



Q4

2019

AKER ASA
FOURTH-QUARTER AND
PRELIMINARY ANNUAL
RESULTS 2019

Highlights

Key figures - Aker ASA and holding companies

- The net asset value ("NAV") of Aker ASA and holding companies ("Aker") ended at NOK 50.0 billion in the fourth quarter, up 16 per cent from NOK 43.1 billion at the end of the third quarter, and up 24 per cent dividend adjusted from NOK 41.7 billion at year-end 2018. The per-share NAV amounted to NOK 673 as per 31 December 2019, compared to NOK 580 as per 30 September 2019 and NOK 562 as per 31 December 2018.
- The Aker share increased 12.3 per cent in the fourth quarter. This compares to a 5.1 per cent increase in the Oslo Stock Exchange's benchmark index ("OSEBX"). The Aker share increased 22.5 per cent in 2019, including dividend paid. This compares with a 16.5 per cent increase in the Oslo Stock Exchange's benchmark Index ("OSEBX").
- Aker's Industrial Holdings portfolio increased by NOK 6.5 billion in the fourth quarter to NOK 54.2 billion. The value of Aker's Financial Investments portfolio stood at NOK 7.7 billion at the end of the fourth quarter, compared to NOK 6.4 billion as per 30 September 2019.
- Aker's liquidity reserve, including undrawn credit facilities, stood at NOK 6.6 billion as per 31 December 2019. Cash amounted to NOK 3.7 billion, up from NOK 2.7 billion as of 30 September 2019.
- The value-adjusted equity ratio was 81 per cent as per the end of the fourth quarter, prior to allocation of dividend. This compares to 80 per cent as of 30 September 2019.
- Aker's Board of Directors proposes a payment of NOK 23.50 per share cash dividend for 2019 (4.3 per cent yield to the share price and 3.5 per cent of NAV at the close of 2019).

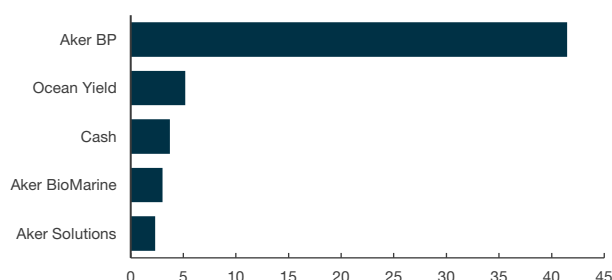
Key events

- The Johan Sverdrup field started production in the fourth quarter and has already ramped up production to well above 300,000 barrels per day and is on track to reach 440,000 barrels per day by the summer.
- Aker BP moved into Phase 2 of the Ærfugl project, and first oil was produced from the Valhall Flanke West, where Aker BP is the operator. Aker Solutions and Kvaerner are engaged in both projects through the successful alliance model.
- Kvaerner signed a NOK 1.5 billion contract with Equinor for development of the Hywind Tampen project, the world's largest floating offshore wind farm. The development is set to be vital for industrialising solutions and reducing costs for future offshore wind projects.
- Ocean Yield acquired seven new vessels for a total consideration of USD 286 million. All seven vessels will be on long-term charters. In the quarter the company made a successful private placement of NOK 717 million, where Aker maintained its share ownership. The company also successfully completed a new bond issue of NOK 750 million.
- Aker purchased the equivalent of 22.95% of the total shares and votes in REC Silicon ASA.
- In the fourth quarter, Aker BP was upgraded to Investment Grade by S&P Global Ratings. This enabled the company to issue USD 1.5 billion in Senior Notes in January 2020 at an attractive price, highlighting the company's favourable access to low cost capital.
- Aker issued a new 5-year bond loan of NOK 1.5 billion. The loan was well received in the market and represented an all-time low margin at Investment Grade level.

Main contributors to gross asset value

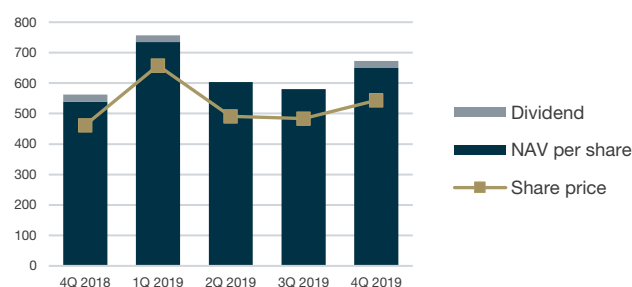
(NOK billion)

Representing 90 per cent of total gross asset value of NOK 61.9 billion



Net asset value and share price

(NOK per share)



The balance sheet and income statement for Aker ASA and holding companies (Aker) have been prepared to show the financial position as a holding company. Net asset value (NAV) is a core performance indicator at Aker ASA. NAV expresses Aker's underlying value and is a key determinant of the company's dividend policy (annual dividend payments of 2-4 per cent of NAV). Gross asset value is determined by applying the market value of exchange-listed shares, while book value is used for other assets. Net asset value is gross asset value less liabilities.

Letter from the CEO

Dear fellow shareholders,

The short summary of Aker ASA's ("Aker") performance in 2019 is: Net asset value ("NAV") up NOK 10 billion (24 per cent), NOK 3.5 billion received in dividend from portfolio companies, share price increased 22.5 per cent and NOK 22.5 per share in dividend to our shareholders (NAV and share price performance adjusted for dividends). The fourth quarter contributed well to the annual results, with NAV up NOK 6.9 billion, while our share price increased 12 per cent. Aker BP ASA ("Aker BP") stood out as the major contributor to our value and cash generation, as reported, but our unlisted holdings, Cognite AS, Aker Biomarine AS and Aker Energy AS, also made good progress (all reported at book value).

Aker delivered good return to our shareholders in 2019, despite high volatility and significant value fluctuations during the year. Volatility and market turmoil have also dominated the first weeks of 2020. When we entered the new year, most of us associated Corona with a beer rather than a virus. Today, we are relating Corona to a serious epidemic that has triggered red figures for the energy sector on the trading screens of Stock Exchanges. Our values are also down year to date. That is yet another reminder about why we have been so occupied by building robustness, resilience and optionality, both at the Aker level and in each portfolio company. As a result, Aker is prepared for rainy days. A solid financial position with low debt ratio, predictable upstream cashflow, a highly liquid portfolio of assets and well performing industrial holdings enable us to weather the storm, stick to our plans and strategies, maintain an attractive cash dividend to our shareholders, and pursue opportunities that tend to materialise when market uncertainties are high.

Aker BP is a prime example of said strategy. The importance of Aker BP to the financial and industrial development of Aker in recent years can hardly be overstated. In January, Aker BP achieved yet another milestone by issuing two investment grade US bonds at favourable terms. More value to Aker and other shareholders is generated by driving cost of capital down. Strategically and operationally, investors should expect that Aker BP sticks to its core business with a commitment to produce oil and gas at even lower CO₂ emissions and cost per barrel than today. In the bigger picture, we believe that is the most important contribution Aker BP can make to a world with growing demand for energy.

This may sound conflicting to the "energy transition" strategies pursued by oil companies for the time being. Aker is not ignorant to the fact that renewables and other "clean" sources of energy will play a more important role in the energy mix going forward, but facts and figures tell that the expected increase in demand for energy will require both more oil and gas and more "clean energy". Hence, "energy addition" is in our opinion a more appropriate description of the task at hand than "energy transition". This reality fits well with how Aker operates with a portfolio of different industrial holdings, each focusing on their respective industry segments. For Aker BP, it is oil and gas. Other opportunities will be pursued by other Aker companies with equally focused management teams. New business opportunities will be screened and prioritised by Aker based on our financial metrics, including the 12 per cent return target over the cycle and the goal to increase upstream cash flow year-on-year from our portfolio.

We combine the said focus with a commitment to build new businesses on the shoulders of existing industrial capabilities. For nearly 180 years, Aker has transformed its industrial portfolio as response to shifts in e.g. market trends, technologies, regulations, or customer preferences. From a mechanical workshop to shipbuilding. Thereafter, to offshore construction, oilfield services and exploration and production of oil and gas. And in recent years, also new areas, like industrial software, offshore wind and carbon capture and

storage. Each transformational change and new business opportunity built in collaboration, rather than in conflict with, existing Aker businesses. This is a key reason why it is of vital importance to develop and grow our current portfolio companies in parallel with pursuing new opportunities. When managed and balanced properly, changes can be made within acceptable risk tolerances and without compromising value creation. A more impatient and swift transformation would increase short term risks, reduce longer term chances of success and ultimately put shareholders returns at risk.

Environmental, social and governance ("ESG") issues became in 2019 even more important criteria both for business strategies and for allocation of capital. Our overall approach to ESG has already been outlined and we are looking at our businesses to address it in the best way possible. In this new landscape, we believe that there will be more opportunities than threats to Aker. That being said, an unfortunate consequence of the strong and rather unilateral focus on climate change was that the opening of the Johan Sverdrup field did not get the attention it deserved. Johan Sverdrup is probably one of the most extraordinary industrial achievements in Norway ever. As a project, Johan Sverdrup (phase 1) was completed approximately NOK 40 billion (more than 30 per cent) below budget, excluding risk provisions, and two months ahead of schedule. Since first oil, operation has been flawless with an uptime close to 100 per cent and a production approaching 400,000 barrels per day. Johan Sverdrup will produce for at least the next 50 years and the field is estimated to generate NOK 900 billion as income to the state of Norway, depending on oil price. Aker is exposed to this industry adventure, both through Aker BP as a license partner (11.57 per cent participation interest) and through Aker Solutions and Kvaerner as key suppliers.

NOAKA is one of the few new greenfield developments on the Norwegian Continental Shelf after Johan Sverdrup. The development is more complex, but we believe that the area has the potential of becoming yet another value accretive business, provided that Equinor and the Aker Group join forces as we have done so many times before. The dialogue about NOAKA has not been easy, but, finally, we have together managed to get the collaboration back on track. In order to succeed with NOAKA, Equinor and Aker BP should align both technical concept and commercial interests. Good progress has already been made. Hence, I am more confident than before that we will ultimately be able to execute NOAKA as yet another value accretive project jointly with Equinor.

I am writing this letter shortly after an inspiring World Economic Forum Annual Meeting in Davos. A theme frequently discussed this year was the importance of "making profit with a purpose". Aker has for decades provided reliable energy to the world, created safe jobs, provided our suppliers with the necessary predictability to invest in capacity and competency, and innovated technologies that have made our and other businesses more sustainable. NOAKA is designed to serve all these purposes.



Øyvind Eriksen
President and CEO

Aker ASA and holding companies

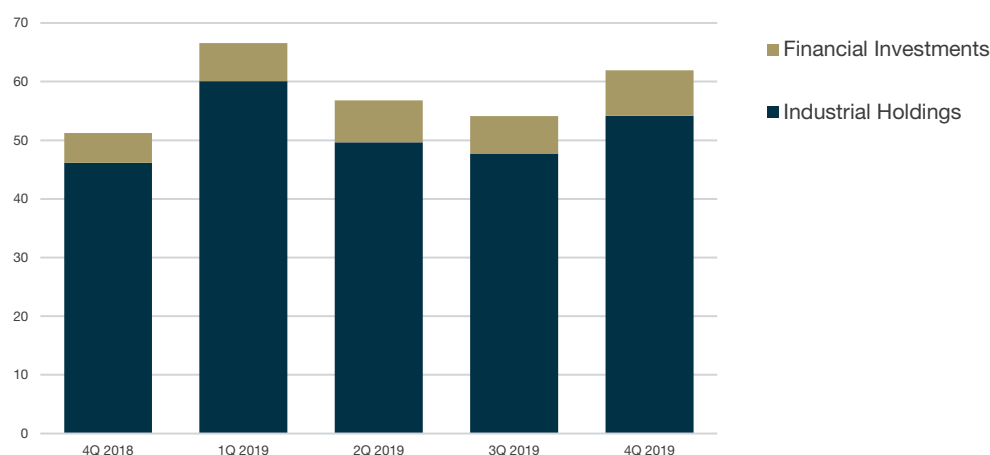
Assets and net assets value

Net asset value (NAV) composition - Aker ASA and holding companies

	31.12.2018		30.09.2019		31.12.2019	
	NOK/share	NOK million	NOK/share	NOK million	NOK/share	NOK million
Industrial Holdings	621	46 139	643	47 737	730	54 200
Financial Investments	68	5 074	86	6 390	104	7 733
Gross assets	690	51 213	729	54 127	834	61 934
External Interest-bearing debt	(123)	(9 160)	(144)	(10 663)	(157)	(11 629)
Non interest-bearing debt	(4)	(309)	(5)	(351)	(4)	(330)
NAV (4Q before dividend allocations)	562	41 744	580	43 113	673	49 974
Net interest-bearing assets/liabilities		(6 230)		(6 799)		(6 701)
Number of shares outstanding (million)		74.269		74.278		74.278

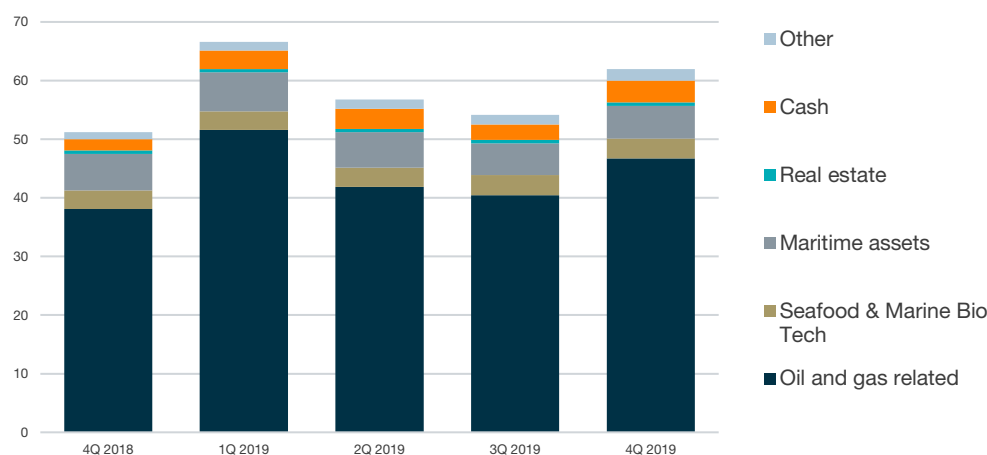
Gross assets by segment

(NOK billion)



Gross assets per sector

(NOK billion)

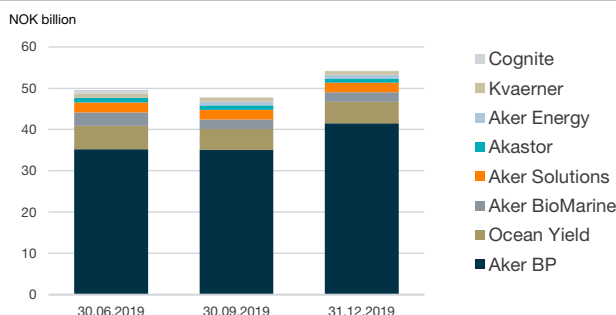
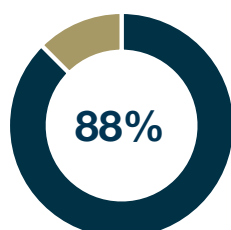


Net asset value ("NAV") is a core performance indicator at Aker ASA. NAV expresses Aker's underlying value and is a key determinant of the company's dividend policy (annual dividend payments of 2-4 per cent of NAV). Net asset value is determined by applying the market value of exchange-listed shares, while book value is used for other assets. Aker's assets (Aker ASA and holding companies) consist largely of equity investments in the Industrial Holdings segment, and of cash, receivables and other equity investments in the Financial Investments segment. Other assets consist mainly of intangibles and tangible fixed assets. The charts above show the composition of Aker's assets. The business segments are discussed in greater detail on the following pages.

Aker – Segment information

Industrial Holdings

Share of Aker's assets



		31.12.2018	30.09.2019	4Q 2019				31.12.2019
Amounts in NOK million	Ownership in %	Value	Value	Net investments	Dividend income	Other changes	Value change	Value
Aker BP	40.0	31 403	35 062	-	(686)	-	7 110	41 486
Ocean Yield	61.7	5 816	5 030	442	(172)	-	(113)	5 187
Aker BioMarine*	98.0	2 411	2 363	-	-	-	-	2 363
Aker Solutions	34.8	3 750	2 324	-	-	-	13	2 338
Akastor	36.7	1 313	1 090	-	-	-	(91)	1 000
Aker Energy*	49.2	471	925	-	-	-	-	925
Kvaerner	28.7	931	900	-	-	-	(41)	859
Cognite*	64.0	42	42	-	-	-	-	42
Total Industrial Holdings		46 139	47 737	442	(858)	-	6 879	54 200

*At book value

The total value of Aker's Industrial Holdings increased by NOK 6.5 billion in the fourth quarter to NOK 54.2 billion, mainly due to a NOK 7.1 billion positive value change of Aker BP and participation in the Ocean Yield private placement with NOK 442 million. This was partly offset by dividend received from Aker BP and Ocean Yield totalling NOK 858 million and negative value changes of Ocean Yield, Akastor and Kvaerner totalling NOK 245 million. The 2019 full-year upstream dividend received from the Industrial Holdings was a record high NOK 3.38 billion. Aker BP stood for NOK 2.65 billion while NOK 658 was received from Ocean Yield. Aker's non-listed industrial holdings, Aker BioMarine, Aker Energy and Cognite, are shown at book values and have not changed during the quarter.

Aker BP

Amounts in USD million	4Q18	4Q19	Year 2018	Year 2019
Revenue	916	1 003	3 752	3 347
EBITDAX	731	830	3 041	2 591
EBITDAX margin (%)	79.8	82.8	81.1	77.4
Net profit continued operations	63	112	476	141
Closing share price (NOK/share)	218.00	288.00	218.00	288.00
Shareholder return, incl. dividend (%)	(36.1)	20.3	13.0	40.6

Aker BP is a fully-fledged E&P company operating on the Norwegian Continental Shelf ("NCS") with a business model built on safe operations, lean principles, technological competences and industrial cooperation to secure long-term competitiveness. Aker BP reported an EBITDAX of USD 830 million in the fourth quarter, compared to USD 550 million in the third quarter. Production averaged 191 kboed in the fourth quarter, 31 per cent up from the third quarter due to the successful start-up of the Johan Sverdrup field where Aker BP's

ownership interest is 11.57 per cent. For the full year of 2019, production averaged 156 kboed, and the company guides for average production in 2020 of 205-220 kboed. In the fourth quarter, Aker BP decided to proceed with Phase 2 of the Ærøft project. The goal is to start production from the first Phase 2 well as early as in first half of 2020. The total 'life of field' project has a break-even-price of around USD 15 per barrel (converted from gas). Also, in the fourth quarter, operator Aker BP and partner Pandion Energy reported that first oil was produced from Valhall Flank West in the North Sea. The break-even price for the development is USD 28.5 per barrel and the plan calls for the field to contribute close to 80 million barrels of oil equivalents. 2019 was a good year for Aker BP's exploration campaigns with the discovery of 170 mmboe. The company has during 2019 paid USD 750 million in dividend and is guiding for a dividend level of USD 850 million for 2020. Aker BP still guides for an annual dividend growth of USD 100 million until 2023. In the fourth quarter, Aker BP was upgraded to Investment Grade by S&P Global Ratings. This enabled the company to issue USD 1.5 billion (USD 0.5 billion in a 5-year tranche and USD 1.0 billion in a 10-year tranche) in Senior Notes in January 2020. The pricing was at attractive 3.07 per cent and 3.77 per cent, respectively, and highlights the company's favourable access to low cost capital. After year-end, Aker BP was awarded 15 new production licences in Norway by the Ministry of Petroleum and Energy. Of the 15 production licenses awarded to the company, 11 are located in the North Sea (7 as operator), three in the Norwegian Sea (one as operator), and one in the Barents Sea (as operator). Aker received NOK 686 million in dividends from Aker BP in the quarter.

Ocean Yield

<i>Amounts in USD million</i>	4Q18	4Q19	Year 2018	Year 2019
Revenue	64	66	343	257
EBITDA	36	57	283	222
EBITDA margin (%)	55.3	86.0	82.3	86.6
Net profit continued operations	(50)	10	58	(40)
Closing share price (NOK/share)	59.20	48.00	59.20	48.00
Shareholder return, incl. dividend (%)	(8.7)	(2.8)	(5.8)	(7.6)

Ocean Yield is a ship-owning company with a mandate to build a diversified portfolio of modern vessels within oil services and shipping. The company targets fixed, long-term bareboat charters to creditworthy counterparties. Several opportunities are being evaluated for the FPSO Dhirubhai-1, however this is taking more time than earlier envisaged. Aker Energy did not extend the option agreement that expired on 31st of December 2019 and the FPSO will as from Q1 2020 be reclassified as an “asset held for sale” in the Company’s financial statements. During the quarter, the company made a successful private placement of NOK 717 million. The net proceeds from the Private Placement will be used to fund new investments, as well as for general corporate purposes. Aker maintained its share of ownership in Ocean Yield as it subscribed to 61.65 per cent of the new shares issued. Also, in the fourth quarter, Ocean Yield successfully placed a senior unsecured bond of NOK 750 million at 3 months NIBOR + 4.25 per cent p.a. The bond issue attracted strong interest and was oversubscribed. The net proceeds will be used to partly refinance existing debt, new investments and for general corporate purposes. In the quarter, the company acquired an ethylene gas carrier, two newcastlemax dry bulk newbuildings and four modern LR2 product tankers for a total consideration of USD 286 million net of a seller’s credit. The company declared USD 19.1 cents per share in dividends for the quarter, corresponding to the 26th consecutive quarterly dividend. Ocean Yield reported an EBITDA of NOK 57 million and the company’s estimated EBITDA backlog was USD 3.6 billion per the end of the fourth quarter 2019 with average remaining contract duration (weighted by EBITDA) of 10.5 years.

Aker Solutions

<i>Amounts in NOK million</i>	4Q18	4Q19	Year 2018	Year 2019
Revenue	6 954	7 348	25 232	29 263
EBITDA	483	434	1 810	2 244
EBITDA margin (%)	7.0	5.9	7.2	7.7
Net profit continued operations	178	(148)	554	83
Closing share price (NOK/share)	39.66	24.72	39.66	24.72
Shareholder return, incl. dividend (%)	(31.5)	0.6	(14.1)	(37.7)

Aker Solutions is a global oil services company providing services, technologies, and product solutions within subsea and field design. In the fourth quarter, Aker Solutions reported NOK 434 million in EBITDA and an order intake of NOK 5.6 billion. As per 31 December 2019, the backlog stood at NOK 25.4 billion, compared with NOK 35.1 billion a year ago. Net profit in the quarter was negative, mainly due to restructuring costs and currency losses related to the significant devaluation of the Angolan Kwanza, as the Angolan Central Bank overhauled the country’s currency regime. The market is showing signs of improvement for Aker Solutions and activity has been high in 2019, with a revenue growth of 16.0 per cent from 2018. In the quarter, the company won a six-year frame agreement for inspection services for Equinor’s assets in Norway, secured a contract from Aker BP to deliver the subsea production system for the second phase of the Ærøft development offshore Norway, won a three-year frame agreement for maintenance and modification

services from Vår Energi in Norway, and secured a contract to support the development of BP’s Cypre project, offshore Trinidad and Tobago. During 2019, Aker Solutions presented its ‘20-25-30’ strategy related to the energy transition. The company aims to generate about half of its revenue from renewable or distinct low carbon solutions by 2030. As a step in this direction, the company in 2019 increased its ownership in the US-based offshore floating wind company Principle Power Inc. to 24.9 per cent. The value of Aker Solutions has been hit particularly hard after the company presented its fourth quarter results. Revenues were in line with analysts’ expectations, but the EBITDA margin disappointed. Focus for Aker Solutions moving forward will be centered around order intake, project portfolio improvements, further cost reduction, and efficiency improvement programs. The company will also evaluate investment reductions, working capital improvements, footprint optimisation and structural alternatives.

Akastor

<i>Amounts in NOK million</i>	4Q18	4Q19	Year 2018	Year 2019
Revenue	1 090	1 557	3 800	5 361
EBITDA	63	153	290	492
EBITDA margin (%)	5.8	9.8	7.6	9.2
Net profit continued operations	(300)	33	(194)	48
Closing share price (NOK/share)	13.06	9.94	13.06	9.94
Shareholder return, incl. dividend (%)	(26.1)	(8.3)	(20.4)	(23.9)

Akastor is an oil services investment company with a flexible mandate for active ownership and long-term value creation. Akastor’s key asset, MHWirth, is experiencing a positive development in Aftermarket, Digital Technology and non-oil product sales, where EBITDA in 2019 outperformed expectations by more than one third. The newbuilding market continues to be muted, but with certain leads within special purpose rigs and fixed platforms. In the quarter, the AKOFS vessels operating in Brazil delivered revenue utilisation of 98.4 per cent and 99.6 per cent, respectively. The AKOFS Seafarer vessel is currently undergoing upgrades to prepare for delivery to Equinor. In the fourth quarter, Akastor’s revenues were NOK 1.6 billion and EBITDA NOK 153 million. Akastor continues to work closely with its portfolio companies to support cost saving programs, operational improvements and strategic initiatives to further enhance their competitiveness.

Kvaerner

<i>Amounts in NOK million</i>	4Q18	4Q19	Year 2018	Year 2019
Revenue	1 715	2 588	7 220	9 032
EBITDA	77	99	437	498
EBITDA margin (%)	4.5	3.8	6.1	5.5
Net profit continued operations	87	43	278	244
Closing share price (NOK/share)	12.06	11.12	12.06	11.12
Shareholder return, incl. dividend (%)	(19.9)	(4.5)	(23.7)	0.5

Kvaerner is an Engineering, Procurement and Construction (“EPC”) company focusing on oil, gas and renewables, mainly on the Norwegian Continental Shelf (“NCS”). In the fourth quarter, Kvaerner delivered revenues of NOK 2.6 billion and an EBITDA of NOK 99 million. Backlog stood at NOK 8.2 billion, as per end of the quarter. Kvaerner’s Board of Directors proposes a payment of NOK 0.50 per share cash dividend for 2019. The company is guiding for a decline in revenues and profit for 2020, but this is seen as temporary. The company believes annual revenues should rise back above NOK 10 billion and has a prospect funnel with named projects worth approximately NOK 165 billion with expected awards within 2025. Some of the projects are in new segments and new geographical

regions. Kvaerner will remain a project execution specialist and will increase focus on the markets for Floating Production, Storage & Offloading vessels ("FPSO") and Wellhead platforms ("WHP"). The strategic target for the company is to become more diversified and achieve one third of revenues from each of the following segments; Process & Structure, FPSO's and Renewables. During the fourth quarter, Kvaerner signed a NOK 1.5 billion contract with Equinor for the development of the Hywind Tampen project, projected to be the world's largest floating offshore wind farm. The project is set to be vital for industrialising solutions and reducing costs for future offshore wind projects.

Aker BioMarine

<i>Amounts in USD million</i>	4Q18	4Q19	Year 2018	Year 2019
Revenue	36	72	156	247
EBITDA	2	6	33	47
EBITDA margin (%)	4.8	8.8	21.3	18.8
Net profit continued operations	(6)	(18)	(1)	(24)

Aker BioMarine is an integrated biotechnology company that supplies krill-derived ingredients to the consumer health, fish feed and animal nutrition markets. In the fourth quarter, revenues ended at USD 72 million, with an EBITDA of USD 6 million, corresponding to a margin of 9 per cent. The negative development in the company's net profit for 4Q 2019 vs 4Q 2018 is mainly due to increased depreciation, amortisation and interest costs as a result of the delivery of Antarctic Endurance in early 2019, as well as the acquisition of Lang including a significant customer portfolio allocation. Revenues and EBITDA are growing, and the company has undertaken necessary investments over the past few years to create operational leverage. The company owns and control the entire value chain from the krill harvesting fleet operating in Antarctic, logistics operations in Montevideo and krill oil factory in Houston. Aker BioMarine is expected to grow revenues going forward by further developing existing segments, but also new verticals like the human protein consumer market, where krill derived protein has significant benefits over current protein sources. Aker maintains a positive outlook for Aker BioMarine's core products and markets.

Aker Energy

<i>Amounts in USD million</i>	4Q18	4Q19	Year 2018	Year 2019
Revenue	2	4	2	8
EBITDA	(10)	(27)	(32)	(126)
EBITDA margin (%)	N/A	N/A	N/A	N/A
Net profit continued operations	(11)	(26)	(34)	(132)

Aker Energy is an E&P company aiming to become the offshore oil and gas operator of choice in Ghana. In the fourth quarter, Aker Energy changed its approach in Ghana. The company's target is to optimise and de-risk the development of the already discovered 450-550 million barrels of contingent resources in the Pecan reservoir and

tie-ins within the applicable regulatory framework and agreements. The objective is to make the Pecan development more economically robust on a stand-alone basis. As part of the strategy change, Aker Energy in December announced Svein Jakob Liknes as the new acting CEO, following the resignation of Jan Arve Haugan. The strategy change in Ghana was positive for the political process affecting the company. In December, the Parliament amended the regulatory framework to increase oil and gas activity in Ghana. An amendment to Aker Energy's Petroleum Agreement ("PA") was then approved by the Ghanaian Parliament, increasing the likelihood of achieving an economical project. The amendments clarified existing rights in the original PA, and Aker Energy will be allowed to keep the contract area as one Development and Production Area ("DPA"). Approval of the Plan for Development and Operation ("PDO") will enable an efficient project execution and allow for additional exploration on the block, benefiting both Aker Energy and the people of Ghana. Another important amendment to the PA is a license extension from 2036 to 2040, with an option for Aker Energy to extend further. The progress achieved in the fourth quarter bodes well for the next milestone for the company, which is to mature the PDO to approval and a final investment decision ("FID") in the partnership.

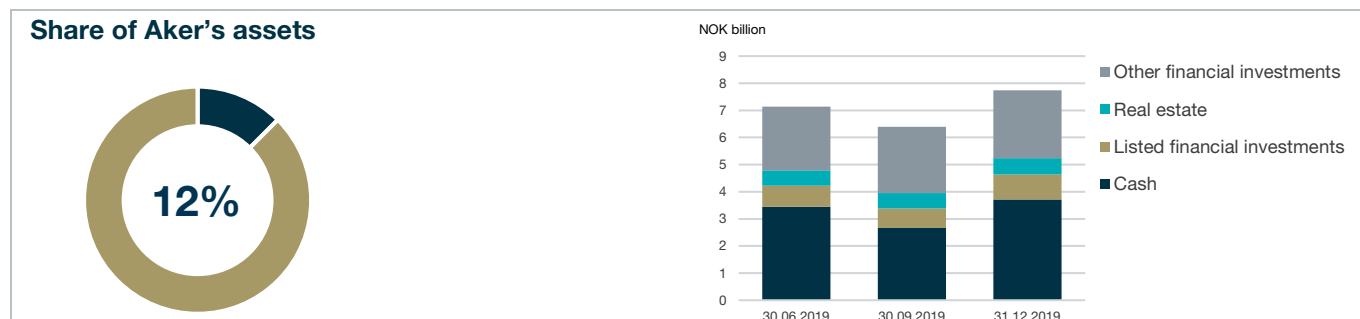
Cognite

<i>Amounts in NOK million</i>	4Q18	4Q19	Year 2018	Year 2019
Revenue	56	106	164	340
EBITDA	(5)	19	9	(4)
EBITDA margin (%)	(8.1)	17.7	5.5	(1.2)
Net profit continued operations	(6)	18	9	(6)

Cognite is a fast-growing industrial software company enabling companies in the oil & gas sector as well as other asset-intensive verticals to digitalise their operations. Cognite reported NOK 106 million in revenues in the fourth quarter, compared to NOK 56 million in the same period last year, supported by a fast-growing customer base. Customer deployments are progressing, and the company is also in advanced commercial discussions with several of the world's largest oil & gas companies in addition to a solid pipeline of potential new customers in other industries like power & utilities, manufacturing and shipping. In the quarter, the company officially opened an office in Tokyo, Japan. This is another major milestone for the company, following the office opening in Texas, USA in 3Q 2019, further enabling Cognite to scale into new geographies and establish itself as a leading software provider for digitalisation of asset-intensive industries. Cognite's organisation continues to grow fast, expanding by 26 employees during the quarter. At year-end, the company had 276 employees, compared with 119 employees a year ago. Cognite also continues to progress commercial discussions with Saudi Aramco following the October 2019 announcement to establish a joint venture to enable a digital transformation of the industry at large in the Kingdom of Saudi Arabia.

Aker – Segment information

Financial Investments



	31.12.2018		30.09.2019		31.12.2019	
	NOK/share ¹⁾	NOK million	NOK/share ¹⁾	NOK million	NOK/share ¹⁾	NOK million
Cash	26	1 945	36	2 662	50	3 715
Listed financial investments	9	701	10	723	12	917
Real estate	8	568	8	568	8	603
Other financial investments	25	1 860	33	2 437	34	2 498
Total Financial Investments	68	5 074	86	6 390	104	7 733

¹⁾The investment's contribution to Aker's per-share NAV.

Financial Investments comprise Aker's cash, listed financial investments, real estate investments and other financial investments. The value of Aker's financial investments amounted to NOK 7.7 billion as of 31 December 2019, up from NOK 6.4 billion as per 30 September 2019.

Aker's **Cash holding** stood at NOK 3.7 billion at the end of the fourth quarter, up from NOK 2.7 billion three months earlier. The primary cash inflow in the fourth quarter were NOK 873 million in received dividend and NOK 1.1 billion in net proceeds from the issuance of the new AKER15 bond and partial repurchase of the AKER10 and AKER 13 bonds. The primary cash outflows were a NOK 442 million participation in the Ocean Yield equity issue, NOK 166 million in net interest paid and operating expenses, and investments in Abelee and REC Silicon with a total of NOK 180 million.

The value of **Listed financial investments** stood at NOK 917 million as of 31 December 2019, compared to NOK 723 million as of 30 September 2019. In the quarter, Aker made a full divestment of Cxense for proceeds of NOK 20 million, and Aker invested NOK 85 million in shares in REC Silicon. The value of the investment in REC Silicon stood at NOK 172 million at the end of the quarter. The value of Aker's investment in Philly Shipyard increased to NOK 309 million in the fourth quarter, compared to NOK 280 million in the prior

quarter. The value of Aker's direct investment in American Shipping Company was at NOK 380 million at the end of the fourth quarter, on par with the value at the end of the third quarter. Aker's shares in Solstad Offshore was valued at NOK 57 million as per 31 December 2019. This compares to NOK 41 million at the end of the third quarter. Solstad Offshore's negotiations with financial creditors continue, and a solution is expected to involve a significant restructuring of the company's balance sheet.

Aker's **Real estate holdings**, FP Eiendom, stood at NOK 603 million, up NOK 35 million from the prior quarter as a result of a loan issued to the company in the fourth quarter. The value of Aker's current real estate holdings mainly reflects a 37.55 per cent ownership in the residential real estate developer FP Bolig, in addition to other commercial properties and land areas at Fornebu and in Aberdeen, hotel developments, and a portfolio of late-stage residential projects in Norway.

Other financial investments amounted to NOK 2.5 billion at the end of the fourth quarter, up from NOK 2.4 billion as of 30 September 2019. Other financial investments consist of equity investments, receivables, and other assets. The value of Aker's receivables was NOK 1.1 billion at the end of the fourth quarter, on par with 30 September 2019.

Aker ASA and holding companies

Combined balance sheet

Amounts in NOK million, after dividend allocation	31.12.2018	30.09.2019	31.12.2019
Intangible, fixed and non-interest bearing assets	482	516	1 025
Interest-bearing assets	985	1 201	1 213
Investments ¹⁾	20 082	20 266	20 681
Non interest-bearing short-term receivables	192	374	39
Cash	1 945	2 662	3 715
Assets	23 686	25 020	26 674
Equity	12 546	14 006	12 969
Non interest-bearing debt	1 980	351	2 076
External interest-bearing debt	9 160	10 663	11 629
Equity and liabilities	23 686	25 020	26 674
Net interest-bearing assets/(liabilities)	(6 230)	(6 799)	(6 701)
Equity ratio (%)	53	56	49

¹⁾Aker ASA and holding companies prepares and presents its accounts in accordance with the Norwegian Accounting Act and generally accepted accounting principles (GAAP), to the extent applicable. Accordingly, exchange-listed shares owned by Aker ASA and holding companies are recorded in the balance sheet at the lower of market value and cost price. In accordance with Aker ASA and holding companies' accounting principles, acquisitions and disposals of companies are a part of the ordinary business. Consequently, gains from sales of shares are classified as operating revenues in the combined profit and loss statement of the accounts. Gains and losses are only recognised to the extent assets are sold to third parties. Aker's accounting principles are presented in the company's 2018 annual report.

The total book value of assets was NOK 26.7 billion at the end of the fourth quarter 2019, up from NOK 25.0 billion at the end of the third quarter.

Intangible, fixed and non-interest bearing assets stood at NOK 1.0 billion, compared with NOK 516 million at the end of the third quarter. The increase is explained by the delivery of a new airplane in the fourth quarter.

Interest-bearing assets stood at NOK 1.2 billion at 31 December. This is on par with the previous quarter.

Investments increased to NOK 20.7 billion in the fourth quarter compared to NOK 20.3 billion as per the end of the third quarter. The quarterly increase was primarily explained by the NOK 442 million participation in the Ocean Yield equity issue, investments in Abelee and REC Silicon, partly offset by partial write-down of the Align investment as well as divestments of Cxense and G&A Air AS.

Non interest-bearing short-term receivables decreased to NOK 39 million at 31 December from NOK 374 million at 30 September 2019. This is explained by the delivery of a new airplane in the fourth quarter and the corresponding reclassification of prepayments from receivables to fixed assets.

Aker's **Cash** stood at NOK 3.7 billion at the end of the fourth quarter, up from NOK 2.7 billion as per 30 September 2019.

Equity stood at NOK 13.0 billion at the end of the fourth quarter, compared to NOK 14.0 billion at the end of the third quarter. The decrease in the fourth quarter is primarily due to the allocation of NOK 1.7 billion in dividend and Aker posting a profit before tax of

NOK 711 million in the quarter. Equity stood at NOK 12.5 billion as per year-end 2018.

Non interest-bearing debt stood at NOK 2.1 billion at the end of the fourth quarter, compared to NOK 351 million as per 30 September 2019. The increase is mainly due to Aker setting aside NOK 1.7 billion for dividend.

External interest-bearing debt stood at NOK 11.6 billion at the end of the fourth quarter, up from NOK 10.7 billion at the end of the third quarter. The increase is primarily explained by the issuance of the new NOK 1.5 billion AKER15 bond, partly offset with partial repurchases of the AKER10 and AKER13 bonds. As per the end of the fourth quarter, Aker had NOK 5.8 billion in outstanding bond loans, NOK 4.8 billion in USD denominated bank loans and NOK 1.0 billion in the EUR denominated Schuldschein loan, net of capitalised loan fees.

Amounts in NOK million	30.09.2019	31.12.2019
AKER09	1 000	1 000
AKER10	700	583
AKER13	1 000	768
AKER14	2 000	2 000
AKER15	-	1 500
Capitalised loan fees	(16)	(29)
Total bond loans	4 684	5 822
Bank loan 1	4 089	3 951
Bank loan 2	909	878
Schuldschein loan	990	986
Capitalised loan fees	(9)	(8)
Total bank loans	5 979	5 808
Total interest-bearing debt	10 663	11 629

Aker ASA and holding companies

Combined income statement

Amounts in NOK million	4Q 2018	3Q 2019	4Q 2019	Year 2018	Year 2019
Sales gain	-	-	-	194	-
Operating expenses	(58)	(67)	(64)	(254)	(267)
EBITDA	(58)	(67)	(64)	(60)	(267)
Depreciation	(5)	(6)	(8)	(18)	(25)
Value change	(628)	(233)	(63)	(383)	(435)
Net other financial items	410	410	847	1 927	2 886
Profit/(loss) before tax	(281)	104	711	1 467	2 159

Aker ASA and holding companies prepares and presents its accounts in accordance with the Norwegian Accounting Act and generally accepted accounting principles (GAAP), to the extent applicable. Accordingly, exchange-listed shares owned by Aker ASA and holding companies are recorded in the balance sheet at the lower of market value and cost price. In accordance with Aker ASA and holding companies' accounting principles, acquisitions and disposals of companies are a part of the ordinary business. Consequently, gains from sales of shares are classified as operating revenues in the combined profit and loss statement of the accounts. Gains and losses are only recognised to the extent assets are sold to third parties. Aker's accounting principles are presented in the company's 2018 annual report.

The income statement for Aker ASA and holding companies shows a profit before tax of NOK 711 million for the fourth quarter 2019. This compares to a profit before tax of NOK 104 million in the third quarter. As in previous periods, the income statement is mainly affected by value changes in share investments and dividends received. Profit before tax for the full year 2019 was NOK 2.2 billion, compared to NOK 1.5 billion for 2018.

Operating expenses in the fourth quarter were NOK 64 million compared to NOK 67 million in the prior quarter. Operating expenses for the full year 2019 were NOK 267 million, compared to NOK 254 million for 2018.

Value change in the fourth quarter was negative NOK 63 million mainly reflecting a partial write-down of the investment in Align. The value change compares to negative NOK 233 million in the third quarter. Aker had a negative value change of NOK 435 million for the full year 2019, compared to a NOK 383 million value decrease during 2018.

Net other financial items in the fourth quarter amounted to NOK 847 million, compared to NOK 410 million in the third quarter. Net other financial items are primarily impacted by dividends received, net interest expenses and by foreign exchange adjustments. Aker posted a dividend income of NOK 880 million in the fourth quarter, compared to NOK 850 million in the prior quarter. Net other financial items for the full year 2019 were NOK 2.9 billion, compared to NOK 1.9 billion for the year prior. The increase is mainly explained by higher amount of dividends received.

The Aker Share

The company's share price increased to NOK 543.50 at the end of the fourth quarter 2019 from NOK 484.00 three months earlier. The company had a market capitalisation of NOK 40.4 billion as per 31 December 2019. As per 31 December 2019, the total number of shares in Aker ASA amounted to 74 321 862 and the number of outstanding shares was 74 278 199. As per the same date, Aker held 43 663 own shares.

Risks

Aker and each portfolio company are exposed to various forms of market, operational and financial risks. Rather than diversifying risk by spreading investments across many different industries, Aker is focused on sectors in which the company possesses special expertise. The company has established a model for risk management based upon identifying, assessing and monitoring major financial, strategic and operational risks in each business segment, drawing up contingency plans for those risks and attending to implementation and supervision. The identified risks and how they are managed are reported to the Aker Board.

The main risks that Aker ASA and holding companies are exposed to are related to the value changes of the listed assets, and other main holdings. The development of the global economy, energy prices in particular, as well as currency movements, are important variables in explaining near-term market fluctuations. These variables may have an impact on the underlying value of Aker's assets. Aker and its portfolio companies are also exposed to risks related to insufficient access to external financing which may impact their liquidity position. This is further accentuated by the growing focus on Environmental, Social and Governance ("ESG") principles, including climate-related risks. Aker and the portfolio companies seek to mitigate these risks by maintaining a solid liquidity buffer, by proactively planning for refinancing activities, and strict adherence to environmental regulations.

The companies in Aker's portfolio are, like Aker, exposed to commercial risks, financial risks and market risks. In addition, these companies, through their business activities within their respective sectors, are also exposed to legal/regulatory risks and political risks, i.e. political decisions on petroleum taxes, environmental regulations, climate-related risks and operational risks, including major accidents which may have significant financial impact.

Oil price volatility continues to remain high which creates uncertainty. Aker BP's revenues and cash flow are directly impacted by fluctuating oil prices, while movements in the oil price may impact the activity level for Aker's oil service companies, including Aker Solutions, Akastor and Kvaerner. The activity level may affect the oil service companies' and Ocean Yield's counterparties financial strength, and the companies are therefore monitoring counterparty risk closely.

Aker's risk management, risks and uncertainties are described in the Annual Report for 2018.

Key events after the balance sheet date

After the close of the fourth quarter 2019, the following key events occurred:

- Following its upgrade to Investment Grade S&P Global ratings in Q4 2019, Aker BP issued USD 1.5 billion in Senior Notes in January 2020 at an attractive price, highlighting the company's favourable access to low cost capital.
- Kvaerner's Board of Directors proposes a payment of NOK 0.50 per share cash dividend for 2019.

Outlook

Investments in listed shares comprised 84 per cent of the company's assets as per 31 December 2019. About 75 per cent of Aker's investments were associated with the oil and gas sector. The remaining value is mainly found in the maritime industry. Aker's net asset value will hence be influenced by a number of factors, including fluctuations in market prices, commodity prices, exchange rates and operational performance.

Over the last several years, the oil service industry has been under pressure due to cutbacks in E&P spending which has led to a decline in activity and fewer projects sanctioned globally. At the same time, cost-cutting measures and increased operational efficiency across the industry have brought down break-even costs for offshore projects. Oil price volatility, however, remains significant, which creates uncertainty with level and timing of the spending increase. Aker believes the overall activity level will improve but likely remain moderate as E&P companies continue to take a cautious approach to new investments, reflecting the high oil price volatility and uncertainty about future oil demand growth. The global oil service capacity remains high, leading to relatively low utilisation rates in the industry. The over-capacity in the service sector is, however, a benefit for the upstream sector, creating improved cash flows for E&P companies at a lower oil price than before.

Aker remains positive about the medium to longer term attractiveness of oil and gas investments and will therefore continue to evaluate strategic alternatives and opportunities in the sector. Future oil demand growth is expected to be supported by the still ongoing mega trends of population growth, a growing middle class and urbanisation, particularly in Asia. Oil supply growth is likely to be kept in check by OPEC policy, moderate E&P spending and tightened financial conditions in the US shale industry. Another mega trend that is likely to support oil prices for the coming years is the rising cost of capital for the industry at large. The increased cost of capital is influenced by rising focus on ESG principles by both lenders and investors. This growing focus on ESG principles may result in lower supply than demand growth going forward, hence supporting market prices. Price volatility is expected to remain high also in coming years, but Aker is well placed to benefit through M&A opportunities from such a development through its low gearing and good access to liquidity.

Aker BP, the largest asset in Aker's portfolio, was in 2019 rated Investment Grade by both rating company Fitch and by S&P Global Ratings. This provides the company access to lower cost of capital in a world where many E&P companies are exposed to higher cost of capital. Aker's portfolio companies in the oil and gas sector will continue to increase competitiveness through increased productivity, efficiency, standardisation, improved technology offerings, and by exploring strategic partnerships and alliances. Aker's strong balance sheet enables the company to face unforeseen operational challenges and short-term market fluctuations, as well as to seize value-accretive investment opportunities. As an industrial investment company, Aker will use its resources and competence to promote and support the development of the companies in its portfolio, and to consider new investments.

Fornebu, 13 February 2020
Board of Directors and President and CEO

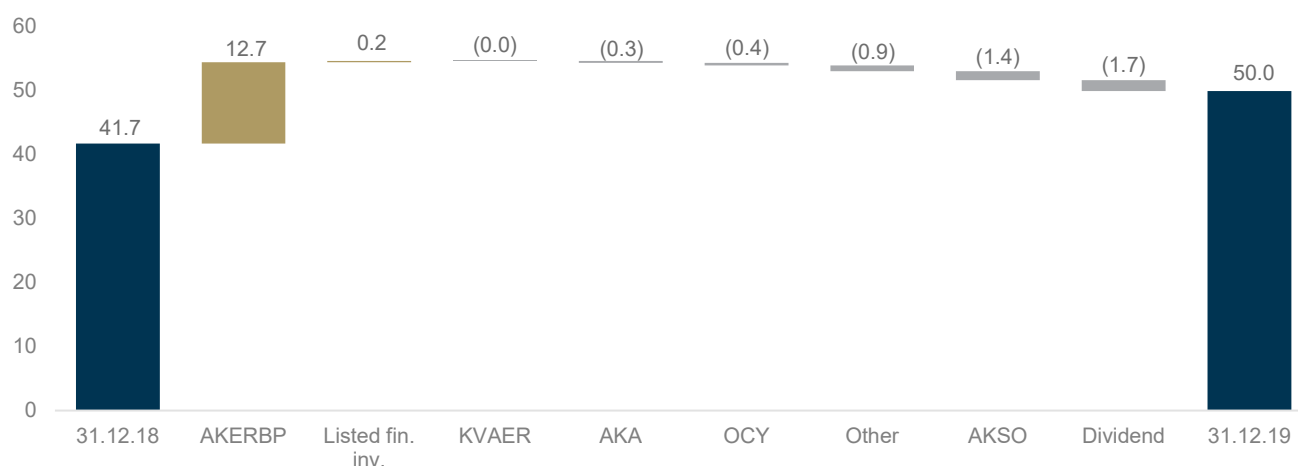
Aker ASA and holding companies: Net Asset Value

<i>Reported values in NOK million</i>	Number of shares per 31.12.2019	Ownership capital per 31.12.2019	Share of total assets per 31.12.2019	Reported values per 31.12.2019	Reported values per 30.09.2019	Reported values per 31.12.2018
Industrial Holdings						
Aker BP	144 049 005	40.0%	67.0%	41 486	35 062	31 403
Aker Solutions	94 565 293 ¹⁾	34.8% ¹⁾	3.8%	2 338	2 324	3 750
Akastor	100 565 293 ¹⁾	36.7% ¹⁾	1.6%	1 000	1 090	1 313
Kvaerner	77 233 531 ¹⁾	28.7% ¹⁾	1.4%	859	900	931
Ocean Yield	108 066 832	61.7%	8.4%	5 187	5 030	5 816
Aker BioMarine	67 672 473	98.0%	3.8%	2 363	2 363	2 411
Aker Energy	61 662 621	49.2%	1.5%	925	925	471
Cognite	6 791 780	64.0%	0.1%	42	42	42
Total Industrial Holdings			87.5%	54 200	47 737	46 139
Financial Investments						
Cash			6.0%	3 715	2 662	1 945
FP Eiendom			1.0%	603	568	568
Listed financial investments			1.5%	917	723	701
<i>American Shipping Company (direct investment)²⁾</i>	11 557 022	19.1%	0.6%	380	383	385
<i>Philly Shipyard</i>	7 237 631	57.6%	0.5%	309	280	203
<i>Solstad Offshore</i>	58 496 302	20.1%	0.1%	57	41	101
<i>REC Silicon</i>	64 217 774	22.9%	0.3%	172	-	-
<i>Cxense</i>	-	-	-	-	20	13
Receivables			1.8%	1 118	1 141	925
<i>Aker BioMarine</i>			1.0%	648	671	324
<i>Estremar Invest</i>			0.6%	349	362	367
<i>American Shipping Company</i>			0.0%	-	-	58
<i>Other receivables</i>			0.2%	120	109	175
Other financial investments			2.2%	1 380	1 295	935
Total Financial Investments			12.5%	7 733	6 390	5 074
Gross Asset Value			100.0%	61 934	54 127	51 213
External interest-bearing debt				(11 629)	(10 663)	(9 160)
Non interest-bearing debt				(330)	(351)	(309)
Net Asset Value (before allocated dividend)				49 974	43 113	41 744
Number of outstanding shares				74 278 199	74 278 199	74 268 792
Net Asset Value per share before allocated dividend)				673	580	562

1) Partly owned through Aker Kvaerner Holding AS, in which Aker ASA has a 70% ownership interest. Additionally, Aker ASA has direct ownership interest in Aker Solutions ASA and Akastor ASA.
2) Aker ASA holds direct exposure to 11 557 022 shares in American Shipping Company ASA, equivalent to 19.07% of the shares and votes of the company, and financial exposure to 18 687 620 underlying shares through two total return swap agreements, equivalent to 30.83% of the share capital in the company. As per 31 December 2019, the value of the swap agreements was negative by NOK 41 million.

Aker ASA and holding companies: Net Asset Value contribution YTD 2019

NOK billion



Financial calendar 2020

1 April	Annual Report
23 April	Annual General Meeting
8 May	1Q 2020 Report
17 July	1H 2020 Report
5 November	3Q 2020 Report

For more information:

Torbjørn Kjus

Chief Economist & Head of Investor Relations
Tel: +47 24 13 00 14
E-mail: torbjorn.kjus@akerasa.com

Atle Kigen

Head of Corporate Communication
Tel: +47 24 13 00 08
E-mail: atle.kigen@akerasa.com

Address:

Oksenøyveien 10, NO-1366 Lysaker, Norway
Phone: +47 24 13 00 00
www.akerasa.com

Ticker codes:

AKER NO in Bloomberg
AKER.OL in Reuters

This report was released for publication at 07:00 CEST on 14 February 2020. The report and additional information is available on www.akerasa.com

Alternative Performance Measures

Aker ASA refers to alternative performance measures with regards to Aker ASA and holding companies' financial results and those of its portfolio companies, as a supplement to the financial statements prepared in accordance with IFRS. Such performance measures are frequently used by securities analysts, investors and other interested parties, and they are meant to provide an enhanced insight into operations, financing and future prospects of the group. The definitions of these measures are as follows:

- **EBITDA** is operating profit before depreciation, amortisation and impairment charges.
- **EBITDA margin** is EBITDA divided by revenue.
- **EBITDAX** is operating profit before depreciation, amortisation, impairment charges and exploration expenses.
- **Equity ratio** is total equity divided by total assets.
- **Gross asset value** is the sum of all assets, determined by applying the market value of exchange-listed shares, while book value is used for other assets.
- **Kboed** is thousand barrels of oil equivalents per day.
- **Mmboe** is million barrels of oil equivalents.
- **Net Asset Value** ("NAV") is gross asset value less liabilities.
- **NAV per share** is NAV divided by the total number of outstanding Aker ASA shares.
- **Net interest-bearing receivable/debt** is cash, cash equivalents and interest-bearing receivables (current and non-current), minus interest-bearing debt (current and non-current).
- **Order intake** includes new signed contracts in the period, in addition to expansion of existing contracts. The estimated value of potential options and change orders is not included.
- **Order backlog** represents the estimated value of remaining work on signed contracts.
- **Value-adjusted equity ratio** is NAV divided by gross asset value.



AKER ASA

Oksenøyveien 10, 1366 Lysaker

Postal address: P.O box 243, 1326 Lysaker

Telephone: +47 24 13 00 00

E-mail: contact@akerasa.com

www.akerasa.com