suppliers. As a first step we will gather data and knowledge on what is already possible and available, and then jointly identify opportunities of driving the new standards on ESG performance. This will shape the evaluation of supplier ESG performance and maturity in future bids.

Creating new jobs in the green economy is a material aspect for governments funding CCUS projects. The energy transition from fossil fuel to electrification, renewables, and hydrogen together with CCUS is a key driver and enabler for future job creation. For Aker Carbon Capture it is thus a key success factor to be able to build local supply chains in the projects we execute, both securing existing and creating new jobs in the green industry.

Circularity is a core aspect of our technology development, from integration of waste heat

to our processes, energy efficiency, and our proprietary solvent resulting in less consumption and waste. As our operational activity levels increase, we will continue the transition to circularity, in collaboration with partners and suppliers to define new standards in this area.

STATUS AND RESULTS

Our continued efforts on technology development have already yielded results, improving the HSE characteristics and energy efficiency of our carbon capture solutions, as demonstrated in the following cases.



Content

Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group Financials and notes	38
Aker Carbon Capture AS Financials and notes	54
Auditor's report	61

CASE: ENERGY EFFICIENCY ENABLED BY CIRCULARITY

Amager Resource Center (ARC) is considering a CO₂ capture and liquefaction plant at the Waste to Energy plant at Amager, Copenhagen. In this context, Aker Carbon Capture was requested to perform a feasibility study with the objective to develop a design for a carbon capture and conditioning facility for 78 ton CO₂/hour and to minimize the impact on the existing waste-to-energy plant operation and performance.

The study shows that implementation of a CO₂ capture and conditioning plant recovering 78 ton CO₂/hour is feasible. It can be done with neutral energy consumption by integrating CO₂ capture into the district heating system.

Heat integration includes internal heat integration within the carbon as well as heat integration with the district heat system and upgrade of waste heat from the carbon capture plant, by use of new heat pumps or reuse of existing absorption heat pumps at ARC.

An additional upside of this project, if it is realized, is that two-thirds of the waste is of biogenic origin, hence the project will deliver total negative emissions of approximately 330,000 ton/year.

CASE: DEVELOPMENT OF HSE-FRIENDLY AMINE

To find the optimal solvent, Aker Carbon Capture initiated a major research and development program together with industry players and Norwegian research partners.

More than 45 researchers spent over eight years testing more than 90 different solvent cocktails. From these, the best candidates were further tested in six different industry pilots, utilizing our mobile test unit, a fully functioning carbon capture plant that was brought to test sites across Europe and the United States.

During testing, Aker Carbon Capture was not just looking at the energy consumption – emissions from the capture process itself were also a major consideration. Expectations for an environmentally friendly solution were set by Norwegian authorities and parts of academia. This led to the development of an HSE-friendly amine which causes no harm to workers on site, surrounding communities and the environment.

About our amine solvent

- Best-in-Class HSE Profile
- Non-toxic
- Biodegradable
- Low degradation and waste
- Minimum corrosion

Cost-Efficient and High-Performing

- CO₂ capture rate of about 90 percent
- Minimum emission to air
- More than 99 percent CO₂ purity
- Minimum liquid waste
- Less energy requirement
- Cheaper materials with a lifetime of more than 25 years
- Easy operation and monitoring
- Efficient reclamation with HSS removal
- Improved energy consumption



Content

Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group Financials and notes	38
Aker Carbon Capture AS Financials and notes	54
Auditor's report	61

Sustainability program:



KEY AMBITIONS

- Diversity; Gender balance across workforce, management, and board (SDG ambition)
- Zero HSE incidents
- Zero incidents of bribery (SDG ambitions)

MATERIAL TOPICS

- Diversity
- Health and safety in the value chain
- Human rights and labor rights
- Transparent and purpose-driven company culture
- Responsible supply chain management
- Anti-corruption and anti-money laundering

KEY ACTIVITIES

We will continue to adhere to the highest standards related to business conduct, with integrity, respecting the laws, cultures, dignity and rights of individuals in all the countries where we operate.

Our commitment to sustainability includes our external operations, such as those related to our suppliers and partners, as well as our internal operations. Aker Carbon Capture has integrated a global anti-corruption compliance program.

Our commitment to human and labor rights is covered by the Global Framework Agreement between Aker ASA and the Norwegian and international trade unions Fellesforbundet, IndustriALL Global Union, NITO and Tekna.

Suppliers are expected to adhere to our business ethics and values, including our standards for health and safety, human and labor rights, environment, quality management, business integrity and sustainability as described in our Code of Conduct, as well as being competent and trustworthy.

Aker Carbon Capture's Country Risk

Procedure regulates the company's involvement in countries with perceived high political, reputational, legal or ethical risks. Its purpose is to manage potential risks through early integrity risk assessments. In accordance with the company's Business Integrity Policy, we have guidelines and responsibilities for qualification

and integrity due diligence of potential, new, and existing business partners. This is required in order to protect Aker Carbon Capture against the risk of becoming complicit in illegal or unethical practices conducted by a business partner, including direct or indirect involvement in corruption, human rights, environmental or labor rights violations.

With an expected steep increase in the workforce, we will pay special attention to maintaining and strengthening diversity across background, gender, nationalities, and age. Aker Carbon Capture is committed to ensuring that the unique contributions each employee brings to the company are encouraged. In order to ensure that everyone can make full use of their talents, we shall welcome, listen to and respect the ideas of all our employees. Our employees can expect a workplace free from harassment and discrimination. We do not tolerate discrimination against any employee based on age, gender, sexual orientation, disability, race, nationality, political opinions, religion or ethnic background, or any other basis prohibited by law.

The company maintains its zero incidents target, built on foundations from the high HSE standards in the oil and gas industry. As the Covid-19 pandemic continues to impact us well into 2021, we continue our efforts to ensure the well-being of our employees, with particular attention to mental health issues. We acknowledge that we have a significant number of employees working from remote locations, and therefore we commit to continuing a level of digital social events and other measures to support our co-workers, also post-Covid.

STATUS AND RESULTS

- Whistle blower cases: 0
- Code of conduct employee e-learning: 100% participation
- No HSE incidents
- Diversity statistics in ESG accounts



Content

Journey towards carbon neutrality

Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group Financials and notes	38
Aker Carbon Capture AS Financials and notes	54
Auditor's report	61

Although the positive effect of our solutions in operation by far outnumbers the footprint of construction and operation, we will continuously strive to reduce these emissions.

Our current emissions are in majority linked to power consumption of our offices and mobile test unit that we use to test the technology on different flue-gases. Until the construction phase of our projects begins, our carbon footprint is very low. As the activity level increases it will be part of the company's sustainability program to find ways to limit emissions through the construction phase and we will continue to invest in the energy efficiency of our technology.

For our scope 3 emissions we will further develop science-based targets, pending new guidelines from Greenhouse Gas Protocol on calculating negative Scope 3 emissions from carbon capture to be published (expected 2021). Reliable long-term offsetting solutions for carbon removal is lacking and is an area

where we have ambitions to actively engage to establish. We are committed to invest in CO₂ removal through our carbon capture solutions to neutralize the residual emissions of our activities.

We aim to set science-based targets and report towards CDP and TCFD within two years.

SCOPE 1, 2 AND 3 EMISSIONS FOR 2020

In the period from 1. August to 31. December 2020, there were no direct (Scope 1) GHG emissions from equipment or facilities owned or operated by Aker Carbon Capture. Electricity usage and district heating/cooling in the company's office space contributed to indirect energy (Scope 2) emissions of 1.2 metric tons of CO₂e, using location-based emission factors¹.

Indirect emissions (Scope 3) totaled 19.4 metric tons of CO₂e in the period. The main contributor (87 percent of Scope 3 emissions²) is electricity and chemical usage in the category of downstream leased assets, where Aker Carbon

Capture's Mobile Test Unit has been in operation at the Lysekil Refinery in Sweden. Employee mobility was significantly restricted due to Covid restrictions in 2020, with business travel and employee commuting representing 8 percent of Scope 3 emissions³. No business flights were conducted in the period, and other business travel was limited to passenger vehicles between Oslo and Lysekil. The remaining Scope 3 emissions are related to generated waste⁴.

¹ Based on emission factors for Norwegian electricity usage set by the Norwegian Water Resources and Energy Directorate. When using market-based emission factors calculated from the residual electricity mix, Scope 2 emissions were estimated to 28.9 metric tons.

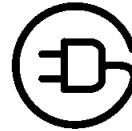
² Based on emission factors for electricity set by the Swedish Energy Agency and for chemical usage from the Ecoinvent database.

³ Estimated based on Norwegian average emission factors per passenger-kilometer.

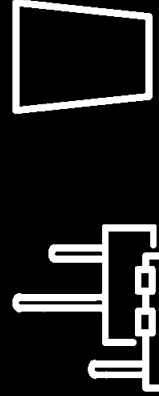
SCOPE 1
0 metric tons



SCOPE 2
1.2 metric tons



SCOPE 3
19.4 metric tons





Content

Risk and opportunities

Aker Carbon Capture in brief	2		
CEO letter	7		
Board of directors' report	8		
Board of directors	15		
Sustainability report	17		
GRI tables	34		
ESG accounts	36		
Aker Carbon Capture Group Financials and notes	38		
Aker Carbon Capture AS Financials and notes	54		
Auditor's report	61		

RISK MANAGEMENT	
The Board of Directors sets the direction of the company by determining the objectives, strategy and risk profile of the business within the parameters of the articles of association. The existing business targets and strategy are evaluated on an annual basis by the board through a designated strategy process whereby any significant changes as well as goals and guidelines of the company are adopted. The objectives and business strategy as defined and approved by the Board of Directors, are executed through a strategy implementation process in Aker Carbon Capture owned by the CEO.	
The Board of Directors takes an active and strong approach in identifying and assessing business risks to ensure the overall risk profile of the company is understood and sound. The Board of Directors defines the general level of acceptable risk for the company and will continuously make assessments to ensure the risk level is within the parameters set and adopt changes to the company's risk profile as and when required or relevant.	
Information concerning the objectives and principal strategies of the company and any changes thereto as well as business risk aspects, are disclosed to the market in the context of the company's annual report, its quarterly reporting and in designated market presentations as well as on the company's website.	
CLIMATE CHANGE RISK & OPPORTUNITIES	
Aker Carbon Capture is exposed to both risks and opportunities from climate change. The nature and level of risk is dependent on government, business, and society's response	

to the climate change in the short and long term. In the event of a strong response to climate change in the short term up to 2030, our business will mostly be affected positively as that will lead to an increased demand for our solutions and services. The challenge will be to keep the pace of the supply chain and to manage the scaling of the carbon capture technology whilst continuously challenging and implementing new technologies and methods to decrease the footprint of construction.	
With a limited response to climate change, our business will be affected by limited market demand and in the long term past 2030 by physical effects such as extreme weather and higher temperatures. Accordingly, our analysis focuses on both transitional risks up to 2030 and physical risks past 2030.	
These risks are tracked as part of the overall risk management system in the company and subsequently managed in the company strategy with a high degree of involvement by Board of Directors and the Management Team.	
Our response to climate-related risks and opportunities spans all areas of our business including project development, technology development and investments. Considering the potential different effects we may experience due to climate change, there are a range of responses we will undertake and that are common for the two scenarios:	
- Through our technology programs continuously improve the energy efficiency, both through developing new technology as well as by optimizing the integration of the carbon capture technology to the host facility to minimize the need for additional electricity. - Through collaboration with our customers ensure that the individual site is assessed	

with respect to acute and chronic risks such as extreme weather due to climate change.	
- Through our sustainability program we will address risks and opportunities in the supply chain, leveraging our purchasing power to support the transition to green industry in the markets we operate. - Advocacy towards governments, public and organizations to ensure knowledge on carbon capture and storage as a solution to combat climate change. - Leverage our memberships and partnerships to learn across industries and access to know-how and ideas on how to continuously improve on our carbon footprint and other material ESG aspects.	

Aker Carbon Capture will follow the development of the taxonomy closely as this will be of great significance for our customers' access to green finance. We plan to align our reporting with the EU taxonomy after the final version has been published by the EU, expectedly in 2021.	
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Content

Memberships and collaborations

Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group Financials and notes	38
Aker Carbon Capture AS Financials and notes	54
Auditor's report	61

Aker Carbon Capture provides solutions for decarbonization so that we go from insight of the need to mitigate climate change to action. A key enabler for meeting our "10 in 25" ambition on carbon capture is active partnerships across the value chain and ecosystem. Aker Carbon Capture has already established a number of these collaborations to bring down barriers and accelerate developments, including:

- Participant in UN Global Compact
- Membership in Global CCS Institute
- Membership in Polyteknisk Forening, a network for promotion of science-based and sustainable development
- Collaboration with Bellona, a Norwegian environmental NGO

10 in 25

Secure contracts to capture 10 million tonnes per annum CO₂ by 2025





33

Home

Explore

Adjust

Search

Content

Aker Carbon Capture in brief

2

CEO letter

7

Board of directors' report

8

Board of directors

15

Sustainability report

17

GRI tables

34

ESG accounts

36

Aker Carbon Capture Group

38

Financials and notes

Aker Carbon Capture AS

54

Financials and notes

Auditor's report

61

Appendix



Content

GRI tables

Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group Financials and notes	38
Aker Carbon Capture AS Financials and notes	54
Auditor's report	61

Material Disclosures across ESG

GRI-disclosure	Description	Reference/Reporting	Remarks
Environmental disclosures			
	Management approach		
303-5	Water consumption		
306-1	Waste generation and significant waste-related impacts		Sustainability section: Reduce Carbon Emissions, Enabling Green Industries
306-2	Management of significant waste-related impacts		ESG accounts
305-1	Scope 1		Sustainability section: Enabling Green Industries
305-2	Scope 2		Our own journey to carbon neutrality, ESG accounts
305-3	Scope 3		Our own journey to carbon neutrality, ESG accounts
305-4	Carbon intensity		Our own journey to carbon neutrality, ESG accounts
	Carbon capture contracts impact		ESG accounts

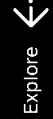


Content

Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group Financials and notes	38
Aker Carbon Capture AS Financials and notes	54
Auditor's report	61



Home



Explore



Adjust



Search

GRI-disclosure	Description	Reference/Reporting	Remarks
Social disclosures			
Management approach			
203-2	Significant indirect economic impacts	Sustainability section: Responsible and purpose driven business conduct, Governance Sustainability section: Enabling Green Industries, ESG accounts	Employment in green industries
201-1	Direct economic value generated and distributed	Annual report, section Annual accounts	
204-1	Proportion of spending on local suppliers	Sustainability section: Enabling Green Industries.	
405-1	Diversity of governance bodies and employees	Sustainability section: Responsible and purpose driven business conduct, ESG accounts	
405-2	Ratio of basic salary and remuneration of women to men	ESG accounts	
403-9	Work-related injuries	ESG accounts	
403-10	Work-related ill health	None recorded. The development of amines described in the sustainability section: Enabling Green Industries.	
205-1	Operations assessed for risks related to corruption	Sustainability section: Responsible and purpose driven business conduct	Limited activities for ACC in 2020, describes management approach
205-2	Communication and training about anti-corruption policies and procedures	Sustainability section: Responsible and purpose driven business conduct	
205-3	Confirmed incidents of corruption and actions taken	ESG accounts	
GRI-disclosure			
Governance disclosures			
Management approach			
308 / 414	New suppliers that were screened using environmental / social criteria	Sustainability section: ESG management, Responsible and purpose driven business conduct	
308-2	Negative environmental impacts in the supply chain and actions taken	Sustainability section: Responsible and purpose driven business conduct	Note, limited activities for ACC in 2020, generic environmental assessment of activities conducted
414-2	Negative social impacts in the supply chain and actions taken	Sustainability section: Enabling Green Industries	Note, limited activities for ACC in 2020
205-2	Communication and training about anti-corruption policies and procedures	Sustainability section: Responsible and purpose driven business conduct	
102-16	Values, principles, standards and norms of behaviour	Sustainability Section: Introduction to Sustainability	
102-22	Composition of the highest governance body and its committees	Annual report, section BoD presentation	
102-35	Remuneration policies	Annual accounts	CEO



Content

Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group Financials and notes	38
Aker Carbon Capture AS Financials and notes	54
Auditor's report	61

ESG accounts

We have collected detailed information on the main categories described in the sustainability report.

Safety			
		2020	
Lost-time injuries (LTIF)		Number	LTIF value
Total	0	0	0
		2020	
Injuries (TRIF)		Number	TRIF value
Total	0	0	0
Fatalities		2020	
Employees	0		
Subcontractors	0		
Penal sanctions, health and safety		Unit	2020
Cases where legal or administrative sanctions have been issued for material breaches of health and safety legislation		Number	0
Fines or charges for material breaches of health and safety legislation		MNOK	0
Decent working life			
Trade Unions		Unit	2020
Percentage of employees with collective agreements as at 31.12		%	50
Penal sanctions, human rights		Unit	2020
Cases where legal or administrative sanctions have been issued for material breaches of human rights legislation		Number	0
Fines or charges for material breaches of human rights legislation		MNOK	0

Working Environment			
Employees		Unit	2020
Permanent employees as per 31.12		Number	26
Contract staff		Number	56
Turnover		%	0
Trainees		Number	0
Age Distribution		Unit	2020
Employees under 30		%	7
Employees aged 30–50		%	58
Employees over 50		%	35
Average age, all employees		Years	46
Average age, men		Years	48
Average age, female		Years	42
Diversity, Gender		Unit	2020
Female representation, across Company		%	26
Female representation, Management		%	37.5
Female representation, Board of Directors		%	20
Diversity, Nationalities		Unit	2020
Number of nationalities in Company		Number	6
Equal pay		Unit	2020
Average salary for women as a percentage of average salary for all employees		%	101
Average salary for men as a percentage of average salary for all employees		%	99
Sickness absence		Unit	2020
Sickness absence		%	0.8



Content

Aker Carbon Capture in brief	2
CEO letter	7
Board of directors' report	8
Board of directors	15
Sustainability report	17
GRI tables	34
ESG accounts	36
Aker Carbon Capture Group Financials and notes	38
Aker Carbon Capture AS Financials and notes	54
Auditor's report	61

Environment	Unit	2020
Waste type	tons	0.33
Organic and sludge	tons	0.31
Paper, cardboard	tons	0.09
Glass	tons	0.01
Metal	tons	0.04
Soil and various materials	tons	0.04
Plastic	tons	0.80
Mixed waste	tons	1.6
Water consumption	Unit	2020
Water consumption, office	m3	347
Environmental incidents	Unit	2020
Environmental incidents	Number	0
Penal sanctions, environment	Unit	2020
Cases where legal or administrative sanctions have been issued for material breaches of environmental legislation	Number	0
Fines or charges for material breaches of environmental legislation	MNOK	0

Climate	Unit	2020
Carbon Capture	Unit	2020
Impact through secured contracts, per year	Million tons	0.4
Energy consumption	Unit	2020
Electricity	MWh	380.1
District heating	MWh	37.7
District cooling	MWh	23.4
Greenhouse Gas Emissions	Unit	2020
Direct Emissions, Scope 1	tCO ₂ equivalents	0
Indirect emissions, Scope 2	tCO ₂ equivalents	1.2
Other indirect emissions, Scope 3	tCO ₂ equivalents	19.4
Total Emissions	tCO ₂ equivalents	20.7
Carbon Intensity	Unit	2020
Own operations (tCO ₂ e (Scope 1+2) / revenue in MNOK)	tCO ₂ equivalents	0.078
Business Ethics and anti-corruption		
Code of conduct employee e-learning	Unit	2020
Employees completed training	%	100
Whistle-blowing cases	Unit	2020
Total number of concerns reported	Number	0
Penal sanctions, environment	Unit	2020
Cases where legal or administrative sanctions have been issued for material breaches of business ethics legislation	Number	0
Fines or charges for material breaches of business ethics legislation	MNOK	0



Content

AKER CARBON CAPTURE GROUP

Financials and notes

Income statement and other comprehensive income	39	Consolidated financial statements	
Balance sheet	40	Income statement and other comprehensive income	39
Cash flow statement	41	Balance sheet	40
Statement of changes in equity	42	Cash flow statement	41
Note 1 Reporting entity	43	Statement of changes in equity	42
Note 2 Basis of accounting	43	Notes	
Note 3 Acquisition of business	44	Note 1 Reporting entity	43
Note 4 Revenue	44	Note 2 Basis of accounting	43
Note 5 Expenses	45	Note 3 Acquisition of business	44
Note 6 Tax	46	Note 4 Revenue	44
Note 7 Earnings per share	47	Note 5 Expenses	45
Note 8 Property, plant and equipment	47	Note 6 Tax	46
Note 9 Intangible assets	47	Note 7 Earnings per share	47
Note 10 Current operating assets and liabilities	48	Note 8 Property, plant and equipment	47
Note 11 Leases	48	Note 9 Intangible assets	47
Note 12 Employee benefits	49	Note 10 Current operating assets and liabilities	48
Note 13 Capital and reserves	50	Note 11 Leases	48
Note 14 Capital management	50	Note 12 Employee benefits	49
Note 15 Financial risk management and exposures	50	Note 13 Capital and reserves	50
Note 16 Group companies	51	Note 14 Capital management	50
Note 17 Related parties	51	Note 15 Financial risk management and exposures	51
Note 18 Management remuneration	53	Note 16 Group companies	51
		Note 17 Related parties	51
		Note 18 Management remuneration	53



Consolidated statement for the period July 8 to December 31

AKER CARBON CAPTURE



Content

Income statement and other comprehensive income	39
Balance sheet	40
Cash flow statement	41
Statement of changes in equity	42
Note 1 Reporting entity	43
Note 2 Basis of accounting	43
Note 3 Acquisition of business	44
Note 4 Revenue	44
Note 5 Expenses	45
Note 6 Tax	46
Note 7 Earnings per share	47
Note 8 Property, plant and equipment	47
Note 9 Intangible assets	47
Note 10 Current operating assets and liabilities	48
Note 11 Leases	48
Note 12 Employee benefits	49
Note 13 Capital and reserves	50
Note 14 Capital management	50
Note 15 Financial risk management and exposures	50
Note 16 Group companies	51
Note 17 Related parties	51
Note 18 Management remuneration	53



AKER CARBON CAPTURE GROUP

Balance sheet

Consolidated statement for the period ended December 31

Amounts in NOK thousand	Note	2020
Assets		
Non-current assets		
Property, plant and equipment	9	2 610
Right-of-use assets	11	13 184
Intangible assets	9	3 792
Total non-current assets		19 586
Current assets		
Trade and other receivables	10	7 196
Cash and cash equivalents		457 699
Total current assets		464 896
Total assets		484 481
Equity and liabilities		
Equity		
Share capital		566 060
Other paid-in capital	13	(114 200)
Total equity		451 860
Non-current liabilities		
Pension liabilities	12	2 849
Non-current lease liabilities	11	9 272
Total non-current liabilities		12 121
Current liabilities		
Current lease liabilities	11	4 908
Trade and other payables	10	15 592
Total current liabilities		20 500
Total equity and liabilities		484 481

Fornebu, March 25, 2021

Kristian Monsen Røkke
Director

Øyvind Eriksen
Director

Henrik Overgaard Madsen
Chairman

Nini Jensen
Director

Valborg Lundegaard
CEO



Content

AKER CARBON CAPTURE GROUP

Cash flow statement

Consolidated statement for the period July 8 to December 31

	Jul 8 - Dec 31, 2020
Income statement and other comprehensive income	39
Balance sheet	40
Cash flow statement	41
Statement of changes in equity	42
Note 1 Reporting entity	43
Note 2 Basis of accounting	43
Note 3 Acquisition of business	44
Note 4 Revenue	44
Note 5 Expenses	45
Note 6 Tax	46
Note 7 Earnings per share	47
Note 8 Property, plant and equipment	47
Note 9 Intangible assets	47
Note 10 Current operating assets and liabilities	48
Note 11 Leases	48
Note 12 Employee benefits	49
Note 13 Capital and reserves	50
Note 14 Capital management	50
Note 15 Financial risk management and exposures	50
Note 16 Group companies	51
Note 17 Related parties	51
Note 18 Management remuneration	53

Amounts in NOK thousand	
Profit (loss) before tax	(44 460)
Adjustment for:	
Depreciation	1 881
Accrued interest and foreign exchange	308
Changes in net current operating assets	16 728
Cash flow from operating activities	(25 545)
Acquisition of property, plant and equipment	(376)
Payments for capitalized development	(2 142)
Cash flow from investing activities	(2 518)
Payment of finance lease liabilities	(1 192)
Proceeds from share issues	500 000
Transaction costs related to share issues	(12 489)
Purchase of treasury shares	(1 859)
Sale of treasury shares	1 302
Cash flow from financing activities	485 762
Net cash flow in the period	457 699
Cash and cash equivalent at the beginning of the period	-
Cash and cash equivalent at the end of the period	457 699



Content

AKER CARBON CAPTURE GROUP

Statement of changes in equity

Consolidated statement for the period July 8 to December 31

	Amounts in NOK million	Note	Share capital	Other paid-in capital	Total equity
Income statement and other comprehensive income	39				
Balance sheet	40			(44 460)	(44 460)
Cash flow statement	41			-	-
Statement of changes in equity	42			(44 460)	(44 460)
Note 1 Reporting entity	43		30	-	30
Note 2 Basis of accounting	43		(30)	-	(30)
Note 3 Acquisition of business	44		271 943	240 057	512 000
Note 4 Revenue	44		294 118	205 882	500 000
Note 5 Expenses	45		-	(12 489)	(12 489)
Note 6 Tax	46		-	(558)	(558)
Note 7 Earnings per share	47	3	-	(502 633)	(502 633)
Note 8 Property, plant and equipment	47		566 060	(114 200)	451 860
Note 9 Intangible assets	47				
Note 10 Current operating assets and liabilities	48				
Note 11 Leases	48				
Note 12 Employee benefits	49				
Note 13 Capital and reserves	50				
Note 14 Capital management	50				
Note 15 Financial risk management and exposures	50				
Note 16 Group companies	51				
Note 17 Related parties	51				
Note 18 Management remuneration	53				



Content

AKER CARBON CAPTURE GROUP

Notes

Income statement and other comprehensive income	39	Note 1 Reporting entity	Functional and presentation currency The consolidated financial statements are presented in NOK, which is Aker Carbon Capture AS's functional currency. When the functional currency in a reporting unit is changed, the effect of the change is accounted for prospectively.
Balance sheet	40		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 consolidated financial statements may not equal the sum of the amounts shown due to rounding.
Cash flow statement	41		Basis of measurement The consolidated financial statements have been prepared on the historical cost basis.
Statement of changes in equity	42		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.
Note 1 Reporting entity	43		Standards issued but not yet effective A number of new standards are effective for annual periods beginning after January 1, 2020 and earlier application is permitted; however, the group has not early adopted the new or amended standards in preparing these consolidated financial statements and they are not expected to have a significant impact on the group's consolidated financial statements
Note 2 Basis of accounting	43		Judgments and estimates The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions each reporting period that affect the income statement and balance sheet. The accounting estimates will by definition seldom precisely match actual results. The main areas where judgments and estimates have been made are described in each of the following notes: Note 4 Revenue , Note 6 Tax , Note 8 Property, Plant and Equipment , Note 9 Intangible Assets and Note 11 Leases .
Note 3 Acquisition of business	44	Note 2 Basis of accounting	
Note 4 Revenue	44	Statement of compliance The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS), their interpretations adopted by the International Accounting Standards Board (IASB) and the additional requirements of the Norwegian Accounting Act as of December 31, 2020.	
Note 5 Expenses	45		Going concern basis of accounting The consolidated financial statements have been prepared on a going concern basis.
Note 6 Tax	46		
Note 7 Earnings per share	47		
Note 8 Property, plant and equipment	47		
Note 9 Intangible assets	47		
Note 10 Current operating assets and liabilities	48		
Note 11 Leases	48		
Note 12 Employee benefits	49		
Note 13 Capital and reserves	50		
Note 14 Capital management	50		
Note 15 Financial risk management and exposures	50		
Note 16 Group companies	51		
Note 17 Related parties	51		
Note 18 Management remuneration	53		



Content

Income statement and other comprehensive income 39

Balance sheet 40

Cash flow statement 41

Statement of changes in equity 42

Note 1 Reporting entity 43

Note 2 Basis of accounting 43

Note 3 Acquisition of business 44

Note 4 Revenue 44

Note 5 Expenses 45

Note 6 Tax 46

Note 7 Earnings per share 47

Note 8 Property, plant and equipment 47

Note 9 Intangible assets 47

Note 10 Current operating assets and liabilities 48

Note 11 Leases 48

Note 12 Employee benefits 49

Note 13 Capital and reserves 50

Note 14 Capital management 50

Note 15 Financial risk management and exposures 50

Note 16 Group companies 51

Note 17 Related parties 51

Note 18 Management remuneration 53



Note 3 Acquisition of business

Acquisition of Carbon Capture business from Aker Solutions

On July 17, 2020, an Asset Purchase Agreement with Aker Solutions was entered into for the acquisition of personnel, technology (including know-how) and intellectual property rights, the MTU, as well as its project and tender portfolio in the CCUS business, together with other industry projects/engagements. Approximately 20 employees were transferred as part of the deal. Purchase price was NOK 512 million.

The transaction is booked as a common control transaction out of scope from IFRS 3 Business Combinations as Aker Solutions were the sole shareholder at the time of the transaction. This means that Aker Solutions' book values of acquired assets and liabilities are continued in Aker Carbon Capture consolidated accounts. The difference between the fair value of the transaction and the net assets acquired has been booked as continuity difference towards equity.

Fair value of acquired assets and liabilities

Amounts in NOK thousand	Book value	Fair value adjustment ¹⁾	Fair value
Property, plant and equipment	2 234	-	2 234
Intangible assets	1 650	502 633	504 283
Trade receivables and other short term assets	6 830	-	6 830
Trade payables and other short term liabilities	(1 347)	-	(1 347)
Total	9 367	502 633	512 000

¹⁾ The fair value adjustments have been booked towards equity as continuity difference in a common control transaction.

Note 4 Revenue

The revenue in Aker Carbon Capture relates to delivery of technology, engineering, procurement and construction services within the carbon capture, storage and utilization ("CCUS") value chain, with a core focus on supplying the solutions and technology which together comprise a carbon capture plant and the downstream processing and management of CO₂ (including capture, compression, liquefaction and intermediate storage at site). Project execution is a key component of all deliveries.

Deliveries include studies, Front End Engineering and Design (FEED) contracts, as well as full scale Engineering, Procurement and Construction (EPC) contracts related to the full carbon capture value chain. This will typically include services related to capturing, compression, liquefaction and storing carbon.

Financial reporting principles

Nature of performance obligations, including significant payment terms

Under construction contracts, specialized products are built to a customer's specifications and the assets have no alternative use to the group. If a construction contract is terminated by the customer, the group has an enforceable right to payment for the work completed to date. The contracts usually establish a milestone payment schedule. The group has assessed that these performance obligations are satisfied over time. Each contract is usually assessed as one performance obligation as the deliveries are combined in one output. Payment terms are normally 30-90 days according to predefined milestones, or as time and materials has been delivered.

Service revenue is generated from rendering of services to customers. The invoicing is usually based on the service provided at regular basis. Under some service contracts, the invoices are based on hours or days performed at agreed rates. The group has assessed that these performance obligations are satisfied over time.

Financial reporting principles

Revenue from the construction performance obligations is recognized according to progress. The progress is measured using an input method that best depicts the group's performance. The input method used to measure progress is determined by reference to the costs incurred to date relative to the total estimated contract costs. Revenue in excess of costs is not recognized until the outcome of the performance obligation can be measured reliably. Variable considerations, such as incentive bonus or penalties, are included in construction revenue when it is highly probable that a significant revenue reversal will not occur. Potential penalty for liquidated damages is recognized as a reduction of the transaction price unless it is highly probable that it will not be incurred. Disputed amounts and claims are only recognized when negotiations have reached an advanced stage, customer acceptance is highly likely and the amounts can be measured reliably. Contract modifications, usually in form of variation orders, are only accounted for when they are approved by the customers.

Service revenue is recognized over time as the services are provided. The revenue is recognized according to progress, or using the invoiced amounts when the invoiced amounts directly correspond with the value of the services that are transferred to the customers. The progress is normally measured using an input method, by the reference of costs incurred to date relative to the total estimated costs



Content

Income statement and other comprehensive income	39
Balance sheet	40
Cash flow statement	41
Statement of changes in equity	42
Note 1 Reporting entity	43
Note 2 Basis of accounting	43
Note 3 Acquisition of business	44
Note 4 Revenue	44
Note 5 Expenses	45
Note 6 Tax	46
Note 7 Earnings per share	47
Note 8 Property, plant and equipment	47
Note 9 Intangible assets	47
Note 10 Current operating assets and liabilities	48
Note 11 Leases	48
Note 12 Employee benefits	49
Note 13 Capital and reserves	50
Note 14 Capital management	50
Note 15 Financial risk management and exposures	50
Note 16 Group companies	51
Note 17 Related parties	51
Note 18 Management remuneration	53



AKER CARBON CAPTURE

Types of contracts

In 2020, revenues were services revenues related to various studies. During first quarter 2021, the group will start up the project related to the EPC-delivery to Norcem Heidelberg Cement (Brevik CCS project) of a complete plant for capture, intermittent storage and offloading of CO₂, with integrated waste-heat recovery. The plant is scheduled to be in operation in 2024.

Amounts in NOK thousand	Jul 8 - Dec 31, 2020
Service revenue	15 801
Total	15 801

Timing of revenue

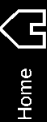
The performance obligations in customer contracts vary from a few months to as long as five years. The order backlog as of December 31, 2020 was NOK 1.7 billion, mainly consisting of the Brevik CCS project. Official commencement date for this contract is January 27, 2021. The revenue is expected to be recognized over the years 2021 to 2024.

Contract balances

The company has recognized the following assets and liabilities related to contracts with customers:

Amounts in NOK thousand	Note	2020
Trade receivables	10	5 171
Customer contract assets	10	191
Customer contract liabilities	10	(1 395)
Total		3 967

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 become unconditional, which usually occurs when invoices are issued to the customers. Customer contract liabilities relate to advances from customer for work not yet performed.



Home



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Adjust



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Note 5 Expenses

Expenses by nature	Jul 8 - Dec 31, 2020
Amounts in NOK thousand	
IT	3 206
External consultants and hired-ins inclusive audit fees ¹⁾	22 031
Other operating expenses	2 163
Other operating expenses	27 400

1) See note 17 for information about hired-ins from related parties.

Fees to KPMG

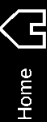
Amounts in NOK thousand	Aker Carbon Capture AS ¹⁾	Other group companies	Total
Audit	287	134	421
Other assurance services	22	22	44
Total	309	156	465

1) Audit services of NOK 137 thousand relate to listing process on Euronext Growth and is reported directly to equity.



Content

Income statement and other comprehensive income	39
Balance sheet	40
Cash flow statement	41
Statement of changes in equity	42
Note 1 Reporting entity	43
Note 2 Basis of accounting	43
Note 3 Acquisition of business	44
Note 4 Revenue	44
Note 5 Expenses	45
Note 6 Tax	46
Note 7 Earnings per share	47
Note 8 Property, plant and equipment	47
Note 9 Intangible assets	47
Note 10 Current operating assets and liabilities	48
Note 11 Leases	48
Note 12 Employee benefits	49
Note 13 Capital and reserves	50
Note 14 Capital management	50
Note 15 Financial risk management and exposures	50
Note 16 Group companies	51
Note 17 Related parties	51
Note 18 Management remuneration	53



Home



Explore



Adjust



Search

Note 6 Tax

Financial reporting principles

Income tax in the income statement consists of current tax, effect of change in deferred tax positions and withholding tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current Tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date that will be paid during the next 12 months. Current tax also includes any adjustment of taxes from previous years and taxes on dividends recognized in the year.

Deferred Tax

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for taxation purposes. Deferred tax is measured at the tax rates expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted at the reporting date. Deferred tax is not recognized for goodwill identified in business combinations. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority. Deferred tax assets are recognized for unused tax losses, tax credits and deductible temporary differences. The deferred tax asset is only recognized to the extent it is considered probable that future taxable profits will be available to utilize the credits.

Judgements and estimates

Income tax expense is calculated based on reported income in the different legal entities. Deferred income tax expense is calculated based on the temporary differences between the assets' carrying amount for financial reporting purposes and their respective tax basis. The total amount of income tax expense and allocation between current and deferred income tax requires management's interpretation of complex tax laws and regulations in the tax jurisdictions where the group operates. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit.

Effective tax reconciliation

Amounts in NOK thousand	Jul 8 - Dec 31, 2020
Profit before tax	(44 460)
Expected tax rate	22.0%
	9 781
Tax effects of:	
Permanent differences	5.6%
Tax effect loss on sale of treasury shares	0.3%
Difference due to continuity method ¹⁾	12.6%
No recognition of deferred tax assets	(40.6%)
Total income tax benefit (expense)	-

¹⁾ The acquisition of business from Aker Solutions in July 2020 is recognised at fair values in statutory accounts, see Note 3 Acquisition of business.

Deferred tax positions

Amounts in NOK thousand	2020
Property, plant and equipment	(456)
Intangible assets	(4 423)
Tax loss carry forwards	22 924
Total deferred tax positions	18 045
Not recognized in the balance sheet ¹⁾	(18 045)
Deferred tax asset (liability)	-

¹⁾ No deferred tax has been recognized as the companies are newly founded and have no history of taxable profits



Content

Income statement and other comprehensive income	39
Balance sheet	40
Cash flow statement	41
Statement of changes in equity	42
Note 1 Reporting entity	43
Note 2 Basis of accounting	43
Note 3 Acquisition of business	44
Note 4 Revenue	44
Note 5 Expenses	45
Note 6 Tax	46
Note 7 Earnings per share	47
Note 8 Property, plant and equipment	47
Note 9 Intangible assets	47
Note 10 Current operating assets and liabilities	48
Note 11 Leases	48
Note 12 Employee benefits	49
Note 13 Capital and reserves	50
Note 14 Capital management	50
Note 15 Financial risk management and exposures	50
Note 16 Group companies	51
Note 17 Related parties	51
Note 18 Management remuneration	53



Note 7 Earnings per share

Aker Carbon Capture AS holds 566 060 400 shares as of December 31, 2020. The company holds no treasury shares.

Amounts in NOK thousand	Jul 8 - Dec 31, 2020
Profit (loss) for the period	(44 460)
Basic/ diluted earnings per share (NOK)	
Issued ordinary shares at incorporation	30
Effect of shares issued in July 2020	21 631 784
Effect of shares issued in August 2020	447 059 066
Weighted average number of issued ordinary shares for the year	468 690 880
Earnings (loss) per share in NOK (basic and diluted)	0.09

Note 8 Property, plant and equipment

The property, plant and equipment relates to Mobile Test Unit (MTU).

Financial reporting principles

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Components of property, plant and equipment with different useful lives are accounted for separately.

Impairment triggers are assessed quarterly and impairment testing is performed when triggers have been identified. Borrowing costs are capitalized as part of the cost of the asset when significant. The cost of self-constructed assets includes the cost of materials, direct labor, production overheads and borrowing cost.

Judgments and estimates

The value in use of some of these assets can be significantly impacted by changes of market conditions. The group considers whether there are indications of impairment on the carrying amounts of such non-current assets. If such indications exist, an impairment test is performed to assess whether or not the assets should be impaired. The valuations, often determined by value in use calculations, will often be performed based on estimates of future cash flows discounted by an appropriate discount rate. Significant estimates and judgments are made by the management, including determining appropriated cash-generating units and discount rate, projections for future cash flows and assumptions of future market conditions.

Assets are normally depreciated on a straight-line basis over their expected economic lives, being 8 years for the MTU.



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Note 9 Intangible assets

Amounts in NOK thousand	Note	Property, plant and equipment
Acquired in business combination	3	2 234
Additions		376
Depreciations ¹⁾		-
Balance as of Dec 31, 2020		2 610

¹⁾ The additions relate to on-going upgrades and no depreciations have been recognized in the period.

The group has not entered into any contractual commitments for the acquisition of property, plant and equipment per December 31, 2020.

Financial reporting principles

Capitalized development

Development cost is only capitalized if the product or process is technically and commercially feasible and the business case shows a positive net present value. Capitalized development mainly includes internal labor costs in addition to materials for the development program. The capitalized development is normally amortized over five years on a straight-line basis, but certain programs with a clear differentiating offering and a longer economic benefit may be amortized up to seven years. For development projects in progress, a full impairment test is performed annually or when impairment indicators are identified. Assets are written down to recoverable amount, if lower than book value.

External funding of research and development activities

Research and development activities carried out by the group may qualify for funding i.e. from government institutions. Such funding is recognized when there is a reasonable assurance that the entity will comply with the relevant conditions and the funding will be received. The funding is recognized in profit or loss on a systematic basis as the entity recognizes the expenses they are intended to compensate and is reported as a reduction of these expenses. If the research and development activities that are carried out qualify to be recognized in the balance sheet, then the funding is reported as reduction of the capitalized amount.

Judgments and estimates

The value in use of some of these assets can be significantly impacted by changes of market conditions. The group considers whether there are indications of impairment on the carrying amounts of such non-current assets. If such indications exist, an impairment test is performed to assess whether or not the assets should be impaired. The valuations, often determined by value in use calculations, will often be performed based on estimates of future cash flows discounted by an appropriate discount rate. Significant estimates and judgments are made by the management, including determining appropriated cash-generating units and discount rate, projections for future cash flows and assumptions of future market conditions.



Content

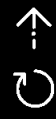
Income statement and other comprehensive income	39
Balance sheet	40
Cash flow statement	41
Statement of changes in equity	42
Note 1 Reporting entity	43
Note 2 Basis of accounting	43
Note 3 Acquisition of business	44
Note 4 Revenue	44
Note 5 Expenses	45
Note 6 Tax	46
Note 7 Earnings per share	47
Note 8 Property, plant and equipment	47
Note 9 Intangible assets	47
Note 10 Current operating assets and liabilities	48
Note 11 Leases	48
Note 12 Employee benefits	49
Note 13 Capital and reserves	50
Note 14 Capital management	50
Note 15 Financial risk management and exposures	50
Note 16 Group companies	51
Note 17 Related parties	51
Note 18 Management remuneration	53



Home



Explore



Adjust



Search

Amounts in NOK thousand	Note	Capitalised development costs
Acquired in business combination	3	1 650
Additions		2 142
Amortizations ¹⁾		-
Balance as of Dec 31, 2020		3 792

¹⁾ The assets are under construction and no amortizations have been recognized in the period.

Research and development costs

NOK 2 million has been capitalized in 2020 related to development activities. In addition, research and development costs of NOK 17 million were expensed during the year because the criteria for capitalization are not met. Further, the group has received external funding of research and development costs of NOK 15 million that has been recognized as a reduction of costs in the income statement.

Note 10 Current operating assets and liabilities

Financial reporting principles

Current operating assets

Trade and other receivables are recognized at the original invoiced amount, less impairment losses. The invoiced amount is considered to be approximately equal to the value derived if the amortized cost method would have been used. Impairment losses are estimated based on the expected credit loss method (ECL) for trade receivables, contract assets (with or without a significant financing component) and other receivables.

Current operating liabilities

Trade and other payables are recognized at the original invoiced amount. The invoiced amount is considered to be approximately equal to the value derived if the amortized cost method would have been used.

Judgments and estimates

Judgment is involved when determining the impairment losses on doubtful receivables. The impairment is based on individual assessments of each customer and default risk in the industry and the country in which the customer operates. The customers of Aker Carbon Capture are mainly large companies with low credit risk.

Trade and other receivables

Amounts in NOK thousand	Note	2020
Trade receivables	4	5 171
Public duty and tax refund		1 835
Contract assets	4	191
Total		7 196

Trade and other payables

Amounts in NOK thousand	2020
Trade payables	13 205
Accrued expenses	991
Contract liabilities	4
Total	15 592

Note 11 Leases

The company leases offices at Fornebu, Norway. The contract is for two years, with option for one additional year. See more information in [Note 17 Related parties](#).

Financial reporting principles

The lease liability represents the net present value of the lease payments to be made over the remaining lease period. The right-of-use asset is depreciated over the lease term and is subject to impairment testing. The cash outflows for leases under IFRS 16 is presented as repayment of lease liabilities within financing activities in the cashflow statement. Interest paid is still classified as cash outflows within operating activities.

Judgments and estimates

The property lease, in which the group is a lessee, contain extension or termination options exercisable before the end of the noncancelable period. These options are used to provide operational flexibility for the group. In determining the lease term, the group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (for periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The most relevant factors to be considered as "creating economic incentive" include significant leasehold improvement, alternatives for the leased property and the costs and business disruption required to replace the leased assets. The option for one additional year has been included in the lease term per the reporting date, as management has determined that the company is reasonably certain to exercise such options.



Content

Income statement and other comprehensive income	39
Balance sheet	40
Cash flow statement	41
Statement of changes in equity	42
Note 1 Reporting entity	43
Note 2 Basis of accounting	43
Note 3 Acquisition of business	44
Note 4 Revenue	44
Note 5 Expenses	45
Note 6 Tax	46
Note 7 Earnings per share	47
Note 8 Property, plant and equipment	47
Note 9 Intangible assets	47
Note 10 Current operating assets and liabilities	48
Note 11 Leases	48
Note 12 Employee benefits	49
Note 13 Capital and reserves	50
Note 14 Capital management	50
Note 15 Financial risk management and exposures	50
Note 16 Group companies	51
Note 17 Related parties	51
Note 18 Management remuneration	53



The lease term assessment requires management's judgment and is made at the commencement of the leases. The lease term is reassessed if an option is actually exercised or the group becomes obliged to exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the group's control.

Right-of-use assets (ROU)

Amounts in NOK thousand	2020
Additions	15 065
Depreciation	(1 881)
Total	13 184

Lease liability

Amounts in NOK thousand	2020
Additions	15 065
Lease payments	(1 192)
Accrued interest	308
Total	14 181

Current lease liability

Current lease liability	4 908
Non-current lease liability	9 272

Note 12 Employee benefits

Salary and other personnel costs

Amounts in NOK thousand	Jul 8 - Dec 31 2020
Salaries and wages	21 147
Social security costs	2 767
Pension costs	960
Other employee benefits	164
Total salary and other personnel costs	25 038
Included in Cost of goods sold	(3 891)
Salary and other personnel costs	21 147

The company has 26 full-time employees as of December 31, 2020.

Share purchase program for employees

Aker Carbon Capture's share purchase program in 2020 gave employees the opportunity to invest in shares capped at 25% of the employees annual salary. The participants were offered a price reduction of 30% due to a lock-up period of three years and furthermore a discount of 20% of purchase value up to maximum NOK 5,000. The shares purchased by each employee were paid in cash. In total 13 employees participated in the share purchase program. The company expensed NOK 60 thousand in salary and other expenses and NOK 558 thousand directly in equity related to the share purchase program.

Pension plans

Financial reporting principles

A defined contribution plan is a type of retirement plan where the employer makes contributions on a regular basis to the employees individual pension account. The benefits received by the employee are based on the employer contributions and gains or losses from investing the capital. Contributions to defined contribution pension plans are recognized as an expense in the income statement as incurred.

The Group's pension plans

Defined contribution plan

All employees are offered participation in a defined contribution plan. The annual contributions expensed for the Norwegian plans in 2020 were NOK 672 thousand. The estimated contribution expected to be paid in 2021 is NOK 1,638 thousand.



Content

Income statement and other comprehensive income

Balance sheet

Cash flow statement

Statement of changes in equity

Note 1 Reporting entity

Note 2 Basis of accounting

Note 3 Acquisition of business

Note 4 Revenue

Note 5 Expenses

Note 6 Tax

Note 7 Earnings per share

Note 8 Property, plant and equipment

Note 9 Intangible assets

Note 10 Current operating assets and liabilities

Note 11 Leases

Note 12 Employee benefits

Note 13 Capital and reserves

Note 14 Capital management

Note 15 Financial risk management and exposures

Note 16 Group companies

Note 17 Related parties

Note 18 Management remuneration



Compensation plan

Employees in Aker Carbon Capture that were employed by Aker Solutions in 2008 when the company changed to defined contribution plan 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 according to market interest. The compensation plan is an unfunded plan and is calculated using a earned balance method.

Tariff based pension agreement (AFP)

Employees in Norway have a tariff based lifelong retirement arrangement (AFP) organized by the main labour unions and the Norwegian state. The pension can be withdrawn from the age of 62. The information required to estimate the pension obligation from this defined benefit plan is not available from the plan administrator. Aker Carbon Capture therefore currently accounts for the plan as if it was a defined contribution plan. The company will account for it as a defined benefit plan if information becomes available from the plan administrator.

Total pension liability

Amounts in NOK thousand	2020
Compensation plan	2 849
Total	2 849

Note 13 Capital and reserves

Share capital

The total number of outstanding shares is 566 060 400 at par value NOK 100 per share. All issued shares are fully paid. Aker Carbon Capture AS 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.

Other paid-in capital

Other paid-in capital include share premium net of transaction costs, negative NOK 502 633 thousand in continuity difference from the common control transaction and retained earnings.

Note 14 Capital management

The objective of Aker Carbon Capture's capital management is to optimize the capital structure to ensure sufficient and timely funding over time to finance its activities at the lowest cost, in addition to investing in projects and technology which will increase the company's return on capital employed over time.

Investment policy

Aker Carbon Capture's capital management is based on a rigorous investment selection process which considers the weighted average cost of capital and strategic orientation in addition to external factors such as market expectations and extrinsic risk factors.

Liquidity planning

Aker Carbon Capture has a strong focus on its liquidity situation in order to meet its short-term working capital needs. Aker Carbon Capture had a liquidity reserve as of December 31, 2020 of NOK 457 699 thousand being cash and cash equivalents.

Note 15 Financial risk management and exposures

The objective of financial risk management is to manage and control financial risk exposures to increase the predictability of earnings and minimize potential adverse effects on the company's financial performance. The company is or may be exposed to currency risk, credit risk, interest rate risk, liquidity risk and price risk.

Risk management

Risk management of financial risks is performed in every project and is the responsibility of the project manager. They cooperate with finance managers to identify, evaluate and perform necessary hedging when necessary.

Currency risk

Aker Carbon Capture mainly operates in Norway with a Norwegian cost base as well as Norwegian customers. The currency risk is limited as a result of current operations, but will increase if future projects or cost bases relates to foreign operations.

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.

Trade Receivables and Contract Assets

Assessment of credit risk related to customers and subcontractors is an important requirement in the bid phase and throughout the contract period. Such assessments are based on credit ratings, income statement and balance sheet reviews and using credit assessment tools available (e.g. Dun & Bradstreet).

Revenues are mainly related to large and long-term projects closely followed up in terms of payments up front and in accordance with agreed milestones. Normally, lack of payment is due to disagreements related to project deliveries and is solved together with the customer.



Content

Measurement of Expected Credit Losses (ECLs)

Impairment is assessed using the expected credit loss (ECL) method for financial assets. The company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligation to the company in full. ECLs are estimated probability-weighted net present value of future expected credit losses. ECLs are discounted at the effective interest rate of the financial asset. Loss allowances are always measured at an amount equal to lifetime ECLs. At each reporting date, the company assesses whether any financial assets are credit-impaired. Evidence that a financial asset is credit-impaired includes when invoices are more than 90 days past due without agreed postponement, knowledge of significant financial difficulty of the customer or debtor or other forward-looking information. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to write-off.

Liquidity risk

Liquidity risk is the risk that the company is unable to meet the obligations associated with its financial liabilities. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity reserves to meet its liabilities when due.

Price risk

The group is exposed to fluctuations in market prices in the operational areas related to contracts, including changes in market prices for raw materials, equipment and development in wages. These risks are to the extent possible managed in bid processes by locking in committed prices from vendors as a basis for offers to customer or through escalation clauses with customers.

Guarantees

Aker Carbon Capture AS has issued a parent company guarantee on behalf of Aker Carbon Capture Norway AS related to the Brevik CCS project.

Income statement and other comprehensive income

Balance sheet

Cash flow statement

Statement of changes in equity

Note 1 Reporting entity

Note 2 Basis of accounting

Note 3 Acquisition of business

Note 4 Revenue

Note 5 Expenses

Note 6 Tax

Note 7 Earnings per share

Note 8 Property, plant and equipment

Note 9 Intangible assets

Note 10 Current operating assets and liabilities

Note 11 Leases

Note 12 Employee benefits

Note 13 Capital and reserves

Note 14 Capital management

Note 15 Financial risk management and exposures

Note 16 Group companies

Note 17 Related parties

Note 18 Management remuneration



Note 16 Group companies

Financial reporting principles

The consolidated statements include all entities controlled by Aker Carbon Capture AS. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

Subsidiaries

Aker Carbon Capture AS has one subsidiary at reporting date. Ownership equals the percentage of voting shares.

Company	Location	Country	Percent
---------	----------	---------	---------

Aker Carbon Capture Norway AS	Oslo	Norway	100
-------------------------------	------	--------	-----

Note 17 Related parties

Financial reporting principles

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 Carbon Capture AS is a parent company with control of one subsidiary as listed in Note 16 Group companies. Any transactions between the parent company and the subsidiary are shown in the separate financial statements of the parent company, and are eliminated in the consolidated financial statements.

Remunerations and transactions with directors and executive officers are summarized in Note 18 Management remunerations.

The largest shareholder of Aker Carbon Capture AS is Aker Horizons Holding AS (previously Aker Horizons AS) which in turn is controlled by Kjeil Inge Røkke through TRG Holding AS and The Resource Group TRG AS. The Resource Group TRG AS is the ultimate parent company of Aker Carbon Capture AS. In this respect, all entities controlled by Aker ASA and entities which Kjeil Inge Røkke and his close family controls through The Resource Group TRG AS are considered related parties to Aker Carbon Capture AS and referred to as "Aker entities" in this note.

Aker Solutions ASA was the sole shareholder from incorporation until listing of the company on Euronext Growth on August 26, 2020 and transactions with Aker Solutions group until listing are considered internal.



Content

Significant related parties transactions

Acquisition of business from Aker Solutions

On July 17, 2020, Aker Carbon Capture Norway AS entered into an Asset Purchase Agreement with Aker Solutions for the acquisition of personnel, technology (including know-how) and intellectual property rights, the MTU, as well as its project and tender portfolio in the CCUS business, together with other industry projects/engagements, with a purchase price of NOK 512 million. The acquisition is considered a common control transactions and differences between fair values and book values are reflected as continuity difference in equity. See [Note 3](#).
[Acquisition of business](#) for further description of the transaction.

Income statement and other comprehensive income

Balance sheet

Cash flow statement

Statement of changes in equity

Note 1 Reporting entity

Note 2 Basis of accounting

Note 3 Acquisition of business

Note 4 Revenue

Note 5 Expenses

Note 6 Tax

Note 7 Earnings per share

Note 8 Property, plant and equipment

Note 9 Intangible assets

Note 10 Current operating assets and liabilities

Note 11 Leases

Note 12 Employee benefits

Note 13 Capital and reserves

Note 14 Capital management

Note 15 Financial risk management and exposures

Note 16 Group companies

Note 17 Related parties

Note 18 Management remuneration



Agreements with Aker entities

Aker Horizons Holding AS

The group has entered into a cooperation and shared service agreement with Aker Horizons Holding AS, a 100% owned subsidiary of Aker ASA. The agreement includes CFO, financing and accounting services, business development and M&A support and other support functions.

Further, the group has entered into a sublease agreement with Aker Horizons Holding AS for its headquarter offices at Fonebu. The contract term is two years starting August 17, 2020, with option for one additional year.

Aker ASA

Furthermore, the group has entered into a IT service agreement with Aker ASA for delivery of IT services to the group.

Summary of transactions and balances with significant related parties

Amounts in NOK thousand	Aker entities	Related parties to Aker	Total
Income statement			
Operating expenses	(5 553)	(18 639)	(24 192)
Depreciations (ROU assets)	(1 881)	-	(1 881)
Net financial items (lease liability)	(308)	-	(308)
Balance sheet			
Right-of-use asset (ROU assets)	13 184	-	13 184
Trade and other payables	(2 106)	(5 473)	(7 579)
Lease liabilities	(14 181)	-	(14 181)

Agreements with related parties to Aker

Transitional Services Agreement

On July 17, 2020, the Transitional Services Agreement was entered into with Aker Solutions regarding services to be rendered to the Group. Such services include, inter alia, access to employees who possess information necessary for the business and operations, assistance with financials, tax, legal, IT and human resources, and other similar services that ensure a smooth transition. The term of the agreement is six months with an option for the Aker Carbon Capture to extend for further three months.

Global Frame Agreement

On July 31, 2020, the three Global Frame Agreements with Aker Solutions were entered into for (i) provision of fabrication services; (ii) provision of technical services, including engineering services; and (iii) for personnel hire. The purpose of these agreements is to ensure access to capabilities and manpower while maintaining needed flexibility in the cost base following the Separation. All agreements are subject to a 5-year term with an option to renew for 3 + 3 years. The contract for provision of technical services includes an exclusivity provision. Also, the same parties have on the same date agreed on a roadmap for the purpose of negotiating and agreeing on a framework agreement for the provision of engineering, procurement, construction and management assistance based on an alliance model.

Brevik Carbon Capture Project

On December 22, 2020, Aker Carbon Capture awarded Aker Solutions a contract for engineering, procurement and management assistance services to realise the carbon capture plant at the Brevik cement factory in southern Norway. Aker Solutions expects around 100 employees will be involved in delivering these services.



Content

Income statement and other comprehensive income

Balance sheet

Cash flow statement

Statement of changes in equity

Note 1 Reporting entity

Note 2 Basis of accounting

Note 3 Acquisition of business

Note 4 Revenue

Note 5 Expenses

Note 6 Tax

Note 7 Earnings per share

Note 8 Property, plant and equipment

Note 9 Intangible assets

Note 10 Current operating assets and liabilities

Note 11 Leases

Note 12 Employee benefits

Note 13 Capital and reserves

Note 14 Capital management

Note 15 Financial risk management and exposures

Note 16 Group companies

Note 17 Related parties

Note 18 Management remuneration



Note 18 Management remuneration

Remuneration to the board of directors

The board of directors did not receive any other fees than those listed in the table. The members of the board of directors have no agreements that entitle them to any extraordinary remuneration. The fees in the table represent expenses recognized in the income statement based on assumptions about fees to be approved at the general assembly rather than actual payments made in the year.

Amounts in NOK	Period	Board fee
Henrik Overgaard Madsen (Chairman)	Aug-Dec	166 667
Kristian Monsen Røkke	Aug-Dec	125 000
Øyvind Eriksen	Oct-Dec	75 000
Oscar Fredrik Graff	Oct-Dec	75 000
Nina Jensen	Oct-Dec	37 500

According to policy in Aker, fees to directors employed in Aker companies are paid to the Aker companies, not to the directors in person. Therefore, board fees for Kristian Monsen Røkke and Øyvind Eriksen are paid to Aker Horizons Holding AS and Aker ASA, respectively.

Audit committee

Aker Carbon Capture has an audit committee comprising one director, which held one meeting in 2020. As of December 31, 2020, the audit committee comprises Kristian Monsen Røkke. No fees have been paid related to the Audit Committee.

Remuneration to the CEO

The total remuneration to the CEO consists of a fixed base salary, employee benefits and variable pay programs. The CEO participates in the standard pension and insurance schemes applicable to all employees. The table below includes remuneration earned in the period August 1 – December 31, 2020.

Further, the CEO was invited to participate in the group's share purchase program in 2020, see [note 12](#) for further description.

Amounts in NOK	Job title	Base salary	Variable pay	Other benefits	Total taxable remuneration	Pension benefit earned
Valborg Lundegaard	CEO	1 236 667	1 456 000	14 658	2 707 324	107 476 ¹⁾

¹⁾ Pension benefits also include a pension compensation scheme (for transfer from benefit to contribution scheme)

Shareholding of Directors and CEO

The following number of shares is owned by the directors and the CEO (and their related parties) as of December 31, 2020:

Job title	Number of shares
Henrik Overgaard Madsen	30 000
Valborg Lundegaard	30 581

The overview includes only direct ownership of shares in Aker Carbon Capture AS and does not include Øyvind Eriksen's indirect ownership through ownership in Aker ASA.



Content

Aker Carbon Capture AS

Financials and notes

Income statement	55	
Balance sheet	56	Parent company
Cash flow	57	Income statement
Note 1 Company information	58	Balance sheet
Note 2 Basis of accounting	58	Cash flow
Note 3 Shareholders' equity	58	Notes
Note 4 Expenses	59	Note 1 Company information
Note 5 Investment in group companies	59	Note 2 Basis of accounting
Note 6 Related parties	59	Note 3 Shareholders' equity
Note 7 Tax	59	Note 4 Expenses
Note 8 Shareholders	60	Note 5 Investment in group companies
		Note 6 Related parties
		Note 7 Tax
		Note 8 Shareholders



Content

AKER CARBON CAPTURE AS

Income statement

Statement for the period July 8 to December 31

	Amounts in NOK thousand	Note	Jul 8 - Dec 31 2020
Income statement	55		
Balance sheet	56		
Cash flow	57		
Note 1 Company information	58		
Note 2 Basis of accounting	58		
Note 3 Shareholders' equity	58		
Note 4 Expenses	59		
Note 5 Investment in group companies	59		
Note 6 Related parties	59		
Note 7 Tax	59		
Note 8 Shareholders	60		
Operating expenses		4	(2 326)
Operating profit (loss)			(2 326)
Financial income			452
Net financial items			452
Profit (loss) before tax			(1 874)
Tax benefit (expense)		2	-
Profit (loss) for the period			(1 874)

Content

MAKER CARBON CAPTURE AS

Balance sheet

Statement for the period July 8 to December 31

55	income statement
56	Balance sheet
57	Cash flow
58	Note 1 Company information
58	Note 2 Basis of accounting
58	Note 3 Shareholders' equity
59	Note 4 Expenses
59	Note 5 Investment in group companies
59	Note 6 Related parties
59	Note 7 Tax
60	Note 8 Shareholders

Amounts in NOK thousand	2020	Note
Assets		
Non-current assets		
Investment in group companies	987 030	5
Total non-current assets	987 030	
Current assets		
Current operating assets	338	
Cash and cash equivalents	14 553	
Total current assets	14 892	
Total assets	1 001 922	

Amounts in NOK thousand	2020	Note
Equity and liabilities		
Equity		
Share capital	566 060	
Share premium	431 576	
Total equity	997 637	3
Current liabilities		
Current operating liabilities	4 285	
Total current liabilities	4 285	
Total equity and liabilities	1 001 922	

Fornebu, March 25, 2021

Kristian Røkke
Kristian Monsen Røkke
Director

Dyvid Eriksen
Dyvid Eriksen
Director

Henrik O. Madsen
Henrik Overgaard Madsen
Chairman

Oscar E. Graff
Oscar Fredrik Graff
Director

Valborg Lundegaard
Valborg Lundegaard
CEO

Content

AKER CARBON CAPTURE AS

Cash flow

Statement for the period July 8 to December 31

		Amounts in NOK thousand	Note	Jul 8 - Dec 31 2020
55	Income statement			
56	Balance sheet			
57	Cash flow			
		Profit (loss) before tax		(1 874)
58	Note 1 Company information	Changes in operating assets and liabilities		3 947
58	Note 2 Basis of accounting	Cash flow from operating activities		2 073
58	Note 3 Shareholders' equity	Investment in subsidiaries	5	(475 030)
59	Note 4 Expenses	Cash flow from investing activities		(475 030)
59	Note 5 Investment in group companies	Proceeds from share issues	3	500 000
59	Note 6 Related parties	Transaction costs related to share issues	3	(12 489)
59	Note 7 Tax	Cash flow from financing activities		487 511
60	Note 8 Shareholders	Net cash flow in the period		14 554
		Cash and cash equivalent at the beginning of the period		-
		Cash and cash equivalent at the end of the period		14 554



Content

Income statement	55
Balance sheet	56
Cash flow	57
Note 1 Company information	58
Note 2 Basis of accounting	58
Note 3 Shareholders' equity	58
Note 4 Expenses	59
Note 5 Investment in group companies	59
Note 6 Related parties	59
Note 7 Tax	59
Note 8 Shareholders	60

AKER CARBON CAPTURE AS

Notes

Note 1 Company information

Aker Carbon Capture AS is the parent company and owner of Aker Carbon Capture Norway AS and is domiciled in Norway. Aker Carbon Capture AS was listed on Merkur Market operated by the Oslo Stock Exchange under the ticker "ACC-ME" on August 26, 2020.

Note 2 Basis of accounting

The financial statements of the parent company are prepared in accordance with Norwegian legislation and Norwegian Generally Accepted Accounting Principles.

Financial reporting principles for notes to these financial statements are included in the relevant notes. For other financial reporting principles, see below.

Functional currency and presentation currency

The parent company's financial statements are presented in NOK, which is Aker Carbon Capture AS'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 at the date of the transaction. Monetary items in a foreign currency are translated to NOK using the exchange rate applicable on the balance sheet 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 borrowings and 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 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.

Note 3 Shareholders' equity

Financial reporting principles

Repurchase of share capital is recognized at cost as a reduction in equity and is classified as treasury shares. No gain or loss is recognized in the income statement on the purchase or sale of the company's own shares.

Amounts in NOK thousand	Share capital	Share premium	Total equity
Equity at incorporation July 8, 2020	30	-	30
Reduction of shares	(30)	-	(30)
Contribution-in-kind	271 943	240 057	512 000
Share issue	294 118	205 882	500 000
Transaction costs, share issue	-	(12 489)	(12 489)
Profit (loss) for the period	-	(1 874)	(1 874)
Total equity	566 060	431 576	997 637

The share capital of Aker Carbon Capture AS is divided into 566 060 400 shares with a nominal value of NOK 1. All issued shares are fully paid. The shares can be freely traded. See [Note 8 Shareholders](#) for an overview of the company's largest shareholders.



Explore



Adjust



Search



Content

Income statement	55
Balance sheet	56
Cash flow	57
Note 1 Company information	58
Note 2 Basis of accounting	58
Note 3 Shareholders' equity	58
Note 4 Expenses	59
Note 5 Investment in group companies	59
Note 6 Related parties	59
Note 7 Tax	59
Note 8 Shareholders	60

Note 4 Expenses

Expenses

Aker Carbon Capture AS has no employees and hence no personnel expenses. The CEO is employed by Aker Carbon Capture Norway AS.

Remuneration to and shareholding of CEO and Board of Directors are described in Note 18 Management remuneration in the consolidated financial statements of Aker Carbon Capture group.

Audit fees to KPMG	Jul 8 - Dec 31 2020
Amounts in NOK thousand	
Audit	287
Other assurances services ¹⁾	22
Total	309

¹⁾ Other assurance services relates to listing process on Euronext Growth in August 2020 and is reported directly to equity.

Note 5 Investment in group companies

Financial reporting 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 of the carrying value of the investment.

Amounts in NOK thousand	Reg. office	Share capital	Number of shares held	Ownership	Book value
Aker Carbon Capture Norway AS	Fornebu, Norway	120 003	3 000	100%	987 030
Total					987 030

Note 6 Related parties

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. All transactions with related parties to Aker Carbon Capture AS have been based on arm's length terms.

Transactions with related parties

The company provided a short-term loan to Aker Carbon Capture Norway AS in 2020 that was settled before December 31. Interest income of NOK 68 thousand has been recognized in the period.

Aker Carbon Capture AS has issued a parent company guarantee on behalf of Aker Carbon Capture Norway AS related to the Brevik CCS project.

Note 7 Tax

Financial reporting 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 the 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 income (loss)

Amounts in NOK thousand	Jul 8 - Dec 31 2020
Profit (loss) before tax	(1 874)
Permanent differences	(12 489)
Taxable income (loss)	(14 363)

Aker Carbon Capture AS has not recognized deferred tax asset related to tax loss carry forwards as the group is newly founded and has no history of taxable profits.



Content

Note 8 Shareholders

Shareholders with more than 1 percent shareholding per December 31 are listed below.

	Company	Nominee	Number of shares held	Ownership
Income statement	Aker Horizons Holding AS ¹⁾		288 682 939	51.00%
Balance sheet	Nærings- og Fiskeidepramentet		33 100 085	5.85%
Cash flow	Folketrygdfondet		21 011 677	3.71%
Note 1 Company information	J.P. Morgan Bank Luxembourg S.A.	Nominee	10 691 362	1.89%
Note 2 Basis of accounting	BNP Paribas Securities Services	Nominee	9 823 786	1.74%
Note 3 Shareholders' equity	Aker Solutions ASA		5 798 699	1.02%

¹⁾ The company changed name from Aker Horizons AS on January 26, 2021.

Content

Auditor's report

55	income statement
56	Balance sheet
57	Cash flow
58	Note 1 Company information
58	Note 2 Basis of accounting
58	Note 3 Shareholders' equity
59	Note 4 Expenses
59	Note 5 Investment in group companies
59	Note 6 Related parties
59	Note 7 Tax
60	Note 8 Shareholders

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To the General Meeting of Aker Carbon Capture AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aker Carbon Capture AS, which comprise:

- The financial statements of the parent company Aker Carbon Capture AS (the Company), which comprises the balance sheet as at 31 December 2020, the income statement and cash flow statement for the period 8 July – 31 December 2020, and notes to the financial statements, including a summary of significant accounting policies; and
- The consolidated financial statements of Aker Carbon Capture AS and its subsidiaries (the Group) comprising the balance sheet as at 31 December 2020, the income statement and other comprehensive income, statement of changes in equity and statement of cash flows for the period 8 July – 31 December 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion,

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the period 8 July – 31 December 2020 in accordance with the Norwegian Accounting Act and accounting standards and practice generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the period 8 July – 31 December 2020 in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices prescribed by the Norwegian Accounting Act (RSO). Our objective was to obtain reasonable assurance about whether the financial statements are free from material misstatements. Reasonable assurance is higher than limited assurance, but does not guarantee that an audit will detect all misstatements. 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 the financial statements.

Page 11

SINTEF Energy Research Centre AS
Postboks 47
N-2007 Kjeller
Norway

Chairman
Director
Deputy Director
Finance Director
Audit Committee
Internal Control
Risk Management
Compliance Officer
Data Protection Officer
Human Resources
Legal Counsel
Public Affairs
Quality Management
Safety Officer
Technical Support
Training & Development
Work Environment

KPMG

After Action Capture AS

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, if doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements of the Company in accordance with the Norwegian Accounting Act and other financial standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and other financial standards and practices generally accepted in Norway, and for 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 are prepared on the going concern basis, unless management intends to liquidate the enterprise 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. Reasonable assurance is a high level of assurance, but is not a guarantee that we will detect a material misstatement. A misstatement may remain undetected if it is caused by fraud or by circumstances that are considered immaterial. Our audit includes an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 the 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional skepticism 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. The objective of our audit is to obtain sufficient appropriate evidence 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 or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Content

Income statement	55
Balance sheet	56
Cash flow	57
Note 1 Company information	58
Note 2 Basis of accounting	58
Note 3 Shareholders' equity	58
Note 4 Expenses	59
Note 5 Investment in group companies	59
Note 6 Related parties	59
Note 7 Tax	59
Note 8 Shareholders	60

KPMG

Aker Carbon Capture AS

• 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 and the Group's ability to continue as a going concern. If such 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, and the fact that our audit is conducted on a going concern basis does not mean that we are 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 present 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.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information, it is our opinion that management has fulfilled its duty to produce a proper and orderly set of books and records and that the Company's accounting and bookkeeping are in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 25 March 2021
KPMG AS

Vegard Tangen
State Appointed Public Accountant