

Annual Integrated Report 2022

Content

AKER CARBON CAPTURE IN BRIEF	3	CONSOLIDATED FINANCIAL STATEMENTS	66
CEO LETTER	5	Declaration by the Board of Directors and Chief Executive Officer	67
BOARD OF DIRECTOR'S REPORT	6	Income statement and other comprehensive income	68
BOARD OF DIRECTORS	16	Balance sheet	69
STRATEGY AND TARGETS ACROSS OUR BUSINESS	20	Statement of change in equity	70
Strategy summary	20	Cash flow statement	71
Sustainability governance	27	Notes to the consolidated financial statements	72
Strategic targets	31	PARENT COMPANY FINANCIAL STATEMENTS	86
SUSTAINABILITY PROGRESS	33	Parent company income statement	87
Planet	34	Parent company balance sheet	88
People	40	Parent company cash flow statement	89
Prosperity	45	Notes to the parent company financial statements	90
Governance	50	AUDITOR'S REPORT	93
PRINCIPAL RISK FACTORS AND UNCERTAINTIES	54	ALTERNATIVE PERFORMANCE MEASURES	97
Market risk	55	APPENDIX	99
Operational risk	55	ESG Performance metrics	100
ESG and Political risks	55	Sustainable Finance Disclosure Regulation (SFDR) indicators	108
Climate and nature risk	56	Global Reporting Initiative (GRI) content index	109
Financial risks	56	Task Force on Climate-Related Financial Disclosures (TCFD) assessment	112
CORPORATE GOVERNANCE REPORT 2022	57	Taxonomy assessment	113
TRANSPARENCY ACT PROGRESS REPORT 2022	62		

About this report

This is Aker Carbon Capture's 2022 Annual Integrated Report, reporting from 1 January 2022 till 31 December 2022.

The Sustainability progress section provides stakeholders with additional information on our performance and governance of key sustainability topics. We report on WEF Core metrics, and we report with reference to GRI.

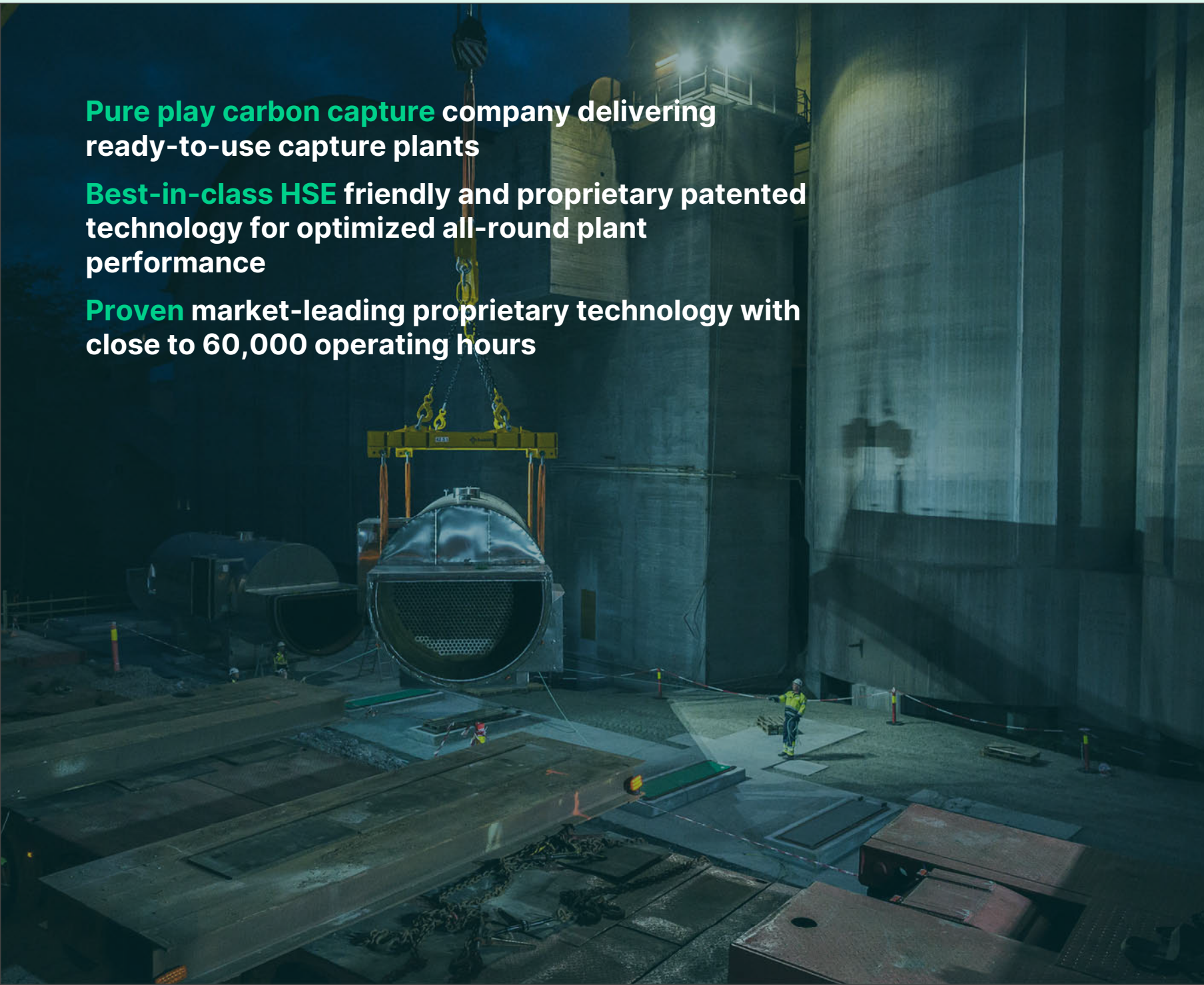
Pure play carbon capture company delivering ready-to-use capture plants

Best-in-class HSE friendly and proprietary patented technology for optimized all-round plant performance

Proven market-leading proprietary technology with close to 60,000 operating hours

Aker Carbon Capture in brief

Aker Carbon Capture is a pure play carbon capture company with solutions, services and technologies serving a range of industries. The company has a proprietary and field-proven technology to enable carbon emission reduction and removal in sectors such as cement, gas-to-power, biomass and waste-to-energy, blue hydrogen and other hard-to-abate industries. The company's business model covers the sale of complete carbon capture units, license models including supply of key equipment, aftermarket services and, together with industrial partners, a full value chain Carbon Capture as a Service model.



To reach the targets of the Paris Agreement, carbon capture and storage must be part of the solution, according to the Intergovernmental Panel on Climate Change (IPCC). As of September 2022, the total capacity of commercial CCS projects in the pipeline was 243.97 Mtpa of CO₂. This is an increase of 44% compared to last year (Global CCS Institute). The growth stems from the private sector's reaction to increased expectations from civil society in the transition to a net-zero future. At the same time, government regulations and policies have strengthened the business case for CCUS-related investments. Aker Carbon Capture's ambition is to secure contracts to capture 10 million tonnes of CO₂ annually by 2025.

The technology behind the company's business has robust patent protection and offers best-in-class Health, Safety and Environment (HSE) characteristics, along with high energy efficiency. It can be applied to both existing and new build plants, and also has extensive real-world validation, with close to 60,000 hours of operation to date across a range of carbon emitting industries. Aker Carbon Capture considers research, innovation and technology development to be key drivers of competitive advantage. The company has an active program focused on reducing cost, developing and qualifying new carbon capture technologies, and improving carbon capture project economics. This includes capture efficiency, modularization, and the implementation of digital capabilities.

The carbon capture market is both global and fast-growing, as countries and companies accelerate their plans to decarbonize and carbon pricing mechanisms become more prominent. Aker Carbon Capture's focus is on the European market, where policy support, carbon pricing and customer interest are most mature. The North American market is now also evolving fast, and the company considers this region a logical next step for its business. Aker Carbon Capture is focusing on four key market segments - cement, biomass and waste-to-energy, gas-to-power, and blue hydrogen, but also sees good engagement with other sectors where Aker Carbon Capture's technology is well-suited to capture CO₂.

Aker Carbon Capture's overall purpose is to accelerate planet positive by enabling carbon reduction and removal from industries and energy solutions. To drive this effort, the company and its employees are devoted to three core values.

Sustainability is integral to Aker Carbon Capture, with the UN Sustainable Development Goals set as a key part of the long-term strategic framework. In 2021 important targets were set; by 2030, Aker Carbon Capture aims to reduce the carbon intensity of our products by 50% and reach an overall carbon negative position.

Aker Carbon Capture is headquartered in Norway with operations in Norway, Denmark, United Kingdom, the Netherlands and India, and starting up in Sweden.

Key figures	Measure	2022	2021
Secured contracts to capture 10 million tonnes of CO₂ per annum by 2025	Million tonne CO ₂ per annum	0.5	0.5
Order backlog	NOK billion	1.3	1.9
Revenue	NOK million	781	363
whereof taxonomy aligned	%	100 %	100 %
EBITDA	NOK million	-212	-190
Net Profit	NOK million	-204	-192
Earnings per share	NOK/share	-0.34	-0.33
Total R&D spend	NOK million	119	82
Net Current Operating Assets	NOK million	-334	-260
Cash and cash equivalents	NOK million	1,093	1,321
Equity	NOK million	878	1,076
Permanent employees	Headcount	117	71
Net GHG emissions, scope 1+2+3	tCO ₂ e emitted - tCO ₂ removed	18,238	37.1

DEVOTED TO...

Working together

Doing the right thing

Bold innovation

CEO Letter



For Aker Carbon Capture 2022 has been the year of progress and partnerships. Both the Brevik CCS and the Twence CCU projects entered the construction phase this year. These first of a kind projects, Brevik CCS, the world's first carbon capture plant on a cement facility, and Twence CCU, a modular carbon capture plant on a waste-to-energy facility, are the two large carbon capture projects under construction in Europe today. Aker Carbon Capture is proud to deliver both.

We deeply believe partnerships are crucial to grow the CCUS industry. In 2022 we strengthened our existing partnerships and entered into new, like the unique partnership with Microsoft to pursue joint innovation and services to accelerating deployment of carbon capture.

Despite the ongoing backdrop of the global pandemic, and the negative effects of the war in Ukraine followed by sanctions against Russia, political and corporate efforts to fight climate change grew further at pace through 2022. The Inflation Reduction Act (IRA) in the US, targeting \$369 billion in spending on climate and energy policies, is nothing short of a game changer for green industrial growth at scale. It is clear to me that carbon capture is recognized firmly as one of the cornerstone technologies to decarbonize the industrial world.

Our unique carbon capture technology, products and solutions continue to position us well in this fast-growing market. We have prioritized four market segments; cement, biomass or waste-to-energy, gas-to-power and blue hydrogen. We also see good engagement within refineries, char and smelters.

During the year, we were delighted to make significant progress on flagship projects in the United Kingdom. We provide carbon capture technology for two large-scale FEED projects; bp's Net Zero Teesside Power and SSE's Keadby 3, both with an annual capture capacity of up to 2 million tonnes CO₂. In addition, we are supporting Viridor in the provision of a pre-FEED study for the Runcorn CCS project, capturing around 1 million tonnes CO₂ per annum.

Our story continues to have strong appeal with international investors, including those with a strong focus on ESG and sustainability.

The mission of Aker Carbon Capture is enabling carbon reduction and removal from industries and energy solutions. This is secured through making sustainability an integrated part of our strategy.

At Aker Carbon Capture, we aim to contribute to the sustainable development of society through responsible commercial operations and continuous improvement. In business, we act responsibly and according to our Code of Conduct and our company values; 'working together', 'doing the right thing' and 'bold innovation'.

We are determined to continue delivering on best-in-class HSE performance in the carbon capture technology sector. The European energy crisis has led to higher energy costs, which increases the importance of our bold innovations in minimizing net energy use for our plants,

As we pursue our commercial ambitions, the United Nations Sustainable Development Goals (SDGs) and UN Global compact guiding principles will be integral to our business strategy. Aker Carbon Capture's most significant contribution, and the reason why we are in business, is toward SDG 13, which is taking urgent action to combat climate change and its impacts.

In 2022 we took several important steps to further develop our company. An important area has been to increase our competences regarding a broad set of sustainability aspects. Examples include human rights training, strengthening lifecycle assessment skills and establishing a leadership program for the new leaders in our organization.

This exciting and successful journey would not have been possible without the strongly positive attitude and enduring commitment of all our employees and stakeholders. 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. We will contribute to creating a sustainable future for our company, our customers and our society by building a new industry.

Valborg Lundegaard
Chief Executive Officer, Aker Carbon Capture



Board of Director's Report

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 reduce and 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 in the Aker group. The proprietary technology with unique HSE characteristics includes the company's advanced solvent portfolio, Anti-Mist design and solutions for minimizing net energy use.

Key offerings include feasibility studies, delivery of complete carbon capture facilities, as well as assistance with operations and aftermarket services, and a Carbon Capture as a Service model that offers customers a full CCUS value chain solution.

During 2022, market interest and government policy around Carbon Capture Utilization and Storage (CCUS) showed a clear acceleration, particularly in Europe and North America. This reflected a number of important developments around carbon emission prices and credits, and country and corporate net zero ambitions. The Inflation Reduction Act (IRA) in the US was a game changer in this respect.

Strategy and development

In 2022 Aker Carbon Capture also maintained its “10 in 25” ambition. This targets the securing of contracts to cover the combined capture of 10 million tonnes of CO₂ per year by 2025.

The carbon capture and storage industry is a fast-growing global market that is in various stages of development across different regions. At present, Europe is the primary market 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 addition, during 2022, the adoption of the Inflation Reduction Act made the US market increasingly attractive and, along with Canada, Aker Carbon Capture considers North America to be a logical step for expansion in the medium term. In 2022, the highest market activity was seen in Scandinavia, Benelux and the United Kingdom, where there were major funding commitments announced, and robust policy developments that emphasized early action, supporting the launch of a number of carbon capture and storage projects.

In addition to its geographical focus, Aker Carbon Capture has identified four large market segments that offer particular opportunity: cement, biomass or waste-to-energy, gas- to-power and blue hydrogen. The company also saw promising developments from a number of other industries, such as refineries, char and smelters. During 2022, the company secured studies and technology verification campaigns within these new segments,

Continued technology development and implementation will be a key enabler for the company’s long-term competitive advantage. Cost reduction is a pillar in the company’s strategy, as it will significantly improve project economics, lowering the investment hurdle for customers.

Aker Carbon Capture has an active technology and innovation program that invests in reducing the costs associated with its product offering. This targets both the carbon capture and the process systems around its implementation. The company has identified a number of significant cost-reducing initiatives building on the success of the Just Catch™ product. Through modularization, standardization and digitalization the cost for a 100.000 tonne per annum plant has been reduced by 90% since delivery of Test Center Mongstad in 2012.

For Aker Carbon Capture bold innovation within energy optimization is a critical component to deliver on our prosperity ambitions as well as reducing operation cost for our customers.

Another key area of technology development is the ongoing broad collaboration with data science and analytics companies in the Aker ecosystem and globally, such as Cognite, Aize and Microsoft. The company believes the adoption of advanced information technology and analytics has considerable scope to improve efficiency across the lifecycle of its carbon capture offering. This ranges from improved solutions through lessons learned to optimizing carbon capture plant operating costs via techniques such as predictive maintenance and remote operation.

Aker Carbon Capture’s market offering is based around a cost-efficient portfolio of carbon capture products and solutions, including its Just Catch™100 and Big Catch designs. During 2022 the company further developed the standardization of key building blocks and templates for its facilities, and also achieved qualification from DNV for its Just Catch Offshore™ offering. This is a modularized carbon capture facility for offshore installations and is now ready to be deployed in offshore oil and gas fields where Aker Carbon Capture’s proprietary solution can significantly reduce emissions from offshore power generation.

Aker Carbon Capture developed its core execution capabilities, in terms of project management, procurement, engineering and subcontracting, to act as a solid counterparty in the market. As part of the Aker group of companies, Aker Carbon Capture benefits from a deep and broad capacity and know-how across project execution. When the company was set up as a separate organization, it established a number of key agreements with Aker Solutions to assist with inter alia fabrication and project execution. The company also continued to develop its strategy to work with complementary partners beyond the Aker group.

Aker Carbon Capture’s growth strategy has a strong focus on the development of industrial partnerships. This covers a number of aspects of the carbon capture value chain, including positioning with partners for integrated offerings and full value chain business models, and accelerating the development and acquisition of new CO₂ capture technologies. The company also sees its partnership model as an important enabling step to expanding its business into new geographies.

Following on from the launch of its Carbon Capture as a Service business model in 2021, Aker Carbon Capture took steps in 2022 to

further develop this commercial offering. The company’s ‘Carbon Capture as a Service’ model is based around its Just Catch™100 modular plant, and offers customers a full value chain solution based on a “pay per tonne CO₂ captured” long-term contract. This flexible business model aims to accelerate the decarbonization of a number of industry segments, and continues to reflect strong interest in carbon capture with mid-sized emitters across a range of industries.

In 2022 Aker Carbon Capture was recertified according to ISO 9001:2015 Quality management system, ISO 45001:2018 Occupational health and safety management system and 14001:2015 Environmental management system. Additionally, offices in the UK and Denmark were added to the certification scope. This standard serves the company across its technology development, studies, EPCI projects and plant life services.

Projects

Project execution at Aker Carbon Capture intensified in 2022 as both the Brevik CCS and the Twence CCU projects entered the construction phase. To prepare for this the company strengthened the project execution capabilities by recruiting additional resources in all disciplines.

Aker Carbon Capture’s activity is supported by continued government support for the development of large multi-industry CCUS clusters particularly in Norway, Denmark, the Netherlands and the United Kingdom. This has resulted in a high number of feasibility and early-stage studies for the implementation of carbon capture,

In Norway, Aker Carbon Capture continued delivery of the major Brevik CCS project for Norcem Heidelberg Materials. Solid progress was achieved in 2022, with key equipment installed such as all waste heat recovery units, flue gas fan and direct contact cooler. In addition, the columns for the capture plant arrived at the Brevik site one month ahead of schedule. Brevik CCS will be the first industrial scale carbon capture plant at a cement factory anywhere in the world, and Aker Carbon Capture will complete the facility in 2024 to capture 400,000 tonnes CO₂ per year.

In the Netherlands, Aker Carbon Capture has done preparatory work for installing a modular Just Catch™ unit to Twence, the Dutch operator of waste-to-energy plants. The plant will have a rated capacity of 100,000 tonnes CO₂ per year and is on schedule to commence operations by the end of 2023. The captured CO₂ at Twence will be utilized in local

horticulture to increase plant yields from greenhouses, making it one of the first industrial scale examples of carbon capture and utilization (CCU).

In the UK, the company is the carbon capture provider to a consortium of Aker Solutions, Siemens Energy and Altrad Babcock for two large-scale FEED projects; bp's Net Zero Teesside Power and SSE's Keadby 3, both with an annual capture capacity of up to 2 million tonnes CO₂.

Product development

Aker Carbon Capture has envisaged the development of a cost-efficient portfolio of plug-and-play products. These products use standardized and modularized solutions to minimize lifecycle cost and ensure predictable product delivery. The products also enhance the value to the client by enabling Aker Carbon Capture to offer centralized and optimized operations and maintenance services for the plants.

In 2022, the product development focused on establishing a basic design framework based on European standards, which can be readily adapted to other international standards. The Just Catch carbon capture product is a module-based solution targeting key industries like waste-to-energy and cement, and is a key component of the Carbon Capture as a Service offering. Experience from the Brevik CCS project for Norcem Heidelberg Materials is being harvested to develop the Big Catch portfolio of Carbon Capture and Liquefaction products as modularized solutions for faster delivery and installation. Key products like the Energy Saver and Reclaimer are also being developed to serve the million tonne per annum and higher capture ranges.

All product designs allow for standardization based on readily available materials and equipment, and are scalable to meet the specific requirements of different industries and clients. The products incorporate the latest technological developments and improvement ideas generated in Aker Carbon Capture's ongoing research and from ongoing projects.

Partnerships

Strong partnerships with leading companies across different industries is a key pillar in Aker Carbon Capture's strategy.

Aker Carbon Capture's partnership model is constantly evolving. The company's focus is not limited to the carbon capture value chain, but also includes partnerships with companies that complement Aker Carbon Capture's offering.

The company has therefore continued to mature and strengthen existing partnerships with companies like Siemens Energy, MAN and Carbfix and established new partnerships.

In January, Aker Carbon Capture signed a collaboration agreement with Altera Infrastructure and Höegh LNG to collaborate on full value-chain offerings for carbon capture and storage.

In February, Aker Carbon Capture signed a collaboration agreement with Dan-Unity CO₂ to explore solutions for maritime transport of CO₂ to enable a full value chain offering.

Also in February, Aker Carbon Capture announced a Memorandum of Understanding (MoU) with transport and storage provider Northern Lights JV to collaborate on developing a full value chain offering and to accelerate the carbon capture and storage by standardizing ship-shore interfaces

In March, Aker Carbon Capture and Microsoft signed an MoU to pursue joint innovation and explore opportunities to offer services in CCUS. The aim of the collaboration is to use the combined strength of the two companies' technologies to develop new and innovative business models that cover both physical and digital value chains.

Also in March, Aker Carbon Capture and SINTEF expanded their collaboration to develop next-generation CCUS technology. The purpose of the partnership is to collaborate more closely to develop new capture technologies and share knowledge.

In June, Aker Carbon Capture announced an MoU with UK based CO₂ storage provider Storegga to collaborate on carbon capture and storage projects and enable industrial emitters access to full value chain offering in UK.



Image: Carbfix
 Pictured:
 Edda Sif Pind Aradóttir, Carbfix
 Valborg Lundegaard, Aker Carbon Capture
 Álfheiður Agústs dóttir, Elkem

Organization

The long term organization development strategy is to create a flexible international organization with a collaborative and innovative culture.

As per 2022 Aker Carbon Capture has established legal entities in Denmark, the United Kingdom, the Netherlands and India to further serve the growing CCUS market and secure execution capacity.

By the end of 2022, Aker Carbon Capture employed 117 own permanent employees and 16 contractors, resulting in a total of 133 employees. This compared to a total of 82 employees, including contractors, at the end of the previous year.

The organization structure is designed to maintain and strengthen the core functional competence areas; sales, technology and innovation, product development and project execution as well as corporate staff functions. A new leadership level has been implemented, and a leadership training program established, to support the growing organization.

Within 2023 the Twence CCU project will be in operation. To prepare for this new delivery phase Tove Ormevik has been named Chief Operation and Aftermarket Officer, starting February 2023. Ormevik comes from the position as Offshore Installation Manager at Aker BP and has extensive management experience from operations, projects, technology development, industry clusters, and strategic business development.

Market

For the last 3 years, the global CCUS market has continued to follow an exponential growth curve. This is supported by a growing consensus across policy, industry and research that the technology is a central piece in enabling the world to meet its greenhouse reduction targets in the Paris Agreement. With continued growth, the International Energy Agency (IEA) see the potential for the CCUS market ultimately to match the current size of the natural gas industry. In its updated 'Net Zero by 2050' scenario (published in World Energy Outlook, December 2022), the IEA estimates the need for 1.2 gigatonnes CO₂ capture per year by 2030, and 6.2 gigatonnes per year by 2050. This represents a substantial increase from the current operational CCUS capacity of 43 million tonnes per year.

In Europe, the EU Commission has been consistent in its efforts to drive decarbonization, despite market volatility resulting from the war in Ukraine. The EUA carbon price, which is the price of emission allowances in the EU, has traded between EUR 80 and EUR 90 through the majority of the year.

In July, the European Commission announced the results for its Innovation Fund's second call for large-scale projects. In total, 17 projects shared the total budget of EUR 1.8 billion, out of which 7 projects included CCUS. The selected projects spanned across industries cement, refineries and chemicals, with the two latter being focused on utilization. The CODA terminal, developed by Aker Carbon Capture's partner Carbfix, also received significant funding to develop low cost transport and storage infrastructure for CO₂. Geographically, the awarded projects are located in France, Sweden, Iceland, Poland, Bulgaria and Germany, where the three latter represent new and relevant regions for CCUS development in the European market.

The third call for large-scale projects in the EU Innovation Fund was launched in November, with a total budget of EUR 3 billion. The 67% increase in budget results from the REPowerEU plan adding additional budget to the fund to further support the EU's independence from Russian fossil fuels and accelerate Europe's green transition.

On 18 December 2022, the EU reached a provisional agreement on the EU-ETS elements under the "Fit for 55" policy package. This set of legislation makes reaching the EU's climate goal of reducing EU emissions by at least 55% by 2030 a legal obligation. The combined effect of the regulations introduced, which amongst else includes plans to phase in industries such as shipping and waste-to-energy into the EU ETS and an introduction of the carbon border adjustment mechanism (CBAM), means that the decarbonization of the European continent is set to accelerate further. The enhanced market fundamentals supporting further CCUS development was exemplified by Bloomberg NEF boosting their forecasted average EUA carbon price for 2023 to EUR 89/tonne (previously EUR 79/tonne) following the EU agreement, as well as longer term outlooks where current analyst forecasts for European carbon prices range up to EUR 165 per tonne by 2030.

For the European market it is also important to note that in addition to EU policy, national policies and funding are also contributing to CCUS deployment. In the Nordics, the Danish government is investing DKK 16 billion to develop CCUS (with the first funding award expected in 1H 2023), while the Swedish Government will provide a total budget of SEK

37 billion to their Reverse Auction for negative emissions, which will drive CCUS deployment on biogenic CO₂ sources. The UK is maturing their cluster strategy to select candidates for funding, and the Netherlands' SDE++ funding mechanism had a record budget of EUR 13 billion for decarbonization projects. Germany, which historically has not been positive towards CCUS, plans to make an important policy shift. The launch of the German "CO₂ management strategy" in Q2 2023 could potentially also add to the numbers of national policies driving CCUS deployment in Europe.

Through 2022, the North America CCUS market, specifically the United States (US) and Canada, also saw some significant events which will positively impact the future acceleration of the carbon capture industry.

In the US, President Joe Biden signed the Inflation Reduction Act (IRA) into law in August, marking one of the most significant investments in clean energy and decarbonization in US history. For CCUS specifically, the IRA strengthens the 45Q tax legislation, raising it from a USD 50/tonne support to USD 85/tonne support for CO₂ which is permanently stored, as well as lowering the threshold for capture volume needed to qualify for the credit. The legislation is uncapped, meaning there are currently no specific budget limitations for the accumulated amount of tax credits that can be distributed to CCUS projects. Princeton University has estimated that the use of carbon capture will increase 13-fold by 2030 as a result of the IRA. The strengthened 45Q legislation comes in addition to the Bipartisan Infrastructure and Jobs Act passed in November 2021. In total this incentive package is set to support the deployment of CCUS infrastructure with USD 12 billion in grants and loans, and USD 8 billion to establish 6-10 clean hydrogen hubs in which blue hydrogen could play a key role.

In Canada, the government introduced a CCUS Investment Tax Credit as part of their Clean Fuel Regulation. This is aimed at providing investment support for capital expenditures, giving 60% support for direct air capture (DAC), 50% for all other industrial CO₂ capture, and 37.5 % for projects related to transport, storage and utilization of CO₂. The incentive is time restricted to the period 2022-2030, meaning that projects realized in 2031-2040 will only receive half of the support. The structure of the incentive is therefore meant to drive early deployment of CCUS projects.

Overall, increased carbon prices, the IRA in the US, and a continued global drive for the green transition supports continued strong market fundamentals for CCUS. According to the Global CCS Institute's 2022



status report, the global CCUS capacity grew to 242 million tonnes per annum, marking a 45% increase in accumulated capacity across all project stages from early development to operation. As of September 2022, a total of 196 CCUS projects are in the pipeline to be realized, and the pipeline has continued its growth into 2023. In addition to the markets in Europe and North America, there are also positive developments in the APAC region, and CCUS now has significant traction in most global regions, with the exception of South America and Africa as of today. As a result of a continuous growing number of projects in the CCUS pipeline, 2023 is also set to be an important year for the industry, with Rystad Energy estimating CCUS specific to grow by 136% to USD 7.4 billion.

This overall market expansion in 2022 reflects broad policy support and strategic net zero ambitions across many countries and industries, but also the focus from government funding to support the development of major industrial clusters. The development of these industrial clusters will help support future cost reductions for roll-out of CCS infrastructure, as scale drives cost-effective solutions in the transport and storage parts of the CCUS value chain.

Aker Carbon Capture 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 taking steps to expand business into North America, especially following the recent policy updates in 2022.

Aker Carbon Capture launched a long-term ambition called “10 in 25” when it was set up as a separate company in 2020. This ambition stated that Aker Carbon Capture “aims to secure contracts for the combined capture of 10 million tonnes per year by the end of 2025.” Based on the favorable market development expected in the coming years, the company reiterates this ambition for 2025, and will actively target regions and opportunities that will support the realization of this ambition.

Sustainability

Sustainability is integrated into Aker Carbon Capture’s strategy and risk management approach. The company has identified its main Sustainable Development Goals (SDG) impact areas and is adhering to the UN Global Compact’s guiding principles and OECD Guidelines for Multinational Enterprises.

The materiality assessment defines the key environmental, social and governance disclosures for the company. Continuous stakeholder engagement and review of material sustainability topics were undertaken in 2022, resulting in minor adjustments to the material topics.

World Economic Forum’s ‘Stakeholder Capitalism Metrics’ continues to be the framework for the company’s sustainability program, with disclosures, targets and priorities organized under the four pillars of planet, people, prosperity and governance. The report itself has been prepared with reference to the Global Reporting Initiative (GRI) Standards (2021).

Aker Carbon Capture is committed to setting Science-Based Targets for its carbon reduction targets. The company’s first Task Force on Climate-related Financial Disclosures (TCFD) assessment was conducted in 2021 and is available at Aker Carbon Capture’s [homepage](#). The taxonomy assessment of the company’s activities is available in the [appendix section](#) of the Annual Integrated Report.

The company is committed to the principles addressed in the global framework agreement for human and labor rights between the Aker group companies and Norwegian and international trade unions.

In 2022, the company strengthened internal governance and improved internal routines in alignment with the new Transparency Act in Norway, and also continued the processes according to the Norwegian Diversity Reporting.

More information can be found in the [sustainability progress section](#) and the [Transparency Act Progress Report](#) of the Annual Integrated Report.

Corporate governance

Aker Carbon Capture ASA is a public limited liability company, established under Norwegian law and listed on the Oslo Stock Exchange.

Good corporate governance at Aker Carbon Capture will ensure sustainable operations and value creation over time. Corporate governance is a framework of processes and responsibilities for managing the business and making sure the right objectives, strategies

and safeguards are set and implemented with results that can be measured and followed up.

The Board of Directors is responsible for ensuring that the company conducts business using sound corporate governance as implemented through mandates and reporting lines for the governing bodies of the company, hereunder for the subsidiaries.

The Board of Directors 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 the executive management from the business operations.

The Board of Directors is also responsible for Aker Carbon Capture's Code of Conduct, which 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, protection of the environment and human rights. The Code of Conduct is available at <https://akercarboncapture.com>. The Code of Conduct is operationalized through the company's management system, which contains more detailed and practical policies and procedures.

The Audit Committee of Aker Carbon Capture supports the Board of Directors related to its responsibility for oversight over the management and safeguarding of the company's resources. Key areas of the Audit Committee's mandate relate to review of and internal controls over financial and ESG reporting, corporate governance, compliance, whistleblowing, risk management, sustainability and climate, related party transactions, review of external auditor's qualifications, independence and performance, and the tender process concerning external auditor. The company's Head of Compliance reports directly to the Audit Committee.

The directors and officers of Aker Carbon Capture ASA are covered under an Aker group Director & Officer's Liability Insurance (D&O). The insurance covers personal legal liabilities including defense and legal costs. The coverage also includes employees in managerial positions or employees who become named in a claim or investigation.

More information can be found in the [Corporate Governance Report of the Annual Integrated Report](#).

Risk management

Aker Carbon Capture operates under policies and procedures that promote proactive risk management to mitigate potential adverse impact on financial results, financial standing and operational performance to ensure financial reporting quality. The Board of Directors is responsible for ensuring that Aker Carbon Capture has sound internal control and systematic risk management that is appropriate in relation to the extent and nature of the group's activities. On an annual basis, the Board of Directors carries out a detailed review of the company's most important areas of exposure to risk and its internal control arrangements. In particular, changes to material risks and the group's ability to respond to internal and external business changes is addressed.

The group's Audit Committee carries out preparatory work for the Board of Directors' monitoring of financial and ESG reporting. On a quarterly basis, the Audit Committee monitors the group's systems for Internal Control over Financial Reporting (ICFR), routines for monitoring risks and external reporting processes. It also maintains regular contact with the group's auditor in respect of the statutory audit of the annual accounts. The Audit Committee reports and makes recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

Aker Carbon Capture has implemented a risk-based management system with clear policies and procedures to facilitate risk management. The overarching governance policy requires the group to ensure active identification and management of risks in activities to ensure safe operations and achievement of strategic objectives. This risk-based approach has been adopted across all company policies and further operationalized through the group's Enterprise Risk, Quality Operations, and ICFR procedures. Through these governing processes, Aker Carbon Capture controls risks, effectuates risk reducing measures, systematically identifies business opportunities, increases the effect of improvement efforts, and ensures quality of internal and external reporting.

The Enterprise Risk process facilitates the operational risk management activities and organizes processes to aggregate an enterprise view of risk exposure and mitigating plans. The identified risk factors' materiality is defined by assessing the likelihood and consequence based on both

quantitative and qualitative factors. Risk mitigation plans are implemented for the risks with the largest materiality and potential to impact the group's performance.

The Quality Operations process facilitates risk control, implementation of risk reducing measures and systematic identification of business opportunities in the management of Aker Carbon Capture's operations. The aggregated business and risk perspective of Aker Carbon Capture's operations is reported and reviewed through quarterly business reviews covering strategic and enterprise risk related topics, monthly operating reviews covering operational and financial topics, and monthly project reviews covering project execution related topics.

The ICFR process is based on the Committee of Sponsoring Organizations of the Treadway Commission framework and is an integrated part of Aker Carbon Capture's governance model. The ICFR process is risk-based and an important part of the financial reporting process which is carried out throughout the business activities of Aker Carbon Capture's subsidiaries and projects. The main priority through 2022 has been to formalize internal control activities addressing the risks identified across all processes. The outcome of the risk assessment and suggested mitigating actions have been shared and aligned with the Audit Committee and the external auditor.

Although risk is managed and mitigated systematically throughout Aker Carbon Capture, the group 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 still 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. Principal risk factors and uncertainties are further described in the [Principal risk factors and uncertainties section of the Annual Integrated Report](#).

Investing in research, innovation and technology

Continued technology development is a key enabler for the company's long-term competitive advantage. Aker Carbon Capture invests in reducing costs associated with its product offering, ensuring to meet the changing requirements in the CCUS market, and to develop new carbon capture technologies and expand the portfolio to meet future market demands.

Aker Carbon Capture focuses on reducing the net energy demand for the carbon capture process. The company is investing in solutions that enable the combination of advanced heat integration in the capture process with waste heat recovery at the host facility.

Engagement with digitalization companies in the Aker ecosystem, Cognite and Aize, as well as partners like Microsoft, will differentiate Aker Carbon Capture's digital offerings. There are concrete programs to strengthen the capabilities to derive value from data, ensure efficiency in project execution, prepare for operations and drive the transition to efficient digital collaboration and information sharing. The data architecture has been developed and dataOps¹ competence is secured in-house. This enables Aker Carbon Capture to harvest data from operations, to contextualize this data in a digital twin for further analysis and enrichment, and for near future aftermarket business development.

Aker Carbon Capture emphasizes collaboration with universities and scientific institutions as an important tool for innovation, and are members of the Norwegian CCS Center (NCCS) hosted by SINTEF and NTNU. The company strengthened the collaboration with SINTEF by signing a collaboration agreement in 2022.

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 technical solutions in an industrial environment. In 2022 the company verified the carbon capture technology for char production together with partners Carbonor and Polchar at Polchar's facilities in Szczecin, Poland.

Together with partners (SINTEF, Elkem, Norcem, Mo Industripark, SMA minerals, Celsa Armeringsstål, Ferroglobe Mangan Norge, Norfrakalk,

Alcoa) Aker Carbon Capture in 2022 initiated the world's first pilot campaign in the smelter industry.

To meet the interest and demand from the market, Aker Carbon Capture is investing in a second MTU, which is currently under construction.

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 HSSE system, setting clear standards for HSSE management and leadership. Regular audits aim to identify, isolate and help address potential shortcomings. At Aker Carbon Capture, the HSSE culture is founded on the principle that HSSE is a personal responsibility for every employee.

In 2022 Aker Carbon Capture was recertified according to the Occupational health and safety management system standard ISO 45001:2018, Environmental management system standard 14001:2015 and Quality management standard 9001:2015. Additionally, offices in the UK and Denmark were added to the certification scope.

To further strengthen the HSSE commitment additional roles were introduced in 2022.

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 care professionals provided by Aker Care, our corporate health service provider.

Early in 2022 the Covid-19 related restrictions were lifted, and the employees gradually returned to the offices. During the transition to more normal working conditions for both office and MTU personnel, continued emphasis was put on physical and mental health.



¹DataOps is defined as a collaborative data management practice focused on improving the communication, integration and automation of data flows between data managers and data consumers across the organization.

2022 marked the year where construction work at site was initiated both for the Brevik CCS and the Twence CCU projects, introducing HSE follow up of local sub-contractors.

The management of Aker Carbon Capture communicates closely with the employees. The working environment committee (AMU) in 2022 focused on topics to enhance the physical and psychosocial work environment including resolving identified challenges.

In 2022 a safety representative role was introduced at the Denmark office, and a working environment committee was established.

The broader Aker group provides various support including health webinars and free consultancy by medical professionals.

Aker Carbon Capture's global sick leave for 2022 was 1.17 percent.

Safety

Aker Carbon Capture operates with a zero harm mindset and the belief that all incidents can be prevented. As construction activities commenced for the Brevik CCS and the Twence CCU projects in 2022, several operational safety related procedures and measures were implemented. The company maintains a strong set of reporting structures, methodologies and metrics such as Lost Time Injury Frequency (LTIF) and Total Recordable Injuries Frequency (TRIF), in order to measure performance and drive improvement across the company. No serious incidents were reported in 2022.

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 Aker Carbon Capture's operations as well as some affiliated Aker companies. No serious security incidents were reported in 2022.

In the aftermath of Russia's invasion of Ukraine, monitoring the cyber attack landscape has become more crucial than ever. As part of the Aker group, Aker Carbon Capture continuously 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 are managed with the support from the Aker group. Processes for emergencies and emergency response are in place for all locations and projects. Dedicated resources are assigned to advise and assist management on development of systems and structure of emergency response and business continuity. A cloud-based system, RAYVN, for efficient notification and coordination of critical events, supports emergency response through an assigned critical event response team. Emergency preparedness and exercises conducted in 2022 have shown that the company's emergency preparedness organization is agile, adaptive, and successful in responding to crises.

Environment

Aker Carbon Capture protects the environment through products, solutions and services that reduces the CO₂ emissions of both its customer's and its own operation. The most significant and positive environmental impacts are achieved through emission reduction solutions delivered for industrial clients.

The company also takes a holistic environmental approach to its operation e.g. including sites, offices and business travels. To achieve this Aker Carbon Capture has a certified environmental management system according to ISO 14001.

Aker Carbon Capture uses an environmental impact and lifecycle assessment from extraction of raw materials to operating capture plants. The company reduces greenhouse gas (GHG) emissions by capturing and removing CO₂ through the plants delivered by the company. Improving energy efficiency of the carbon capture plants can further reduce the carbon footprint of the solutions, Aker Carbon Capture's solvent portfolio has been developed for climate change mitigation with

the consideration of no significant harm to the environment. The solvent portfolio has best-in-class HSE profile and is biodegradable.

More information can be found in the [sustainability progress section](#).

Safeguarding diversity, equal opportunity and inclusion

Aker Carbon Capture had a total of 133 employees at the end of 2022. The company 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 the organization, where around 31 % percent of the employees are women. The percentage of women in leadership roles was 38 % in 2022. Aker Carbon Capture's workforce represented 18 nationalities and a range of competencies and insights, benefiting both its partners and the business.

Aker Carbon Capture seeks to promote inclusion and diversity in its workforce through clear recruitment requirements, development of individuals and programs supporting equal opportunity in accordance with its people policy and recruitment procedures. More information regarding the company's commitment to equality and diversity is available in the [people section](#).

Aker Carbon Capture has a procedure for handling whistleblower cases, which is followed with respect to investigating discrimination allegations. All allegations are investigated and feedback provided to the whistleblowers where identity is known. At the end of 2022 no such cases had been reported.

Leadership, talent and performance

Aker Carbon Capture's ambition is to offer professional development, worldwide 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. 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 digitally-connected, collaborative and hybrid working environment.

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.

During 2022 a new leadership level was implemented in the organization, and a leadership training program was established to support and develop the new leaders.

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 1 January 2022 to 31 December 2022.

In the period, the company's revenues increased from NOK 363 million in 2021 to NOK 781 million in 2022, primarily driven by increased activity on the Brevik CCS and Twence CCU projects. Operating loss ended at negative NOK 223 million, compared to negative NOK 195 million in 2021. The higher operating loss was primarily caused by an increase in salary and personnel costs as well as other operating expenses in line with increasing activity levels and growth ambitions of the company. Loss for the period was negative by NOK 204 million, compared to NOK 192 million in 2021. Loss per share were negative NOK 0.34, versus a loss of NOK 0.33 per share in 2021.

Total assets of the group amounted to NOK 1,297 million as of 31 December 2022, compared to NOK 1,610 million in 2021. The group had a cash position of NOK 1,093 million and negative net current operating assets at NOK 334 million, respectively 1,321 million and 260 million in 2021. The company has no interest-bearing debt. Total equity amounted to NOK 878 million at year-end 2022, resulting in an equity ratio of 68%, compared to 1,076, and an equity ratio of 67% percent as of year-end 2021.

Cash flows from operating activities ended 2022 at a negative NOK (118) million compared to positive NOK 57 million in 2021. This was significantly higher than the operating loss of NOK 223 million due to a positive cash effect from changes in net current operating assets. Cash flows from investing activities were negative by NOK 105 million, compared to negative NOK 13 million the year before. The cash flow from investing activities mainly reflects capitalized development costs related to the carbon capture technology. Cash flows from financing activities were negative by NOK (9) million mainly due to payment of finance lease liabilities. Cash flow from financing activities in 2021 ended at NOK 820 million, mainly related to the share issue.

Parent company and allocation of net loss

The parent company Aker Carbon Capture ASA is the ultimate parent company in the Aker Carbon Capture group and its business is the ownership and management of the subsidiaries Aker Carbon Capture Holding AS, Aker Carbon Capture Norway AS, Aker Carbon Capture UK Ltd., Aker Carbon Capture Denmark A/S, Aker Carbon Capture India Pvt. Ltd. and Aker Carbon Capture Netherlands B.V. Aker Carbon Capture ASA has outsourced all company functions to its subsidiaries.

Aker Carbon Capture ASA has a net loss of NOK 2 million in the period from 1 January 2022 to 31 December 2022, compared to a net loss in 2021 of NOK 12 million. The company is currently in a growth phase and not in a position to pay any dividends. To reach its ambitious targets for contributing to global decarbonization and build scale at the operational level, the company will, short-term, prioritize investing in growth over dividends. Beyond the growth phase, it is the company's ambition to pay an attractive dividend to be distributed to shareholders as cash dividends or share buybacks, or a combination of both.

The board thereby proposes the following allocation of net loss (amounts in NOK million):

Dividends:	—
To retained earnings:	(2)
Total allocated:	(2)

Going concern

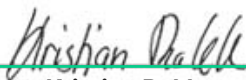
Since the establishment of Aker Carbon Capture in 2020 the world has been hit by a global pandemic. In 2022 the outbreak of the Covid-19 virus continued to spread and disrupt the supply chain. There is a risk that new COVID-19 outbreaks or other may have substantial negative effects.

The war in Ukraine and subsequent strong European and American sanctions against Russia have had significant negative effects on the global economy, energy markets, supply chain and inflation levels. This may continue going forward. Aker Carbon Capture will continue to take measures to mitigate any negative impact for the company, including measures required to comply with sanctions and meet restrictions from governmental authorities.

Aker Carbon Capture has no external debt and a solid liquidity reserve as of 31 December 2022. 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.

Fornebu, 14 March 2023

Board of Directors and Chief Executive Officer of Aker Carbon Capture ASA



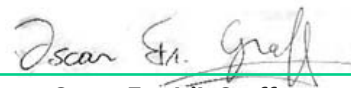
Kristian Røkke

Chair



Nina Jensen

Director



Oscar Fredrik Graff

Director



Liv Monica Stubholt

Director



Linda Litlekalsøy Aase

Director



Bent Christensen

Director



Åse Marit Hansen

Director



Valborg Lundegaard

Chief Executive Officer



Board of Directors

Read more about our Board of Directors on the following pages.

Kristian Monsen Røkke
Chair (non-independent)



Year of birth:
1983

Citizenship:
Norwegian and US

Position:
CEO of Aker Horizons ASA

Education:
MBA from The Wharton School of the University of Pennsylvania.

Experience and skills:
Kristian Røkke is CEO of Aker Horizons ASA and has extensive experience from industry and M&A, including offshore oil services, shipbuilding, renewable energy and green technologies. Mr. Røkke was chief investment officer of Aker ASA prior to joining Aker Horizons, and CEO of Akastor ASA and Philly Shipyard ASA where he also held several operational roles including SVP Operations.

Key external assignments:
As CEO Mr. Røkke is currently chair of the board of Aker Carbon Capture ASA and Aker Mainstream Renewables. Mr. Røkke is also chair of Philly Shipyard ASA and board member of HMM Holding B.V. and The Resource Group TRG AS, the majority shareholder of Aker ASA.

First elected:
2020

Term of office: 2022-2024	Shares owned at year-end 2022: 0
Audit Committee member: No	Board meeting attendance 8/8

Nina Kristine Jensen
Director (non-independent)



Year of birth:
1975

Citizenship:
Norwegian

Position:
Chief Executive Officer of REV Ocean

Education:
Master's degree in Marine Biology from UIT – The Arctic University of Norway

Experience and skills:
Ms. Jensen is the Chief Executive Officer 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).

Key external assignments:
Ms. Jensen is a board member of KR Foundation, The Business for Peace Foundation, Project Energy Reimagined, Ocean Wise, HUB 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.

First elected:
2020

Term of office: 2021-2023	Shares owned at year-end 2022: 0
Audit Committee member: No	Board meeting attendance 7/8

Oscar Fredrik Graff
Director (independent)



Year of birth:
1952

Citizenship:
Norwegian

Position:
Owner of Graff Consulting

Education:
Master's degree in chemical engineering from the Norwegian University of Science and Technology (NTNU)

Experience and skills:
Mr. Graff joined Aker in 1980. Since 2000 he has been instrumental in the development of carbon capture technology to reduce carbon emissions. Mr. Graff was appointed as Chief Technology Officer for Aker Clean Carbon in 2008 and has up to 2020 been responsible for Carbon Capture in Aker Solutions. Mr. Graff has held several positions in CO2 and climate related technical boards and advisory committees in Norway, UK and the EU, including ZEP (Zero Emissions Platform). Coach and board member in local football clubs. Member of Norwegian Society of Graduate Technical and Scientific Professionals (TEKNA).

Key external assignments:
No

First elected:
2020

Term of office: 2021-2023	Shares owned at year-end 2022: 0
Audit Committee member: No	Board meeting attendance 8/8

Liv Monica Bargem Stubholt
 Director (independent)



Year of birth:
1961

Citizenship:
Norwegian

Position:
Partner in Norwegian law firm Selmer

Education:
Cand. jur. degree from the University of Oslo

Experience and skills:
 Ms. Stubholt has more than 20 years' experience as a corporate lawyer and has held several top executive positions in Aker ASA and has been State Secretary both at the Norwegian Ministry of Foreign Affairs and the Ministry of Petroleum and Energy. Ms. Stubholt is especially qualified within governance and compliance and has valuable understanding of political processes. She holds several nonexecutive board positions in the energy and seafood sectors and she is a council member of the Department for Energy Law at the Faculty of Law in Oslo. She serves as member of the international board of World Ocean Council.

Key external assignments:
 Chair of the board of Green Ammonia Berlevåg AS, Hafslund Oslo Celsio AS, Silex Gas Norway AS and as director of the board of Gigante Salmon ASA, Vår Energy AS, Mjølner Invest AS, Andrevind AS, Aquaship AS and SINTEF Energi AS.

First elected:
2021

Term of office: 2021-2023	Shares owned at year-end 2022: 0
Audit Committee member: Yes (Chair of Audit Committee)	Board meeting attendance: 6/8

Linda Litlekalsøy Aase
 Director (independent)



Year of birth:
1966

Citizenship:
Norwegian

Position:
Chief Executive Officer of Bremnes Seashore AS (effective from 1 November 2023)

Education:
Masters degree in material technology from the Norwegian University of Science and Technology (NTNU). Business economics and management accounting at the Norwegian School of Economics (NHH)

Experience and skills:
 Ms. Aase has 20 years of industry experience and has held a variety of leadership positions, most recently as Chief Executive Officer of SalMar ASA. Prior to this she was with Aker Solutions as part of the Executive Management Team, Head of Electrification, Maintenance and Modifications. Winner of Women's Board Award Norway 2022.

Key external assignments:
 Director of Enova SF

First elected:
2021

Term of office: 2021-2023	Shares owned at year-end 2022: 19 551
Audit Committee member: Yes	Board meeting attendance: 8/8

Bent Christensen
 Director (independent)



Year of birth:
1960

Citizenship:
Danish

Position:
Owner and Chief Executive Officer of Christensen Management Consulting ApS

Education:
Executive Development Program, IMD. Engineering Business Administration, Horsens University College. BSc Electrical Engineering, University of Southern Denmark.

Experience and skills:
 Mr. Christensen has more than 35 years of international experience within the energy sector including several C-level executive positions. He has experience as non-executive director/supervisory board member from more than 25 international companies. Mr. Christensen has worked with a broad portfolio of renewable and fossil fuel technologies. His roles have among others included Senior Vice President positions at both Siemens and Ørsted. Mr. Christensen has since 2019 been running his own consultancy business.

Key external assignments:
 Mr. Christensen is currently Chairman of the board of Wind Estate A/S, Denmark; Board member of Ignitis group, Lithuania; Owner and Chief Executive Officer of Christensen Management Consulting ApS.

First elected:
2022

Term of office: 2022-2024	Shares owned at year end 2022: 0
Audit Committee member: No	Board meeting attendance: 6/6

Åse Marit Hansen

Director (non-independent)
Employee elected representative

**Year of birth:**

1964

Citizenship:

Norwegian

Position:

Project Manager in Aker Carbon Capture

Education:

Ms. Hansen holds an honors degree in civil engineering from Heriot-Watt University, Scotland, together with an engineering degree from Agder Ingeniør- og Distriktshøgskole, Norway.

Experience and skills:

Ms. Hansen has more than 30 years of experience from various positions within project management for different industries such as construction, nuclear (decommissioning), technology, consultancy and offshore. Her role has among others included positions in Aker Clean Carbon and Aker Solutions. She has since August 2021 been Project Manager in Aker Carbon Capture.

She is a member of Norwegian Society of Graduate Technical and Scientific Professionals (TEKNA) and holds board positions in the local sports club and sports council.

Key external assignments:

No

First elected:

2022

Term of office:

2022-2024

Shares owned at year end 2022:

0

Audit Committee member:

No

Board meeting attendance

5/6

Pure play company



Markets

Prioritizing Northern Europe initially; opportunities emerging in North America



Segments

Prioritizing cement, bio/waste-to-energy, blue hydrogen and gas-to-power and engagement with new industry segments



Partnerships and M&A

Including Aker companies, Siemens Energy, Microsoft, Haldor Topsøe, Hitachi Zosen Inova, Carbfix



Technology & Innovation

Up to 50% capex reduction from technology development, standardization, modularization and digitalization



Business models

EPC, License and Carbon Capture as a Service – Carbon capture made easy™

10 IN 25

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

Strategy and targets across our business

Strategy summary

Aker Carbon Capture is a pure play carbon capture company with a strategic ambition to secure contracts to capture 10 million tonnes of CO₂ annually by 2025. The company measures its success in accelerating positive impacts on climate change mitigation while also delivering results on strategic targets aligned with planet, people, prosperity and governance.

Through 2022 Aker Carbon Capture has further matured the strategy and priorities. To achieve the strategic ambition the company will continue to build its market position in Northern Europe, and aim to establish a presence in North America through partnering. Aker Carbon Capture will prioritize four market segments; cement, biomass or waste-to-energy, gas-to-power and blue hydrogen and also engage with refineries, char and smelter industry.

Aker Carbon Capture will continue to work with strategic partners to grow through integrated complementary offerings and position as the first-mover for a profitable full value chain Carbon Capture as a Service (CCaaS) offering. The company will expand the global reach by offering technology licensing to end customers directly or through strong EPC execution partners.

The principles behind Aker Carbon Capture's standardized and modular Just Catch™ product is now being applied to develop future-proof modular Big Catch™ designs, which will allow for up to a 50 percent capex reduction. To support the ambition of accelerating planet positive outcomes, Aker Carbon Capture aims to reduce the carbon intensity of own solutions by 50 percent and achieve a carbon net negative position through carbon removal solutions by 2030. A range of initiatives across technology and innovation, as well as customer, partner and supplier engagement, are required to progress towards our targets.

Key markets

The market outlook for CO₂ capture has continued to increase in 2022, driven by a clear need for CCUS to reduce the climate effects and reach net zero targets. In 2022, the record growth continued from the year before, with the Global CCS Institute reporting a 45% increase in global project capacity in the first 9 months of the year. Since mid 2020, Aker Carbon Capture has focused on the European market, with Scandinavia, Benelux and the UK leading the way. Here the interest from customers has continued to be high, and the regulatory environment to support adaptation of CCUS has remained the most mature.

In North America, the Biden Administration has confirmed their support for CCUS through the Infrastructure and Jobs Act in 2021 and the Inflation Reduction Act in 2022, effectively enabling large scale CCUS and hydrogen infrastructure to be developed. In Canada, the benchmark carbon price will steadily ramp up to 170 \$/tonne in 2030 and in 2022 the CCUS Investments tax credit added further support for accelerated deployment of projects. With the IEA reporting US industrial CO₂ emissions at 2.3 billion tonnes per year, with 1.8 billion tonnes from power and heat generation, this continues to be a key growth market for CCUS.

SCANDINAVIA

The Norwegian parliament provided financial support for the Longship project to establish the full CCS value chain at industrial scale. In December 2020, Aker Carbon Capture won the contract to deliver the world's first carbon capture plant at a cement factory in Brevik, Norway. The Brevik CCS EPC project commenced in January 2021. In 2022, the project entered the construction phase and key equipment were delivered and installed at site. The Longship project will be in operation in 2024. In Denmark, the government has announced their national CCUS strategy, with DKK 16 billion to be allocated to the development of CCUS. The first CCS funding award in Denmark is expected first half of 2023, effectively enabling deployment of a project capturing at least 400,000 tonnes per annum. Denmark's goal to decarbonize aviation by 2030 has also resulted in an increase in Power-to-X projects, aiming to produce synthetic fuel from CO₂ and renewable power. Following Aker Carbon Capture establishment in Denmark late 2021, the company has been able to further strengthen its position in the growing Danish market. As an example, Aker Carbon Capture, Ørsted and Microsoft are exploring ways to support the development of carbon removal at Ørsted's biomass-fired heat and power plants.

BENELUX

Late 2021 Aker Carbon Capture secured a contract to deliver a modular Just Catch™ plant to Twence, a waste-to-energy provider in the Netherlands. The captured CO₂ will be used in greenhouses to boost plant growth. The plant will have a rated capacity of 100,000 tonnes CO₂ per year and is on schedule to commence operations by the end of 2023.

The region has an ambitious CCUS strategy. The Porthos storage project outside the Port of Rotterdam, and the Kairos project in the Port of Antwerp-Bruges, both received funding from the EU Innovation Fund in 2021, with the Kairos project receiving additional EU funding through the Connecting Europe Facility fund in 2022. This development of transport and storage infrastructure will enable future capture project to be realized.

In 2022 Aker Carbon Capture established a legal entity in the Netherlands and hired the first local employee aiming at delivering carbon capture solutions to industrial hubs in the regions.

UK

The United Kingdom has an ambition to capture between 20 and 30 million tonnes of CO₂ by 2030, and plans to invest up to GBP 1 billion to support the establishment of CCUS across four industrial clusters. Per 2022, the UK government has announced its selection of Hynet and East Coast Cluster as the Track 1 clusters.

Aker Carbon Capture is the carbon capture provider for two large-scale FEED projects; bp's Net Zero Teesside Power and SSE's Keadby 3, both with an annual capture capacity of up to 2 million tonnes CO₂. These developments, which are part of the East Coast Cluster will be the world's first commercial scale gas-fired power station with carbon capture.

In addition, Aker Carbon Capture is supporting Viridor in the provision of a pre-FEED study for the Runcorn CCS project, which is part of the Hynet cluster: The plant will have an annual capture capacity of around 1 million tonnes CO₂.

North America

Following President Joe Biden signature of the Inflation Reduction Act (IRA) into law in August 2022, the CCUS market in the USA has been working throughout the second half of 2022 to further detail the impact on the future business models. Going into 2023, the positive impact of the IRA is now growing across the US market, which is why Aker Carbon Capture has decided the timing is right to establish in the US.

In Canada, the government has introduced a CCUS Investment Tax Credit as part of their Clean Fuel Regulation. The incentive is time restricted to the period 2022-2030, meaning that projects realized in 2031-2040 will only receive half of the support. The structure of the incentive is therefore meant to drive early deployment of CCUS projects.

Key industries

Aker Carbon Capture has identified four prioritized market segments: Cement production, Bio- or waste-to-energy generation, gas-to-power and blue hydrogen. Carbon capture utilization and storage (CCUS) has the potential to reduce and remove CO₂ emissions across these segments and support the plant operators on their journey towards establishing sustainable business models for the future. In addition to the key industries, Aker Carbon Capture is actively expanding its operational experience within new industry segments. The world's first carbon capture pilot for smelters, at the Elkem facility in Rana, Norway represents an example of how Aker Carbon Capture will continue to help drive decarbonization in new industries.



CEMENT

The cement industry accounts for 6-7 percent of global CO₂ emissions, from more than 2,000 plants in about 150 countries around the world. Aker Carbon Capture is uniquely positioned in this industry as supplier of the world's first CCS plant applied on cement production at Norcem HeidelbergCement's facility in Brevik, Norway.



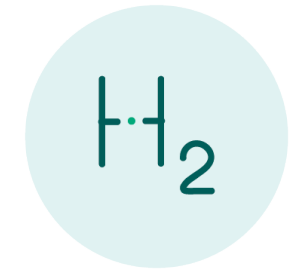
BIO/WASTE-TO-ENERGY

There are more than 1,200 waste-to-energy plants in the world, with 400 of them in Europe. Applying CCUS at bio energy plants offers a route towards negative emissions or carbon credits.. Within this segment, Aker Carbon Capture is delivering a Just Catch™ modular carbon capture plant to Twence's waste-to-energy plant in Hengelo in the Netherlands.. Aker Carbon Capture has also been selected to help UK-based Viridor accelerate its decarbonization agenda by exploring the installation of modular Just Catch™ CCUS plants on five Viridor waste-to-energy sites, and is together with Ørsted and Microsoft exploring the possibilities to jointly accelerate the development of net negative emission projects through biogenic carbon capture.



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 emission points in Europe. In December 2021, BP selected two consortiums to deliver competitive FEEDs for Net Zero Teesside Power. Aker Carbon Capture has been selected as carbon capture provider to the consortium of Aker Solutions, Siemens Energy and Altrad Babcock. In 2022 a similar FEED contract was awarded by SSE for Keadby 3. A recent study by the Great Plains Institute also highlights the CCUS potential for gas-fired power plant in the US, with 970 facilities emitting 613 million tonnes per annum, and more than a third of these facilities being eligible for the 45Q tax credit.



BLUE HYDROGEN

The overall hydrogen market is significant and according to the IEA, 33% and 28% of the global hydrogen market will be produced from natural gas with CCS in 2030 and 2050 respectively.

EU sees EUR 11 billion need to retrofit half of the existing hydrogen plants to blue hydrogen by 2030. Producing blue hydrogen through natural gas with CCUS represents a major opportunity to create an efficient energy carrier without greenhouse gas emissions. Aker Carbon Capture's technology has successfully been validated for carbon capture from Steam Methane Refiners through testing at Preem's refinery in Lysekil, Sweden.

Key partnerships

Aker Carbon Capture sees strategic partnerships as a key enabler for its strategy and is developing a portfolio of strategic partners that will help growth and meet targets. Through 2021 and 2022 a long range of agreements with technology partners and CCUS value chain partners that complemented our offering was established. To further strengthen the company's growth strategy, going forward Aker Carbon Capture will turn more focus towards execution partners that will allow the company to expand faster by taking on large projects in existing and new markets.



Waste-to-energy

Jan-21

3-year collaboration to accelerate CCUS in the waste-to-energy industry in Europe



Gas-fired power plants

Mar-21

Technology collaboration focused on CCUS solutions for gas turbines and power plants, with initial focus on European markets



CO₂ permanent storage

Feb-22

Collaboration to allow emitters access to full value chain offerings at locations where the combined technical concept of Aker Carbon Capture's technology and the CO₂ transport and storage capabilities of Northern Lights are best suited



New business models

Mar-22

MoU aiming at accelerating deployment of carbon capture through joint innovation and exploitation of opportunities to offer services in the CCUS market



Full value chain CCS

Jul-21

MoU to collaborate on cost-efficient modular and scalable CCS solutions. Collaboration will leverage Carbfix's injection technology that rapidly transforms injected CO₂ into solid carbonate minerals



CCUS technology

Dec-20

7-year technology cooperation agreement to develop energy-efficient compression solutions for CCUS applications with heat recovery



Software innovation

Jun-21

5-year program to integrate digitalization, with focus on embedding industrial software at Aker Horizons portfolio companies, including Aker Carbon Capture



Project execution

Dec-20

Non-exclusive frame agreements for project execution



Industrial CC innovation

May-21

R&D collaboration with one of Europe's largest research organizations on areas including membrane technology, hydrogen applications, and higher capture rates

Technology & Innovation

Aker Carbon Capture actively engages in research, innovation and technology development to maximize the potential for carbon reduction and carbon removal, while minimizing the climate and environmental impact from deploying our technology. Technology and innovation are also important tools to expand our offerings to new markets and to secure the growth of the company. We pursue research, innovation and technology development to create value for our stakeholders and secure learning that can improve our solutions and offerings.

We achieve this by following the principles of

Strengthen our existing technology portfolio to stay competitive. meet market requirements and continuously increase the efficiency of our solutions including cost, energy and environmental impact

Expand our technology offering by developing new solutions that enable Aker Carbon Capture to target opportunities in adjacent market segments

Explore opportunities to acquire new capabilities that enable Aker Carbon Capture to enter into new markets and grow the company

More information about our technology and innovation results are available in the sustainability progress section, under [planet](#) and [prosperity](#).

Energy efficiency

Energy efficiency remains an important element in carbon capture. In 2022 we have had an increased focus on developing concepts and solutions to reduce the energy demand for our process. This includes solutions where we include advanced heat integration in our own process with waste heat recovery at the host facility. More information is provided under the [prosperity section](#).

High Capture Rate

The CCUS market has developed significantly over the last couple of years, and with it an increasing demand for the technological performance of carbon capture plants.

Aker Carbon Capture has in collaboration with SINTEF successfully tested our solvent portfolio on flue gases with CO₂ concentrations ranging from 4% - 13% and at capture rates of 90% and 95%.

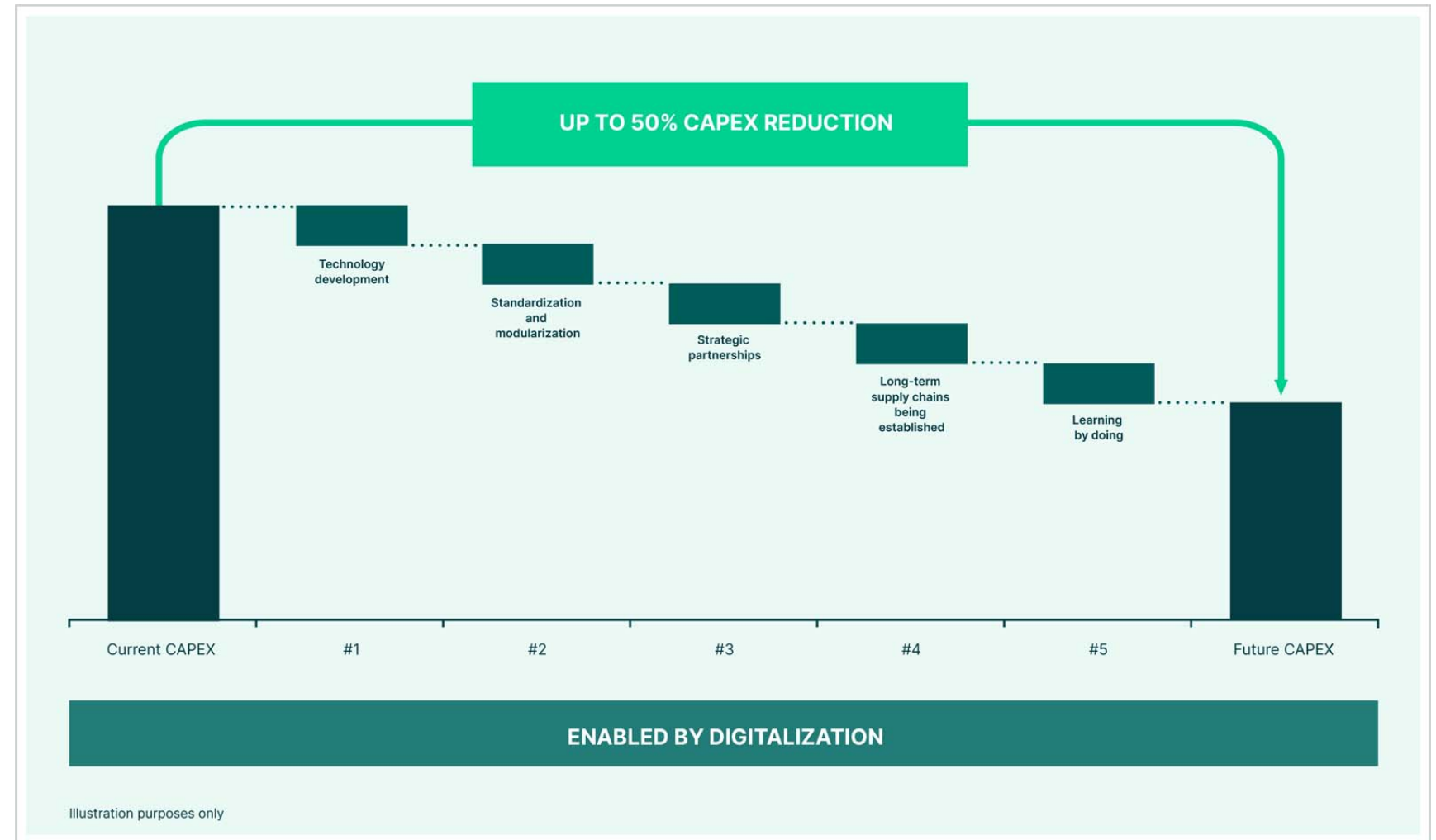
The results show that our technology can comfortably achieve high capture rates without being penalized by a significant increase in energy consumption. Even at low CO₂ concentrations the energy increase was less than 5% when going from a capture rate of 90% to 95%.

Cost and capex reduction

CCUS is a key part of the solution to meet Paris agreement targets. To support net zero ambitions and accelerate the uptake of carbon capture, reducing cost is a vital part of Aker Carbon Capture's strategy. Aker Carbon Capture aims to deliver up to 50% price reduction compared to key reference CCUS projects. This will be achieved by reducing cost and capex in our processes through technology development, standardization of components, modularized fabrication, long-term supply chains, learning by doing, and digitalization.

For our Just Catch™ offering we have already achieved significant cost reduction. Since 2012, the cost and footprint of Just Cath™ has been reduced by 90% when comparing to our delivery of Technology Center Mongstad, which can capture comparable amounts of CO₂ per year.

During 2022, we continued our strong progress in cost reduction by setting up long-term strategies for developing products and working with our supply chain. We have already seen significant improvements from our plans to standardize and modularize. As our Brevik CCS, Twence Just Catch™, Net Zero Teesside and Keadby 3 FEED projects progressed through the year, we have also started to see benefits from learning by doing and the potential from economies of scale.



Key offerings and delivery models

Aker Carbon Capture is a technology-driven innovator in the CCUS space, providing technology, EPC, license and service offerings while maintaining a capital-light business model.

Aker Carbon Capture offers large-scale industrial carbon capture plants, called Big Catch™. These are custom-made and cover capacities from 400,000 TPA into the millions. The Big Catch™ plants are fully integrated into the customers' plants with advanced heat integration, and has downstream integration enabling record low energy consumption. An example is the Brevik CCS for Norcem Heidelberg Cement where the CO₂ capture capacity was defined by energy optimization according to excess heat from the cement plant.

Aker Carbon Capture also offers standardized Just Catch™ carbon capture plants. Just Catch™ can be delivered with capacities of 40,000 and 100,000 tonnes of CO₂ per year. At present, Aker Carbon Capture is delivering a Just Catch™ modular carbon capture plant on an EPC basis to Twence's waste-to-energy plant in the Netherlands. The Just Catch is also offered as the Just Catch Offshore™, a modularized carbon capture facility for offshore installations. In October 2022 the Just Catch Offshore™ was successfully qualified by DNV, the global independent energy expert and assurance provider, and it is now ready to be deployed in offshore oil and gas fields where Aker Carbon Capture's proprietary solution can significantly reduce emissions from offshore power generation.













All of Aker Carbon Capture's key offerings can be delivered on an EPC contract basis, and for the Big Catch™ and the Just Catch Offshore™ offering we also provide a license and key equipment model. Through offering a license and key equipment delivery model, Aker Carbon Capture aims to accelerate the market further through increased reach.

With its short delivery time, our standardized and modular Just Catch™ capture plant is the heart of our Carbon Capture as a Service model.

Flexible Business models

CCUS is a critical solution to achieve the large carbon reductions and removals needed for the world to reach Net Zero. To advance the market, new and innovative business models that cover both physical and digital value chains, are required. Aker Carbon Capture is dedicated to being a bold innovator, bringing flexible solutions and business models to accelerate the transition towards Net Zero.

In September 2021, Aker Carbon Capture launched Carbon Capture as a Service, a both integrated and flexible offering that covers everything a customer needs to reduce emissions through CCUS – it is Carbon capture made easy™. This enables Aker Carbon Capture to handle the full value chain from point of emission to permanent storage on a pay per tonne CO₂ captured basis. With the standardized Just Catch™ Aker Carbon Capture can unlock synergies for medium size emitters located in the proximity of a CO₂ hub, or for a customer with a portfolio of emitters.

Key offerings		Delivery models		
		EPC	License and key equipment	Carbon Capture as a Service
	Just Catch™ Capacity: 40 and 100 ktpa			
	Big Catch™ Capacity: > 400 ktpa			
	Just Catch Offshore™ Capacity: 120 - 360 ktpa			

Sustainability governance

Strong governance of sustainability ensures that Aker Carbon Capture is managed in accordance with effective and sound principles for the benefit of all our stakeholders such as employees, customers, shareholders and society at large.

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

Our Chief Executive Officer is accountable for setting the direction for the sustainability work and for establishing our company’s sustainability ambitions. Together with the Executive Management Team, the Chief Executive Officer reviews and approves the sustainability targets, key priorities and materiality assessment on an annual basis. The Executive Management Team discusses sustainability, including climate-related risks and opportunities, on a regular basis. Progress on the sustainability work is reviewed as part of the Executive Management Team’s Quarterly Business Review meetings.

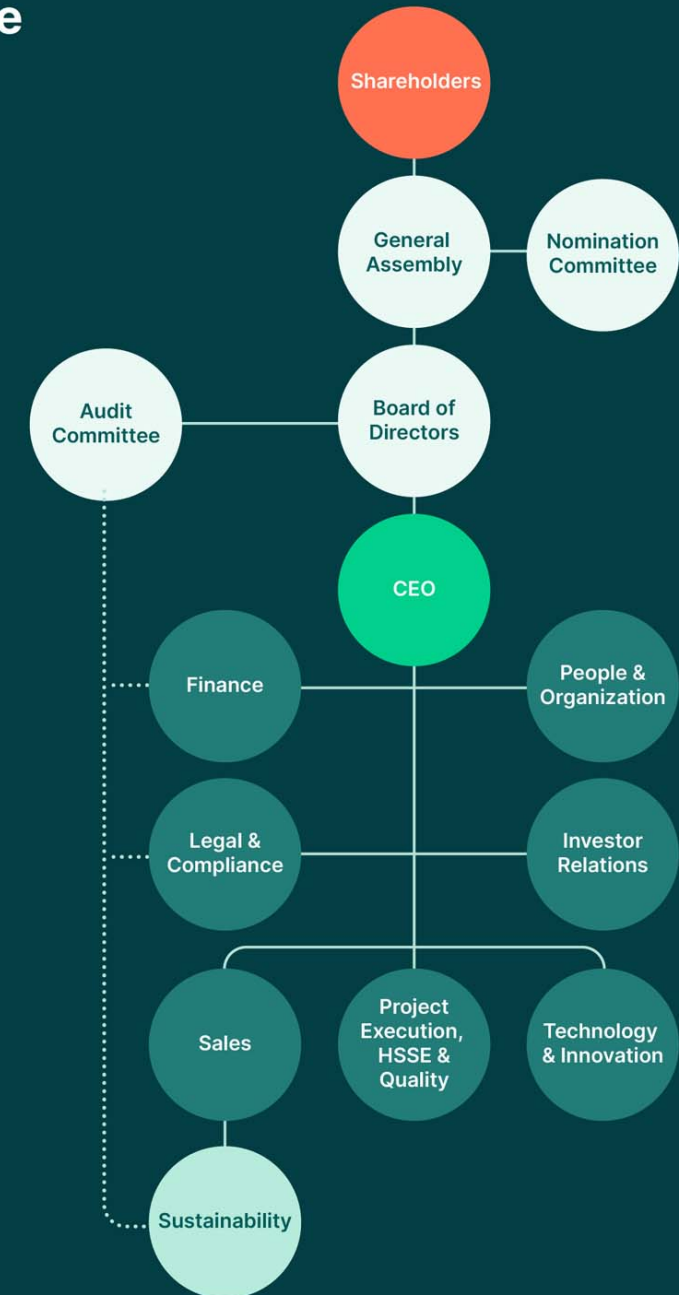
Our sustainability function monitors the implementation of the sustainability ambitions, which is executed by the line management and relevant risk owners. The sustainability function frequently engages with internal and external stakeholders, monitors contextual developments relevant for our sustainability ambitions and ensures that the company’s material aspects are at all times updated and relevant.

Sustainability targets and priorities

Given the mission of Aker Carbon Capture enabling carbon reduction and removal from industries and energy solutions, it is essential to manage material topics and set sustainability targets and priorities that are integrated in our company strategy and operations. This ensures that we work systematically with what is most important to our stakeholders and to our company.

Therefore, the strategic direction of our sustainability ambitions are based on our material topics, and we have structured them under the four pillars ‘planet’, ‘people’, ‘prosperity’ and ‘governance’. Each material topic has an accompanying sustainability program, which includes targets, priorities and key performance indicators. The key performance indicators are metrics that help us track progress of the work and shape the long term strategic direction for the company towards 2025 and 2030. These are provided in the [strategic targets and priorities](#) overview.

Governance structure



To ensure progress, continuous development and improvement, the sustainability function monitors the relevant activities in the sustainability programs and ensures that relevant risks and priorities are addressed. Progress updates on our sustainability programs are externally communicated on various occasions.

Embedding sustainability in our operations

Our Sustainability Policy defines the company's sustainability ambitions and principles for decision-making. It includes commitment to the UN Global Compact's ten principles related to human and labor rights, the environment, and anti-corruption. The policy is part of the company's Management System, which comprises 14 policies and over 160 sub-procedures and accompanying governing documents.

To ensure that sustainability considerations are an integrated part of our daily operations and decision-making, we have incorporated our sustainability procedural requirements into the existing governance framework focusing on health, safety, security, and environment (HSSE), governance, business integrity, people, project execution, quality, technology & innovation, information technology, sales and finance.

Aker Carbon Capture prepares an annual assessment of financial and ESG reporting risks for the company's reporting systems and processes, which is the basis for the internal control over financial and ESG reporting program. We believe that a key success factor for reliable ESG reporting is the integration with existing financial reporting processes.

Beside the procedural framework, the company has established a sustainability forum to review and discuss the company's material topics and ambitions. The forum consists of members from all company functions ensuring a holistic and inclusive approach. The Sustainability function participates in sustainability networks of Aker Horizons and the wider Aker group, where best practices are shared for the purpose of continuous awareness and improvement.

Stakeholder dialogue

Aker Carbon Capture regularly interacts with its key stakeholders, including employees, owners, shareholders, Oslo Stock Exchange, governments, regulators, customers, project partners, suppliers, non-governmental organizations, civil society, industry groups, local communities and banks. The nature of our engagement and stakeholders' key priorities are presented in the table below.

In 2020 we engaged a qualified independent consultant to undertake an assessment of our material ESG topics for reporting. Through 2021 and 2022 we further developed our assessment and understanding of material topics through broader employee engagement and formal dialogues with selected key external stakeholders. The assessment was done both from an inside out perspective, meaning the impact the company has on stakeholders, climate, environment, and from an outside in perspective, assessing the potential financial impact ESG topics has on the company. Analysis of our impacts and validation through expert and stakeholder opinion has informed our selection of material topics for reporting with reference to GRI's materiality standard GRI 3.

Memberships and collaborations

Aker Carbon Capture provides solutions for decarbonization providing a path from initial 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 collaboration with many stakeholders to bring down barriers and accelerate developments, including;

- Participant in UN Global Compact
- Membership in Global CCS Institute
- Founding member through Aker ASA of the First Mover Coalition launched by World Economic Forum
- Member of the Norwegian CCS Research Center, a center for environmental-friendly research (FME) hosted by SINTEF
- Member of The Federation of Danish Industries (Dansk Industri)
- Member of The Federation of Norwegian Industries (Norsk Industri)
- Membership in Polyteknisk Forening, a Norwegian network for promotion of science-based and sustainable development
- Collaboration with Bellona, a Norwegian environmental NGO
- Collaboration with Zero, a Norwegian environmental NGO
- Collaboration with Klimpo, a Swedish non-commercial forum for climate positive and carbon sinks
- Partner in Nordic Circular Hotspot, initiative promoting circular economy in the Nordic region
- Member of CCUS Norge, non-commercial network for CCUS competence
- Member of CCSA, trade association promoting the commercial deployment
- Member of Svebio, a Swedish industry group for bio energy
- Participant in Copenhagen Carbon Cluster, a project collaboration to deploy CCUS
- Participating in several advisory boards related to CCUS research

Table: Stakeholder engagement and their key ESG priorities

Stakeholders	Nature of engagement	Frequency	Stakeholders' key ESG priorities
Employees and potential employees	1-to-1s and performance dialogue Employee Survey Working Environment Committee (AMU) Local Union meetings Townhalls, Lunch & Learn, team meetings Internal communication channels (Yammer) and social media Code of conduct and other trainings Social gatherings Employer Branding Activities	Daily, Weekly, Monthly, Quarterly, Annually	Mitigating climate change through carbon reduction and removal Transparent and purpose-driven company culture Good working environment Employee health and well-being, including meaningful work, diversity, equality and inclusion Environmentally friendly technology, reduction of own footprint Responsible business conduct Individual development and growth
Owners/ shareholders	Annual general meeting Board of Directors meetings Audit Committee meetings Quarterly Earning Release and Business update Investor relations and ad hoc engagement meetings Capital Market Day	Daily, Quarterly, Annually	Mitigating climate change through carbon reduction and removal Enable research, innovation and technology development that maximize potential for carbon reduction and removal, while minimizing climate and environmental impact from our offerings Good governance regarding Board of Directors, Audit Committee, diversity, compliance and supply chain management Appropriate risk management of environmental impact and climate risk
Governments, regulators and Oslo Stock Exchange	Laws, regulations and guidelines Informal and formal communication Scheduled meetings	Daily, Weekly, Monthly, Quarterly, Annually	Accelerating scaling CCUS implementation and energy transition to new green industries Aker Carbon Capture to share key insights on barriers for the emitters to overcome to be able to implement carbon capture Support governments' targets, fulfilling the value realization of government funded projects Compliance with local laws and regulations, such as implementation of human rights and sanctions regulations Environmentally friendly technology Lifecycle perspective of reducing emissions Climate and nature risk
Customers	Informal and formal communication Customer and project meetings Monthly reports and project documentation Customer satisfaction surveys Tender responses and presentations	Daily, Weekly, Monthly, Quarterly, Annually	Environmentally friendly and energy efficient carbon capture, and carbon footprint in the total value chain Responsible supply chain management with high attention on HSSE Local content Reduced spend both in capex and opex are important factors for scaling
Project partners and suppliers	Informal and formal communication Meetings Negotiations and prospects discussions Supplier visits	Daily, Weekly, Monthly, Quarterly, Annually	HSSE in the value chain is an important part of the safety culture in industry Transparent and responsible business conduct Impact by procuring and setting a demand for low carbon materials. Technology development to achieve synergies across partnerships. Dual expectations to managing ESG aspects
Non-Governmental Organizations, Civil society, Industry groups	Informal and formal communication Formal collaboration agreements Contact at established arenas and conferences Participation on advisory boards	Weekly, Monthly, Quarterly, Annually	The combined environmental and climate footprint of carbon capture technology as it moves into operation Transparency of operations Avoid carbon lock-in (that our solutions prolong fossil consumption)
Local communities	Support clients in dialogue with local community	Regular engagement on a project-by-project basis, and continuous monitoring	The combined environmental and climate footprint of carbon capture technology as it moves into operation Adequate emissions and risk management Transparency and knowledge of operations
Banks and Export Credit Agencies	Informal and formal communication Scheduled meetings	Monthly, Quarterly, Annually	Governance such as compliance reporting, organization and corruption. Early dialogues for aligning with EU taxonomy and bank requirements to achieve optimal financing structures Know Your Customer (KYC) assessments

Material ESG topics selected for Aker Carbon Capture

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

Some of the topic descriptions were slightly revised to provide clarity on topic, no major changes have been made. "Creating new opportunities in green growth markets" is no longer a tier 1 material topic, but assessed to be part of the 'carbon reduction and removal' material topic in the sustainability progress section.

- Carbon reduction and removal
- Reducing our carbon footprint
- Environmentally friendly technology
- Technology and Innovation
- Diversity, equality and inclusion
- Health and safety
- Human rights and labor rights
- Transparent and purpose-driven company culture
- Responsible supply chain management
- Responsible business conduct



Our purpose and reason for being in business



Mitigating climate change through enabling carbon removal from industry and energy solutions

Our greatest areas of impact



Ensuring solutions designed with sustainable resource use, circularity mindset and responsible sourcing of materials from the supply chain



Enabling production of low carbon energy such as blue hydrogen, gas to power, bioenergy and waste to energy in combination with carbon capture



Developing cleantech solutions for hard to abate industries, investing in own technology and bold innovations to further improve and reduce cost of implementation



Collaboration across technology, academia, emitters, and businesses to scale CCUS

Our foundation for responsible business conduct



Health and well-being of our employees and throughout our value chain



Diversity and inclusion across our workforce and management as our company grows, equal opportunities and pay



Positive working environment with equal rights and opportunities, creating new opportunities in green growth markets



Conduct our business with integrity, respecting the laws, cultures, dignity and rights of individuals in all the countries where we operate

Strategic targets and priorities

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 of Aker Carbon Capture, the very reason why we are in business, is towards SDG 13 Climate Action – where we aim to have a transformative impact through our carbon reduction and removal solutions.

In the following we have the selected strategic targets and priorities spanning across 'planet', 'people', 'prosperity' and 'governance'. These are linked to the impacts toward the selected Sustainable Development Goals.

Planet

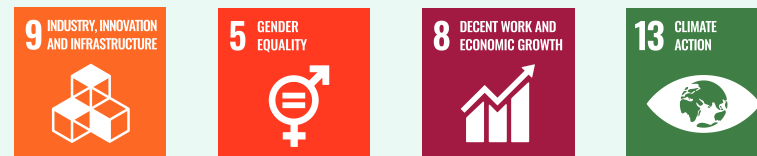


KPI	2022 Progress	Strategic target	by Year	Measure
Carbon intensity Just Catch™ and Big Catch™ ¹	0.2% and 1.6%	Improve by 50%	2030	(tCO ₂ e emitted / tCO ₂ captured) x100
Net GHG emissions, scope 1+2+3 ²	18,238	Net negative	2030	tCO ₂ e emitted - tCO ₂ removed
Renewable energy consumption	95%	80%/100%	2025/ 2030	Share Guarantee of Origin renewable energy

¹ Carbon intensity based on a 2021 baseline (Just Catch™ 0.2% and Big Catch™ 1.6%), excluding transport and storage or utilization phase. Covers the construction, operational and decommissioning phase with the use of renewable energy.

² Target does not include facilities operated by customers (scope 3, products in operation). Financial control, market based approach.

Prosperity



KPI	2022 Progress	Strategic target	by Year	Measure
Secured contracts to capture 10 million tonnes of CO ₂ per annum by 2025	500,000 tonnes of CO ₂	10 million tonnes of CO ₂	2025	Secured contracts to capture 10 million tonnes of CO ₂ per annum by 2025
Taxonomy aligned Turnover	100%	100%	2025	Aligned turnover / total turnover (per taxonomy)
ESG rating	BBB	AAA	2025	MSCI ESG Rating

People



KPI	2022 Progress	Strategic target	by Year	Measure
Zero accidents	0	0	2025	TRIF
Well-being factor	16	>35	2025	Employee net promoter score
Pay equality ¹	7.4%	0	2025	% pay gap female to male
Gender diversity in management team	38%	40-60	2025	% female

¹ Changes to pay equality calculation: average salary men - average salary women / average salary men. Previous calculation (ratio female/male) to be discontinued. Strategic target updated accordingly.

Governance



KPI	2022 Progress	Strategic target	by Year	Measure
Employee Code of Conduct training	100%	100%	2025	% employees
ISO certified management system	Yes	Yes	2025	Yes/No
Sustainability dialogues with critical suppliers	New	100%	2025	% dialogues performed

A glass sphere sits on a dark, textured rock. The sphere reflects the vibrant colors of a sunset sky, with orange and yellow clouds against a darker blue background. The background of the entire page is a blurred version of this same scene.

Sustainability progress

Aker Carbon Capture is a pure play carbon capture company enabling carbon reduction and removal from industry and energy solutions.

At Aker Carbon Capture, we aim to contribute to the sustainable development of society through responsible commercial operations and continuous improvement. To achieve our ambitions we are dependent on collaboration - working together with our customers, suppliers and partners. We aim at being transparent about our priorities, progress, and learnings across environment, social and governance.

In 2022, the trend from previous years continued with a strong market pull on Carbon Capture, Utilization and Storage as part of the solution to the required decarbonization to keep 1.5 degree alive. We are proud to have reached the important milestone of being in the construction phase of our Brevik CCS and Twence CCU projects, an important step forward to realize our contribution to climate change mitigation through our solutions.

In various arenas where we have participated such as COP27, we have noticed the shift in the debate, from whether to deploy CCUS, to how and how fast we can make it happen. When it comes to securing carbon removal credits there is an increased attention both from a supplier as well as from a demand perspective.

As we are maturing our company further we are determined to do so in a way underpinning our values of 'doing the right thing', 'working together', and 'bold innovation'.

This sustainability progress section outlines the company's sustainability strategy, some early accomplishments, and how the company intends to operate in the future with sustainability as a natural and integrated element across all activities. The progress report covers all entities of Aker Carbon Capture, including Norway, Denmark, UK, the Netherlands and India.

We continue to align our report with the World Economic Forum (WEF) framework of 'Stakeholder Capitalism Metrics' with disclosures organized under the four pillars of planet, people, prosperity and governance. We report on WEF Core with metrics given in this Sustainability progress section and further data is provided in the [ESG performance metrics](#) in the appendix. Moving forward we will start preparing for the implementation of Corporate Sustainability Reporting Directive (CSRD).



Planet

Aker Carbon Capture is in business to enable carbon reduction and removal from industries and energy solutions.

For Aker Carbon Capture, being planet positive means to have the holistic view of all the impacts by the company, both handprint and footprint towards climate and environment, and achieving a net positive result. Our footprint approach and progress are described in this section, while our handprint is further described in the [prosperity](#) section.

SUSTAINABILITY PROGRAM

Reducing carbon footprint

Sustainability Challenge

To avoid the most significant effects of climate breakdown, the world must halve greenhouse gas emissions before 2030, achieve net-zero emissions before 2050 and halt global temperature rise to 1.5°C.

Approach

Aker Carbon Capture aims to reduce the carbon intensity of its products with 50% by 2030, while delivering on targets of positive impact through decarbonization and carbon removal.

Progress

- Reporting annually on scope 1,2,3
- Established a procedure for carbon accounting during project execution, ensuring a systematic approach for scope 3 accounting
- Conducted a pilot on purchasing biofuels for shipping transport to learn more about how to reduce emissions in own supply chain through low carbon products and services
- Hired an in-house LCA (lifecycle assessment) advisor to work closely with the technology and project executions teams
- Participating in First Movers Coalition working group for near-zero emission steel
- Committed to setting Science Based Targets

Priorities

- Achieve approved Science-Based targets in collaboration with SBTi
- Aim to report on CDP (former Carbon Disclosure Project) by 2023
- Further identify specific initiatives for our own decarbonization journey
- Further mature the link between the current progress of the project and the related emissions in order to facilitate external assurance
- Collaborate further with suppliers with regards to developing low carbon materials and services

International frameworks for reference

- Paris Agreement
- Science-Based Targets initiative (SBTi)
- Business ambition for 1.5°C
- Greenhouse Gas Protocol (GHG protocol)
- IPCC Special report

Examples of partnerships and collaborations

- Founding member of First Movers Coalition through Aker ASA
- Member of UN Global Compact

Targets, priorities and indicators



SUSTAINABILITY PROGRAM

Environmentally friendly technology

Sustainability Challenge

The world is overshooting the planets capability to regenerate natural resources.

Approach

Circularity starts with design by selection of materials and optimization of solution in operation. To support the required systemic shift to circularity, Aker Carbon Capture relies on close collaboration with partners and suppliers.

Progress

- Certified ISO 14001 Environmental Management System
- Certified ISO 9001 Quality Management System
- Optimization of the energy efficiency of the carbon capture units in operation is standard in our project development, substantial efforts made with regards to technology and innovation in this area

Priorities

- Expand our lifecycle assessment tool to cater for a broader set of data and insights than CO₂
- Continue to develop and mature our circularity metric to track progress
- Assess how information on material content can facilitate for a high degree of circularity at plant decommissioning
- Conduct circularity assessment to identify further opportunities
- Gain a greater understanding of our indirect impacts on biodiversity
- Aim to perform the Task Force for Nature-based Financial Disclosures (TNFD) assessment when available

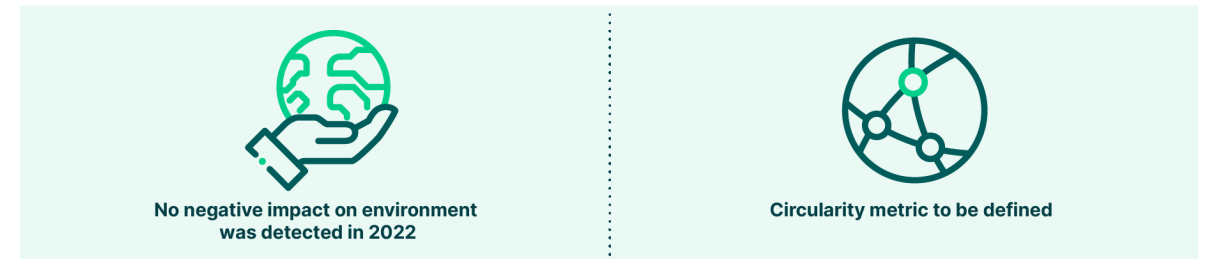
International frameworks for reference

- ISO 14001 Environmental Management System
- WBCSD Circular Transition Indicators
- Ellen MacArthur Foundation

Examples of partnerships and collaborations

- Member of Nordic Circular Hotspot

Targets, priorities and indicators



Reducing carbon footprint

While we are in business to enable carbon reduction and removal from industry and energy solutions, we are determined to contribute by reducing the GHG emissions of our own company. Although the positive effect of our solutions in operation by far outnumbers the footprint of construction and operation², we continuously strive to minimize the carbon intensity of our products.

In 2021 we collaborated with a reputable third party to develop a lifecycle assessment (LCA) tool for our products, enabling an assessment of the carbon footprint for the carbon capture value chain already in the early-phase of the project. This also defined the baseline for our improvements as we pursue to improve the carbon intensity³ of our products by 50% by 2030, and will continue to improve our carbon intensity towards 2040. In our assessments and targets we include scope 1,2,3, covering the construction phase of a generic Big Catch™ and Just Catch™ and consuming renewable power in operation. To meet this ambition we are dependent on extensive supplier collaboration and scaling access to low carbon materials.

While the Just Catch™ is a more modularized and standardized product, Big Catch™ is by nature a more tailor-made solution, largely influenced by the integration to host facility.

Our climate commitments



Carbon intensity to be improved by 50% by 2030



Reaching net negative by 2030

The voluntary market for carbon removal is still immature, but we have ambitions to actively engage to drive this forward. Trusted, high-quality carbon removals are key to reach net zero.

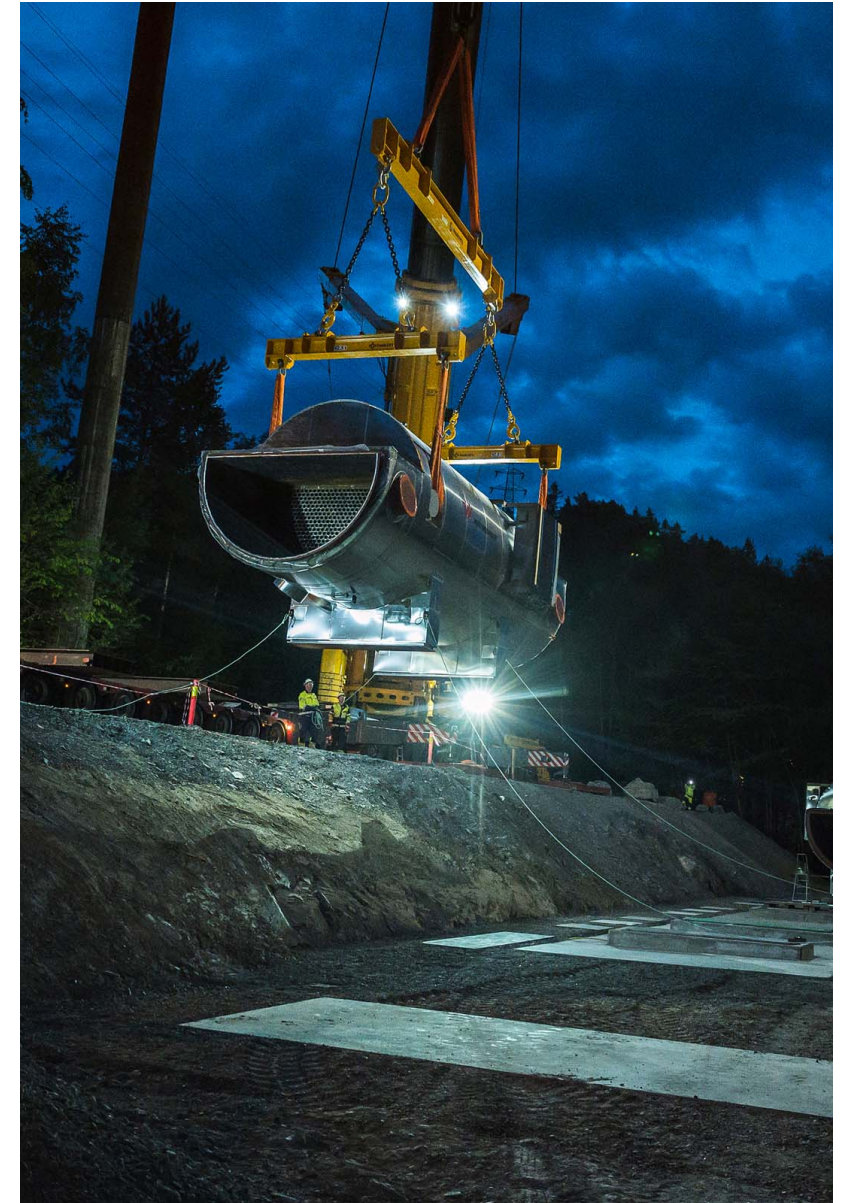
We are aiming at more ambitious targets than currently outlined by Science-Based Targets initiative by targeting net carbon negative already by 2030, removing more carbon from the atmosphere than we emit through our business operations. Although Science-Based Targets initiative outlines deep decarbonization before carbon removal, we believe that there is a need of early movers, and contribution to the establishment of high-quality carbon removal. Thus we have set short term climate ambitions both on carbon reduction and carbon removal. We will continue our decarbonization efforts beyond 2030 until deep decarbonization across scope 1,2,3 is met.

Carbon reduction vs carbon removal

Carbon reduction is when CO₂ with fossil origin is captured and stored, while carbon removal is when CO₂ with biogenic origin is captured and stored. Deploying CCS with for example bioenergy or waste-to-energy plants leads to carbon removal. Direct Air Capture and Storage is another means of carbon removal, where CO₂ is captured directly from the atmosphere. Carbon removal is often referred to as creating negative emissions.

Carbon reduction starts with design, both through reducing the required material input, and also defining the premises for energy efficiency and consumption during the operational phase. Further into the project execution, access to low carbon material and low carbon transport are key areas for carbon reduction. Once the carbon capture facilities are in operation, the electricity consumption is a main contributor to emissions. Sourcing renewable electricity (Guarantee of Origin) is an important part of reducing scope 2 emissions. We aim for 80% electricity consumption to be renewable by 2025, and 100% by 2030. This approach is aligned with Greenhouse Gas Protocol on scope 2 guidance. Taking the full CCUS value chain into account, transport of CO₂ to storage is a main contributor to emissions.

Aker Carbon Capture is committed to set targets aligned with Science-Based Targets initiative (SBTi) and moving forward we will collaborate with SBTi to get our targets approved. To further improve our disclosures we aim to report towards CDP (former Carbon Disclosure Project) by 2023.



² With reference to the carbon intensity metric of our solutions included in the appendix.

³ Carbon intensity is measured in tCO₂e emitted/tCO₂ captured.

Current GHG emissions

Aker Carbon Capture reports according to the GHG protocol. The accounting is complete in terms of covering all major activities and mass and energy flows and all GHGs across scope 1,2 and 3.

2022 is the first year where we include emissions from our two first projects in construction as part of scope 3. While we have a sound GHG emission baseline for our projects, we strive to further mature the link between the current progress of the project and the related emissions in order to facilitate external assurance. Nonetheless we have chosen to include a share of the emissions in the account for 2022 to reflect the activity level we have had on site this year.

Our attention is further on improving the foundation for climate reporting. Currently, the data available is limited, thus we typically use generic emission factors and estimates on volumes of material inputs.



GHG emissions 2022 (financial control, market based)	tCO ₂ e
Scope 1	0.5
Scope 2	15
Scope 3	18,223
Total, scope 1,2,3	18,238
Scope 3, category 1, purchased goods and services (upstream)	17,836
Scope 3, category 3, fuel- and energy related activities (not included in scope 1 or scope 2)	30
Scope 3, category 4, upstream transport and distribution	18
Scope 3, category 5, waste generated in operations (upstream)	0.4
Scope 3, category 6, business travel	322
Scope 3, category 7, employee commuting	17

Definition of emissions scope 1, 2 and 3

Scope 1: Direct emissions from sources owned or controlled by the company, such as emissions from combustion in owned or controlled boilers, furnaces, and vehicles.

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.

Our GHG emissions in 2022 was 18,238 tonne CO₂ equivalents (tCO₂e), using financial control approach and marked based electricity. Location based electricity results in 18,302 tCO₂e.

Due to the inclusion of construction activities of both Brevik CCS and Twence CCU projects in our scope 3, and a general increase in company activities, we have a substantial increase in our total emissions from 2021 which accounted for a total of 37 tCO₂e.

Scope 3 emissions from purchase of goods and services account for around 98% of the total GHG emissions. These goods and services are mainly linked to production of the two capture plants. The lifecycle assessments performed for the two capture plants cover their entire

system from cradle-to-grave, and is the basis for the GHG emissions included. As the plants are not yet in operation, only a share of the construction related activities are taken into account in 2022, excluding the additions from 'sold products in use' and 'decommissioning' until delivery year. The remaining emissions for Twence CCU and Brevik CCS projects will be included in 2023 and split between 2023 and 2024 respectively.

Business travel is our second largest contributor, covering all kinds of transport with flights as the main source. To ensure all travelling activities are included, distance data from the travel agency were combined with monetary data from travel expenses.

Energy use is the third biggest contributor. This is mainly cooling, heating and electricity used at our offices and operation of the Mobile Test Unit (MTU). The electricity used by the MTU and offices at Fornebu are covered by guarantee of origin - securing that the energy is renewable.

The only direct (scope 1) emission identified was fossil fuel used to heat the MTU during start up in December 2022, under significant cold circumstances in northern Norway, resulting in emissions of 0.5 tCO₂e. This has later been replaced by electric heating.

To establish a sound lifecycle assessment model and related data gathering is also providing positive benefits on a wider set of environmental topics.

Green supply chain

Collaboration with our suppliers is core to meeting our carbon reduction targets. Developing suppliers to deliver on the green transition is an important value creation in the countries we operate.

We believe that establishing emissions-conscious supply chains, so called 'green supply chains' depends on multiple aspects and actions across various stakeholders. Given that the environmental focus of the supplier industry has perhaps been a bit lagging compared to sectors such as services and consumables, an important first step is to create awareness. We seek to cooperate with our suppliers to create awareness and collaboration in reducing the footprint of our projects. To some of our suppliers, this is a relatively novel focus, whereas others are more mature.

The lifecycle assessment of our solutions serves as a basis for identifying hot-spots, improvement measures, targets and priorities. An important part of this is to start an early dialogue with our suppliers to get insight into the carbon footprint of the various parts that goes into our carbon capture plants.

We have seen an increased interest on access to low-carbon materials, exemplified by First Movers Coalition where some of the world's largest companies work to create predictability around demand for sustainable and low-carbon materials such as cement, steel and aluminum with more. Carbon capture solutions will enable the availability of low-carbon materials by decarbonizing these industrial processes.

Reducing our emission footprint is first and foremost enabled by optimizing design and through collaboration. We believe that construction cost, installation time and low carbon emissions are not necessarily opposing forces that contradict each other. By making smart changes together with our supply chain partners we can help shift industry to a more sustainable path. We recognize that creating green supply chains come with certain challenges, but we believe we are well positioned to work with our suppliers to make this transition.

Environmentally friendly technology

Aker Carbon Capture's technology has been developed for climate change mitigation with the consideration of no significant harm to other environmental aspects. That is why we need to manage both climate and environmental aspects as we develop and implement the technology. During testing of our proprietary solvents, we were not just looking at the energy efficiency – 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 solvent portfolio, which causes no harm to workers on site, surrounding communities and the environment. In addition we have developed advanced emission control systems including the patented Antimist™ technology to further reduce the environmental impact.

Our ISO certifications 9001, 14001, 45001 supports a systematic approach for all of these aspects moving forward. According to our Chemical Management procedure all chemicals to be used within EU must be registered in REACH system by the manufacturers or importers, similarly chemicals to be used in UK must be registered in REACH UK.

About the amine solvent portfolio

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

Cost-Efficient and High-Performing

- CO2 capture rate of up to 95 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
- Improved energy consumption

Aker Carbon Capture has extensive testing experience of our technology with close to 60.000 hours on multiple industrial flue gases. We utilize the Mobile Test Unit on various flue gases and sites around the world as a means to safeguard performance measures and optimize operation of a full-scale plant. The amine-based solvents are not used across several sites and thus treated as waste and incinerated when the test has been completed.

The operation of carbon capture facilities generally requires low volumes of water, likewise for the test unit, water consumption is limited to filling test unit at start-up and for rinsing the Mobile Test Unit when the test has been completed. The wastewater is often treated locally at host facility, or otherwise taken care of at appropriate water treatment facility nearby. Seawater can be utilized for cooling with no other impacts than a slight increase in temperature as the water is circulated in a closed loop of the carbon capture plant.

Further improvement of the energy efficiency of the carbon capture plants is an important aspect of our continuous technology

development. Our efforts in this area are further described in our [prosperity](#) section under technology and innovation.

Biodiversity

Land usage and impact on biodiversity are seen as limited and not material as the deployment of carbon capture plants has a relatively small land footprint. The plants are mainly placed in areas already targeted for industry purposes, but the local impact needs to be assessed on a case-by-case basis.

However, biodiversity and land-use perspective become more relevant whenever carbon removal credits are based on biomass in combination with carbon capture and storage. Maturing the framework for the voluntary market for carbon removal credits is important and part of our work to scale engineered carbon removal deployment.

The supply chain and the energy demand of our solutions may impact biodiversity, There may also be indirect impact in the supply chain due to natural resources that suppliers depend on. We are seeking greater understanding of all of these aspects, and will utilize the framework Task Force on Nature-related Financial Disclosures (TNFD) in this respect.

Circularity

Circularity is key when it comes to designing our solutions. Integrating internal and/or external waste heat from our customers' plants to our carbon capture facilities improves energy efficiency. The long-term dedication on improving the amine solvent has reduced the overall consumption need and waste. Our carbon capture plants are made to last for decades with limited maintenance requirements. 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. Residual waste should be directed to waste incineration or waste-to-energy facilities rather than landfills as a measure to limit the environmental impact.

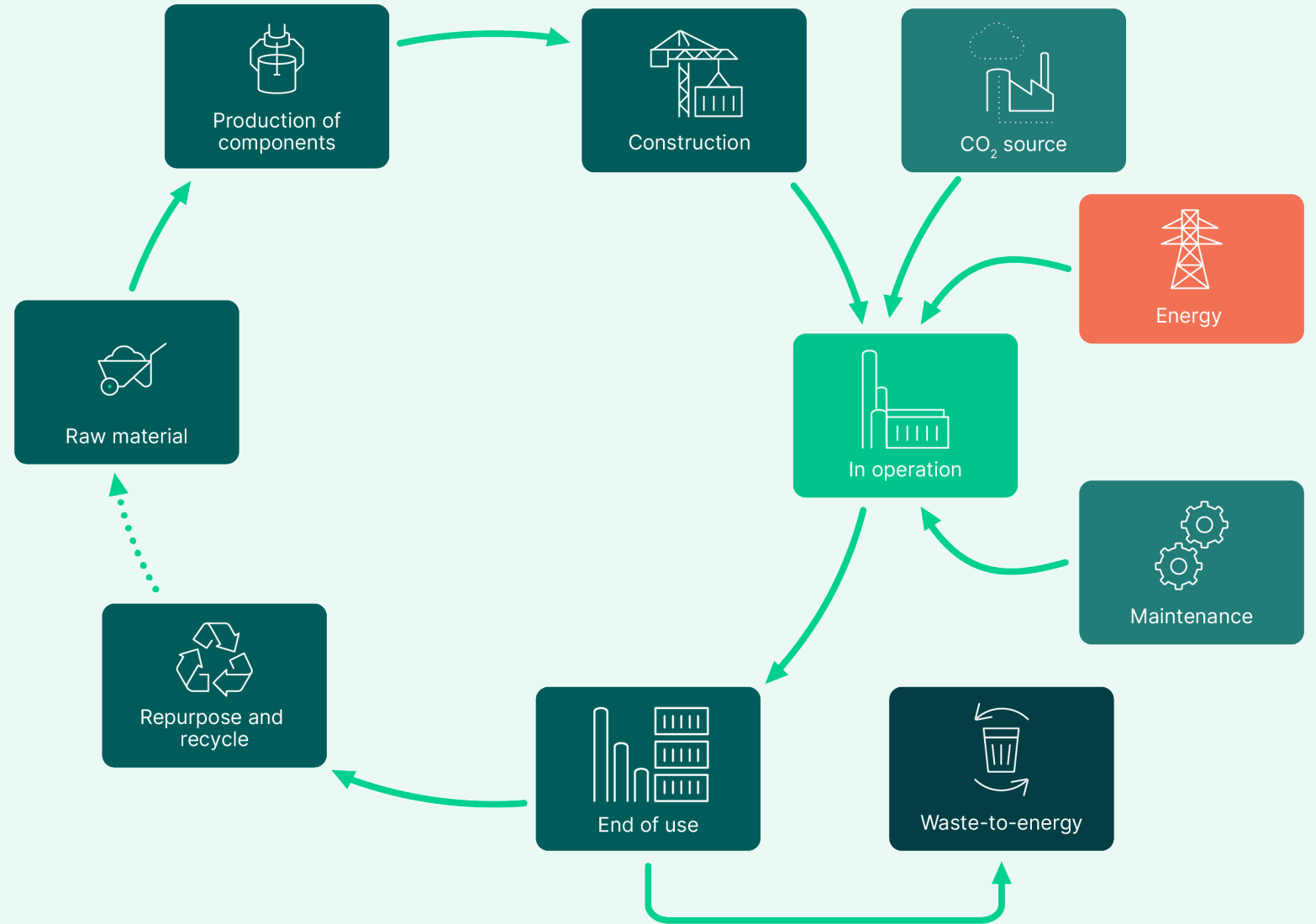
INSIGHT

From linear to circular

The required transition from a linear to circular resource consumption is fundamental for a sustainable future and growth within the planetary boundaries. While we have attempted to develop a metric that would support measuring our progress in this field, we have recognized the challenge to grasp all aspects by a single metric, and also to get access to sufficient data from our suppliers.

In the continuation we will take benefit from expanding our lifecycle assessment tool to cover a broader dataset in order to quantify recycled material volumes - pending on our suppliers data availability and accuracy. Similarly, we will assess how to facilitate information at decommissioning of our plants to support a high degree of circularity, being re-use, re-purpose or recycling. Circularity starts with design, and these are examples on how we are applying the 9 R's of circularity:

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



DEVOTED TO...

Working
together

Doing the
right thing

Bold
innovation

People

Aker Carbon Capture's values are part of day to day operations and behavior. They work as the foundation for collaboration internally and externally and serve as guiding principles. We are truly a purpose driven and value based company⁴ on our mission to enable carbon reduction and removal from industries and energy solutions.

2022 has been a year with a continued growth in the workforce. During a period with such rapid organizational growth it has been important to ensure that our people are well taken care of and enabled to deliver their best. We see health, safety, development and well-being for all our people as the most important building block for maintaining a healthy business and reaching our ambitious targets.

⁴ 93% of the employees answered that they can identify with our values in the employee survey

SUSTAINABILITY PROGRAM

Transparent and purpose driven company culture

Sustainability Challenge

Creating a work environment that enables the employees to grow and thrive, enabled to contribute to the purpose of the company.

Approach

Aker Carbon Capture's values are the foundation in the effort toward the company's mission. These values are central in communication, being formal, informal, external, or internal, and crucial in establishing processes with an aim to inform, include, involve, engage and develop people and teams.

Progress

- Completed well-being survey minimum twice a year and established processes and arenas to work with the results
- Carried out "From slide to action" strategy implementation workshop for all employees
- Performed team diversity sessions for all departments with the goal to create a deeper understanding of our differences and how this impacts behavior and inclusion
- Implemented a new leadership layer in the organization to ensure an efficient organization model
- Developed and arranged a leadership development program
- Further developed our communication strategy
- Rolled out a digital employee handbook for all employees
- Carried out team building and social activities
- Managers continued open calendar philosophy, with the aim of enabling more transparency in the organization
- Included values as part of annual development dialogue
- Improved and conducted an onboarding program for all new employees

Priorities

- Strengthen internal communication structures and activities
- Move forward with prioritized topics from employee well-being survey
- Building a sharing and learning culture
- Continue the focus on leadership training and development
- Strengthen individual development process through annual development dialogue and follow-up
- Develop people processes and structures, such as career paths and internal mobility

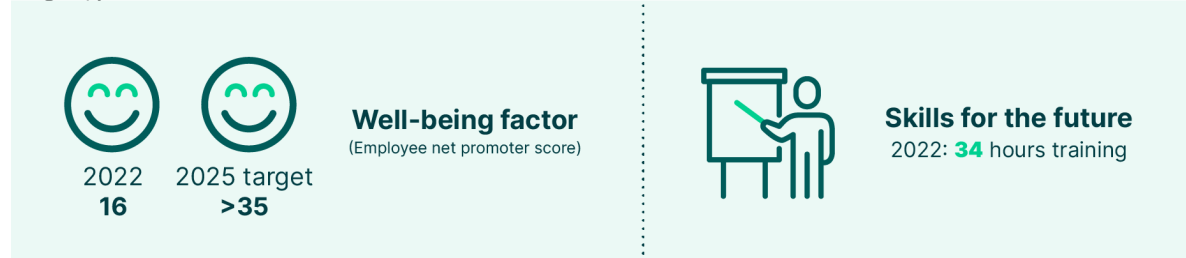
International frameworks for reference

- Not applicable

Examples of partnerships and collaborations

- Not applicable

Targets, priorities and indicators



SUSTAINABILITY PROGRAM

Diversity, equality and inclusion

Sustainability Challenge

Inclusion and diversity across the workforce and management with equal opportunities as the company develops.

Approach

Aker Carbon Capture strongly believes that a diverse staff is a competitive advantage and aims to create clear and concrete measures to prevent discrimination and ensure diversity across background, gender, nationality and age. Diversity and inclusion is embedded in the Code of Conduct, people policies and guidelines.

Progress

- Introduced "Awareness month" regarding diversity and inclusion with focus on gaining competence and insights through various trainings and activities.
- Initiated Norwegian language courses to support integration of new colleagues
- As the workforce increased the company managed to uphold the female/male ratio
- Implemented concrete measures to prevent unconscious biases in the interview setting, and in the recruitment process itself the company has specific inclusion targets
- Established an intern and graduate program as a part of a long-term initiative to attract young talents to the organization
- Continued diversity and inclusion reporting in accordance with the Norwegian Diversity Report. The assessment and priorities are collected in the activity and action plan
- Established a process for structured succession planning
- Introduced a new Equality Procedure

Priorities

- Continue "Awareness month" and expand with other dimensions of diversity
- Continue diversity focus in recruitment campaign
- Further develop diversity and inclusion initiatives as part of People & Organization strategy (e.g. succession planning)

International frameworks for reference

- Norwegian Diversity Report

Examples of partnerships and collaborations

- Not applicable

Targets, priorities and indicators



SUSTAINABILITY PROGRAM

Health and safety

Sustainability Challenge

Positive, safe and healthy work environment for all employees and throughout the value chain.

Approach

Aker Carbon Capture believes the employee's safety, competence, and well-being is the foundation for continued growth in the future. That is why HSSE and healthy work environment are priority areas for the company. Continued development and training are also key factors to ensure a positive, safe and healthy work environment. .

Progress

- Health assessment through Aker Care offered to all employees
- Conducted work life balance training session for all employees regardless of employee category
- Expanded the safety delegate forum to cover all locations, and have conducted training of new delegates
- Established the 'Working Environment Committee' in Denmark
- Continued collaboration with the corporate health service provider Aker Care
- Obtained the ISO 45001 certification for Occupational health and safety
- Conducted mandatory HSSE and Code of Conduct trainings

Priorities

- Maintain internal awareness about health and safety
- Continuously improve the management system for Health and Safety
- Increase HSSE reviews and audits for projects in execution phase

International frameworks for reference

- ISO 45001, Occupational health and safety

Examples of partnerships and collaborations

- Not applicable

Targets, priorities and indicators



Zero accidents
(Measured by TRIF)

2022: 0
Target: 0



Sick leave

2022: 1.17%
Target: <2,5%

SUSTAINABILITY PROGRAM

Human rights and labor rights

Sustainability Challenge

Secure labor and human rights in own operations and throughout the value chain.

Approach

Aker Carbon Capture supports and respects internationally proclaimed human and labor rights. The company shall ensure that business operations do not cause or contribute to any infringements to human and labor rights. Aker Carbon Capture is guided by laws and regulations and acknowledged standards on ethical business conduct.

Progress

- Implemented requirements of the new Norwegian Transparency Act
 - Improved internal procedures and routines to safeguard human rights and decent working conditions
 - Implemented a new Code of Conduct for Business Partners
 - Conducted a human rights impact assessment
 - Established a procedure for handling human rights information requests and a channel for human and labor rights concerns
 - Rolled out human rights awareness initiatives and training to all employees
- Employee-elected representative joined the Board of Directors
- Established a local union group in Norway
- Gender split and salary gap was mapped in accordance with the Norwegian Diversity Report
- A global digital personnel handbooks was rolled out to ensure benefit alignments across countries and with international standards

Priorities

- Increase internal human rights audit competence
- Maintain internal awareness about human and labor rights
- Continuously improve internal governance framework for human and labor rights
- Increase reviews and audits of business partner's human and labor rights compliance

International and national frameworks for reference

- UN Global Compact Guiding Principles
- OECD Guidelines for Multinational Enterprises
- ILO Core conventions
- Norwegian Transparency Act

Examples of partnerships and collaborations

- Member of The Federation of Norwegian Industries
- Member of The Federation of Danish Industries Aker ASA
- Global Framework Agreement with Norwegian and international trade unions

Targets, priorities and indicators



Human and labour rights

No negative impact regarding human and labor rights were detected in 2022

Transparent and purpose driven company culture

Our values are the core of our mission to reduce carbon emissions. We strive to ensure that our devotions are central in our way of working as well as in our formal, informal, external, and internal communication. We establish processes that aim to inform, include, involve, and engage our people.

In the management team as well as in all departments, there have been multiple team sessions with the goal to create a deeper understanding of the devotions, behaviors and diversity of our workforce and to detect improvement areas. The result has been concrete improvement initiatives and actions we have been able to implement successively. Our Proposal Box is an integrated part of our Management System and all employees are encouraged to contribute with improvement suggestions.

In order to reach out to the entire organization, Yammer is used on a day-to-day basis in addition to bi-weekly Town Hall meetings. The 'Friday-email' has become a tradition, sharing information and informal updates from employees. To further support transparency and collaboration, managers implemented open calendar philosophy.

During the year we conducted and followed up on the employee well-being survey. This survey aims to monitor the level of engagement and loyalty to the company. We also use the survey to monitor how well our values are understood. Our Employee Survey includes questions to monitor whether employees have experienced discrimination, harassment, or any other sort of misconduct.

Aker Carbon Capture is a company in rapid growth, therefore transparent ways of working is a key element to establish a trust-based working culture. In 2022 we implemented a digital handbook for all employees to ensure benefit alignment across all sites. This also provides a more efficient self-service way of working for both leaders and employees. 'Amin', a chatbot designed to answer questions and make information more easily accessible was also introduced. Being a Norwegian company with a high representation of international employees, and with an ambition of further international growth, English has been selected as the common working language. This secures an efficient information flow and supports equal opportunities. For the same reason, above mentioned information will only be provided in English.



INSIGHT

An organization in growth

From the outset of our establishment in 2020 we have had a rapid increase in number of employees. It has therefore been important to secure and improve our onboarding processes. We have also established different arenas to share knowledge and learning of our core technology as well as project execution.

As we are now well beyond a hundred employees, we have structured our organization further, introducing another management level. This will allow for closer dialogue and follow up on a day to day basis. To support this transition we have initiated a leadership training program. This will allow for the development of basic leadership skills, coaching and deeper insight into individual leadership challenges and potentials.

We embedded sustainability training across our established arenas including onboarding programs, townhalls and Lunch & Learn sessions. In addition specific training on material topics such as human rights and code of conduct have been conducted. We will continue with knowledge sharing of core competence to support our strategic ambitions and prepare for future requirements,

Human rights and labor rights

Aker Carbon Capture has established guidelines and routines to safeguard human rights and decent working conditions throughout the company's operations. The human and labor rights policy is described in the Code of Conduct and accompanying sub-procedures.

Current operations of Aker Carbon Capture are limited to countries with low risk related to human and labor rights infringements. Nevertheless, we take a proactive and risk-based approach to identify potential negative impacts on human and labor rights in our operations and business relationships.

Identified risks of potential adverse impacts are followed up with due diligence and targeted mitigating actions.

During 2022, human and labor rights were put on the agenda throughout the entire organization as the Norwegian Transparency Act entered into force. An online course in human rights was rolled out, and 100% of the target group completed the course. Additional steps were taken to further strengthen the company's governance framework on human rights, and a new reporting channel for human rights concerns was established. More information about the subject is available in the company's 2022 [Transparency Act Statement](#).

Besides our internal policies and procedures, the company is also covered by the Global Framework Agreement between Aker ASA, the Norwegian United Federation of Trade Unions (Fellesforbundet), IndustriALL Global Union, NITO and Tekna. The agreement commits Aker and its portfolio companies to respect and support fundamental human rights and union rights in societies in which the companies operate. Topics addressed in the agreement include, among others, freedom of association and collective bargaining, discrimination, forced labor, child labor, health and safety, living wages and decent working conditions.

Aker Carbon Capture upholds the freedom of association and the right to bargain collectively. All employees in Norway, 83% of the total workforce, are covered by the collective bargaining agreements between NHO and Tekna. In addition, the company entered a membership in the Federation of Danish Industries in 2021.

To further improve the employees involvement and representation in the company we have established a local union group in Norway and employee elected member of the Board of Directors.

Diversity, equality and inclusion

Aker Carbon Capture has high priority on maintaining and strengthening diversity across background, gender, nationalities, and age. We consider diversity to be a key contribution to be competitive in the years to come, as we appreciate the result that comes from the unique contributions each employee brings to the company.

Therefore, our ambition is to create, and our employees can expect a workplace free of harassment and discrimination. We have a Whistleblowing procedure in place so that any violation, breach or misconduct of this policy can be reported by our employees without risking retributions.

Our goals and attitude toward diversity and inclusion is stated in our Code of Conduct, sustainability and people policies, and guidelines. The implementation of the guidelines for equality, diversity and inclusion for governing bodies and executive management is reflected in this progress report and the [Corporate Governance Report](#). We aim to create clear and concrete measures to ensure diversity and prevent discrimination. In our view diversity transcends gender, and extends to age, nationality, cultural background, sexual orientation and gender identity. We strongly believe that a diverse staff is a competitive advantage. Our work with diversity and inclusion is in accordance with the Norwegian Diversity Report, and the assessment and priorities are collected in the activity and action plan.

We are pleased that even with a steep increase of our workforce during 2022 we managed to uphold the gender diversity ratio, maintaining a ratio of 31/69. In addition we have onboarded 6 new nationalities, resulting in a total of 18 nationalities in our company. This development has been made possible through a particular focus in each step of the recruitment processes. Such as job ad design, and concrete measures to prevent unconscious biases in the screening process and the interview setting.

In the additional leadership level the female representation ratio corresponds to that of the overall company.

As part of a long-term initiative to attract young talents to our organization we continued with the intern program and throughout the year had 10 students working part-time in our company, delivering alongside the rest of the organization and providing important perspectives and reflections.

Equality

Each contribution every employee brings to the company is encouraged. Therefore we have established policies, guidelines and rules to ensure that employees are treated fairly and equally. This applies to all employees throughout the employment lifecycle.

Aker Carbon Capture's main employee base is currently in Norway, a country that is well progressed when it comes to child care and other mechanisms known to enable a high share of female participation in the labor market. We encourage women and men equally to take parental leave and compensate significant salary gap between funds provided by the state and the employees salary level during the leave. We believe this is an important contribution to achieve equality in the workforce. During 2022 it was only men who were entitled to take parental leave, where 2 men are back to work and the remaining 4 men are still on parental leave.

However, equal pay for equal work is still an important aspect, and that is why we have included pay gap as a key strategic target for the company to maintain as we grow. Gender split and salary gap were mapped in accordance with the Norwegian Diversity Report. The criteria was established in cooperation with the safety delegate and the employee representatives from the Working Environment Committee. Additional evaluation criteria, such as type of role in the organization was included based on the risk assessment prior to the mapping. The results show that there are not significant pay-gaps between comparable roles. However we acknowledge the fact that fewer women hold senior positions, and we will continue to work with this in 2023.

Health and safety

We believe that our employee's safety, competence, and well-being, is the foundation for continued growth in the future. That is why HSSE, people development, and the work environment is important to us, and continued development and training is at the heart of this. We invest in our people and their training and development. We have conducted an onboarding program for all new employees. All employees are invited to bi-weekly Lunch & Learn sessions with various relevant topics for our company. In addition mandatory HSSE trainings and Code of Conduct trainings have been conducted. Several employees also participated in relevant trainings and seminars internally and externally.

In 2021, the Working Environment Committee (AMU) was established. The Committee mission is to secure employee health and well-being and is an important part of employee dialogue and feedback. In 2022 the Danish Working Environment Committee was also incorporated.

The majority of our employees are located in Norway which has an excellent public health care system which is free to all residents. Even so, Aker Carbon Capture offers employees the added convenience of utilizing the Aker Care clinics for non-occupational matters, against a small fee. This service provides employees a practical and efficient medical service, if and when required. Aker Carbon Capture's offices in other countries are all connected to an occupational health service, and non-occupational services vary dependent on the specific location.

The Aker-group is widely recognized as a front-runner in health promotion, and we have continued the collaboration with the corporate health service provider Aker Care. Programs on exercise, nutrition and stress management are offered all employees. In 2022, Aker has through its medical partners set up a vaccination scheme where both Covid-19 and flu vaccination has been offered. The sick leave for 2022 was 1.17%. This is well below the 2,5% target for the company.

To further strengthen and systemize our work related to occupational health we also obtained ISO 45001 certification for Occupational health and safety.

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. In 2022 we have had strong focus on establishing processes, structures and tools to enable involvement and engagement in all parts of the organization. This is an area that we will continue to work with in 2023, in particular how to secure and develop our core competence. We believe retention and succession planning is fundamental in this respect.



**10
IN
25**

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

Prosperity

Long-term value creation is critical for business performance, competitive advantage, mitigating risk and strengthening stakeholder relationships.

The World Economic Forum has defined three interrelated themes to define prosperity, 'employment and wealth generation', 'innovation of better products and service' and 'community and social vitality'. While Aker Carbon Capture's purpose is accelerating planet positive, mitigating climate change by enabling carbon removals from industries and energy solutions, we are determined to also make a significant positive impact on these aspects. We are committed to continuously improve our solutions and offerings, making carbon capture available to a wider range of emitters. Further, we are committed to create new jobs in a green growth market, ensuring a diverse workforce with equal opportunities. Through our activities we seek to deliver long-term value creation for all our stakeholders.

SUSTAINABILITY PROGRAM

Carbon reduction and removal

Sustainability Challenge

Carbon reduction of hard-to-abate sectors and energy production, as well as carbon removal are required to keep below 1.5°C target and mitigate climate change.

Approach

Aker Carbon Capture has set an ambition to secure contracts to capture 10 million tonnes CO₂ per annum by 2025

Progress

- Important progress made on both Brevik CCS (Norway) and Twence CCU (Netherlands), both being in construction phase and combined enabling the carbon capture of 500,000 tonnes of CO₂ per annum once they are in operation in 2024 and 2023 respectively
- Several large carbon reduction projects have matured further into FEED phase
- Continued active involvement in maturing the carbon removal framework together with our partners
- Established several new partnerships across academia, technology and CCUS value chain
- Hired a policy advisor to keep track of and provide insights to the broad span of updates related to CCUS frameworks and regulations in the different regions where we operate
- Our pipeline when including opportunities where we are involved in feasibility studies, FEED, or tendering aggregate to approximately 20 million tonnes of CO₂ per annum by 2025
- Established legal presence in India and the Netherlands

Priorities

- Continue to develop 'carbon capture as a service' business model to bring down barriers for implementation of CCUS and accelerate the market
- Further maturing of partnerships in the full CCUS value chain
- Continue reducing costs through the full CCUS value chain
- Further mature the carbon removal framework for high quality credits in collaboration with key partners and networks
- Continue to be active in different arenas and networks to promote knowledge and regulatory needs for CCUS scaling

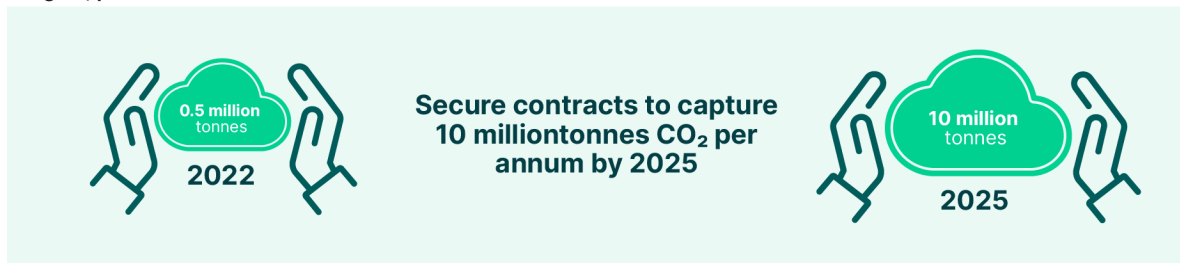
International frameworks for reference

- Paris Agreement
- Science-Based Targets initiative (SBTi)
- Greenhouse Gas Protocol (GHG protocol)
- IPCC Special report

Examples of partnerships and collaborations

- Ørsted
- Carbfix
- Siemens Energy
- Ørsted and Microsoft
- [Other key strategic partnerships](#)

Targets, priorities and indicators



SUSTAINABILITY PROGRAM

Technology and innovation

Sustainability Challenge

Mitigate climate change requires swift action from emitters across industries, and continuous development, innovative solutions and scaling of technology deployment.

Approach

Aker Carbon Capture believes in bold innovation, both in terms of technology and business models to achieve the required scaling of carbon capture to mitigate climate change. The company also adheres to the practice that while solving one problem another shall not introduced, thus developing climate solutions with no environmental harm. Aker Carbon Capture is actively engaging in research, development and innovation (RD&I) activities that strengthens the current offering and expands the technology portfolio, with the aim to bring down cost and increase the efficiency of CO₂ abatement.

Progress

- In 2022, Aker Carbon Capture spent gross NOK 119 million on research and development across more than 10 projects, including investments to strengthen our core technology, development of new technology, early phase innovation, digital solutions, and technology related CAPEX
- Completed the test campaign on Polchar facility in Poland where our technology was verified for another flue gas
- Ongoing activities with SINTEF on technology development
- Membership and continuous engagement including board position with Norwegian CCS Research Centre
- Growing our network for potential collaboration with academia in the UK
- Secured funding for two additional MTU-campaigns as part of the EU-project Aurora
- Developed our data architecture and in-house dataOps⁵ competence to enable Aker Carbon Capture to harvest data from operations, to contextualize this data in a digital twin for further analysis and enrichment, and for near future aftermarket business development

Priorities

- Aker Carbon Capture will prioritize RD&I activities that reduce the cost and improve the efficiency of CO₂ abatement and secure the growth of the company, including
 - reduce the energy demand,
 - qualify the technology for new industry segments
 - improved carbon capture HSE performance,
 - enable carbon reduction and removal

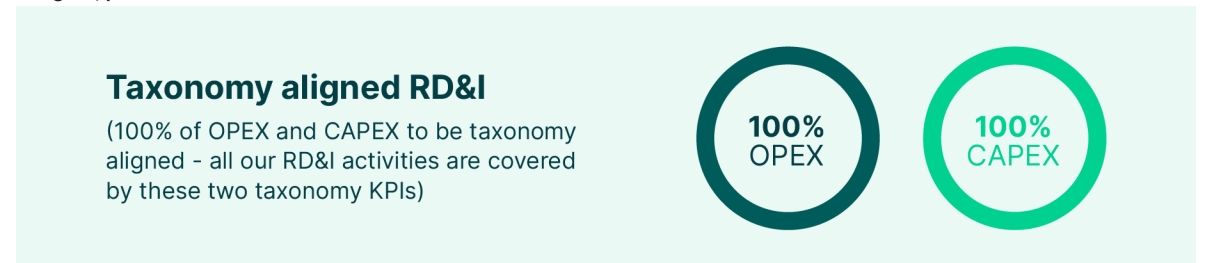
International frameworks for reference

- ISO 14001
- DNV-RP-A203
- DNV-RP-J201

Examples of partnerships and collaborations

- Microsoft
- SINTEF
- Carbfix
- Technology providers such as Siemens Energy, Haldor Topsøe, Hitachi Zosen Inova

Targets, priorities and indicators

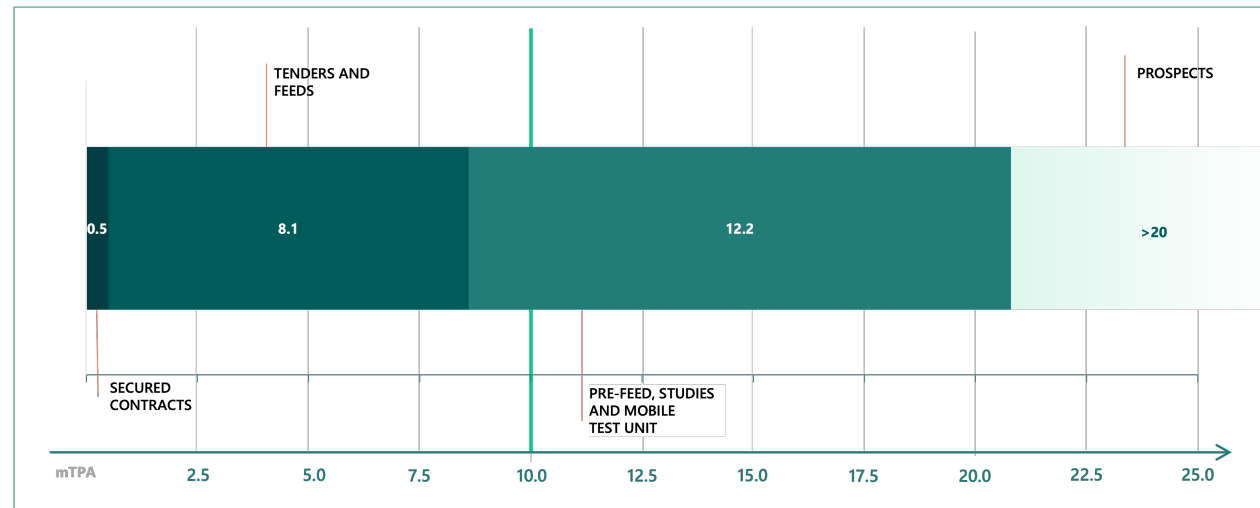


⁵ DataOps is defined as a collaborative data management practice focused on improving the communication, integration and automation of data flows between data managers and data consumers across the organization.

Carbon reduction and removal

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

Aker Carbon Capture will accelerate planet positive by delivering on our strategic ambition to secure contracts to capture 10 million tonnes of CO₂ per annum by 2025. Per year-end 2022, we have secured contracts to capture 500,000 tonnes of CO₂ per year. Tenders and FEEDs amounted to opportunities worth 8.1 million tonnes of CO₂ per annum. This reflects bp's Net Zero Teesside Power FEED, SSE Keadby 3 FEED as well as ongoing tender activity for development contracts. We have also seen continued growth in pre-FEEDs, studies, and mobile test unit campaigns, and the end of 2022 this group totaled 12.2 million tonnes of CO₂ per annum. Our pipeline of prospects beyond the aforementioned groups aggregate to approximately 20 million tonnes of CO₂ per annum by 2025, reflecting the increased activity in the CCUS market.



In 2020 we signed the contract for the Brevik CCS project, the world's first full-scale carbon capture plant at a cement facility, enabling carbon capture of 400,000 tonnes of CO₂ per annum. In 2021 we signed Twence CCU enabling the carbon capture of 100,000 tonnes of CO₂ per annum. Both projects entered the construction phase in 2022.

Aker Carbon Capture is the carbon capture provider to a consortium of Aker Solutions, Siemens Energy and Altrad Babcock for two large-scale FEED projects in the UK; bp's Net Zero Teesside Power and SSE's Keadby 3, both with an annual capture capacity of up to 2 million tonnes CO₂. In addition, we are supporting Viridor in the provision of a pre-FEED study for the Runcorn CCS project, capturing around 1 million tonnes CO₂ per annum.

The ongoing EPC projects, together with Front End Engineering and Design (FEED) activities, Mobile Test Unit campaigns and CCUS feasibility studies executed in 2022 have contributed to a revenue growth from NOK 363 million in 2021 to NOK 781 million in 2022.

Through 2023 we will continue to develop and promote our offerings to accelerate and further reduce barriers to implement CCUS.

Employment and wealth generation

Key figures	Measure	2022	2021
Secured contracts to capture 10 million tonnes of CO ₂ per annum by 2025	Million tonne CO ₂ per annum	0.5	0.5
Order backlog	NOK billion	1.3	1.9
Revenue	NOK million	781	363
whereof taxonomy aligned	%	100 %	100 %
EBITDA	NOK million	-212	-190
Net Profit	NOK million	-204	-192
Earnings per share	NOK/share	-0.34	-0.33
Total R&D spend	NOK million	119	82
Net Current Operating Assets	NOK million	-334	-260
Cash and cash equivalents	NOK million	1,093	1,321
Equity	NOK million	878	1,076
Permanent employees	Headcount	117	71
Net GHG emissions, scope 1+2+3	tCO ₂ e emitted - tCO ₂ removed	18,238	37.1

Key drivers of Aker Carbon Capture's impact on economic growth, diversity and inclusion is the employment and job creation in new green growth markets. We have grown significantly from the establishment in 2020, till 133 employees including hire-ins, and indirectly supported job creation in our supply chain through the purchase of goods and services. With our first projects in construction phase it becomes even more evident how a project of this size opens for new opportunities for the local community and local craftsmanship. Major contracts for Brevik CCS fabrication have been awarded to local contractors.

We let our employees take part in the company's value creation by offering annual variable pay schemes to all permanent employees. From time to time, employee share purchase programs are offered to all employees. Our effort to positive working environment with equal rights and opportunities for all is further described in the prior [people](#) section.

Sustainable finance

We welcome sustainable finance as a means to translate our ambitions and achievements into value and reinforce Aker Carbon Capture as an attractive investment. Through our CCaaS offering, financiers are invited to invest in the deployment of carbon capture towards a low-carbon future. ESG considerations are increasingly becoming part of investment criteria and credit ratings, and is also an important metric for Aker Carbon Capture.

ESG ratings are a means to compare our performance to that of peers, as well as a support to identify information gaps. We have chosen to utilize the MSCI ESG rating both as a strategic target as well as a performance indicator for our overall ESG work, with the target of achieving 'AAA' rating by 2025.

Ratings	2022	2021
MSCI	BBB 5.4	BBB 5.5
Sustainalytics	Medium 21.8	n.a.
ESG100 by Position Green	A-	n.a

MSCI rating is scored on the scale:

0.0-1.4: CCC, 1.4-2.9: B, 2.9-4.3:BB, 4.3-5.7: BBB, 5.7-7.1: A, 7.1-8.6: AA, 8.6-10.0: AAA

Sustainalytics risk ratings are shown as higher figures presenting higher residual ESG risks.

0-10: Negligible, 10-20: Low, 20-30: Medium, 30-40: High, 40+: Severe.

ESG 100 report examines if the company provides valuable information for relevant and interested decision-makers of both the financial and non-financial kind. A: Excellent reporting in line with best practice, B: Good reporting that covers important issues, C: Basic reporting with insufficient data, D: Lack of systematic approach, E: No recognized standard is followed, F: No reporting or very incomplete reporting



INSIGHT

Carbon capture in construction

In 2022 we initiated site works at two locations, marking an important milestone for realizing climate change mitigation.

We are proud to have been selected by Heidelberg Materials Norcem for the Brevik CCS delivery, the world's first carbon capture at industrial scale at a cement facility. This followed the government's funding support and launch of the Longship CCS project in 2020, which Brevik CCS is part of - the largest climate project in Norwegian industry ever. This is a full CCS value chain development including the transportation and storage project, Northern Lights. The main installation work will take place in 2023, and the carbon capture plant will be operational in 2024.

Twence made the decision to deploy carbon capture at its waste-to-energy facility in Hengelo, the Netherlands at the end of 2021. When the carbon capture plant becomes operational already by the end of 2023, it will be the world's first of a kind modular carbon capture plant at a waste-to-energy facility. The captured CO₂ will be utilized in greenhouses in the region to yield growth, displacing the need for natural gas.

Technology and innovation

Bold innovation to drive carbon capture deployment

Mitigate climate change requires swift action from emitters across industries, and rapid scaling of carbon capture deployment. To further bring down the barriers for implementation Aker Carbon Capture launched Carbon Capture as a Service, with the aim of making it easy for the emitters to move forward with carbon capture at their facility. To us this is ‘bold innovation’. We will further improve and innovate with respect to our products and services and are committed to invest in our technology. In 2022, Aker Carbon Capture spent gross NOK 119 million on research and development across more than 10 projects, including investments to strengthen our core technology, development of new technology, early phase innovation, digital solutions, and technology related CAPEX.

Collaboration with academia and partners are other key aspects to drive forward the scaling and deployment of CCUS. Aker Carbon Capture have established several technology related partnerships and collaborations.

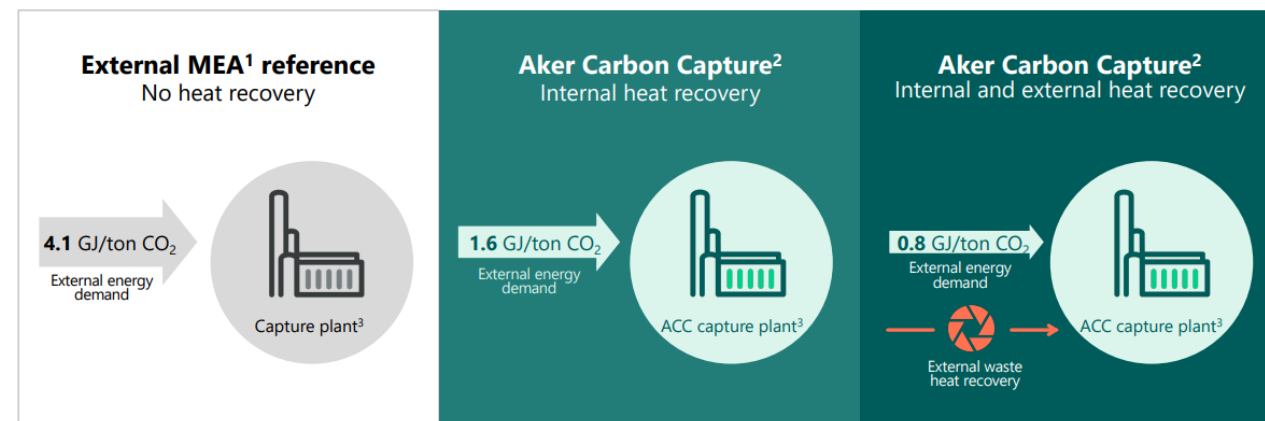
- We have a Memorandum of Understanding with SINTEF to strengthen our collaboration related to research and development
- We have a MoU with Carbfix, an Icelandic CO₂ storage technology provider to accelerate development of CCS value chains
- We participated in a tour hosted by The Canadian Embassy to Norway and Norwep. Got the opportunity to engage with energy and carbon capture stakeholders across the country from Quebec in the east, to Alberta and British Columbia in the west
- We have been targeting partnerships with technology providers that have complementary technologies to ours, including with Siemens Energy, Haldor Topsøe, Hitachi Zosen Inova and others

Energy efficiency

Aker Carbon Capture has a continuous focus on delivering environmentally friendly technology and has set bold carbon intensity ambitions for our solutions as previously described in the [Planet](#) section. The carbon capture process requires significant amounts of energy, thus energy optimization is a key element in our technology strategy.

The energy demand to operate a carbon capture facility varies across different sites dependent on amongst others the CO₂ concentration in the flue gas and capture rate. We have a range of possibilities to decrease the external energy demand through advanced heat integration.

By utilizing advanced internal heat integration solutions we may reduce the external energy demand by up to 25%. Further on, by working very closely with our customers we may develop optimized solutions such as combining our internal heat integration solutions with external waste heat recovery and electrification by the use of high temperature heat pumps. We have shown that it is possible to deliver electrified carbon capture plants with an external energy demand in the range of 0.8 GJ/tonneCO₂ – 1.6 GJ/tonneCO₂, of particular interest for steam deficient industries such as the cement industry.



We will continue to improve our solutions to further reduce the energy demand for our carbon capture process in a cost-efficient way for all industries.

Taxonomy eligibility and alignment

Aker Carbon Capture has performed a voluntary assessment of all its economic activities under the EU Taxonomy and related regulations. After an in-depth assessment, all our economic activities in 2022 are considered eligible as “Manufacture of other low carbon technologies” and “Close to market research, development and innovation” under Annex 1 to the Commission Delegated Regulation (EU) 2021/2139 (“the Screening Regulation”).

We have also made a voluntary review of our activities in light of the alignment-criteria set out in the Taxonomy Regulation and Screening Regulation. More information on our activities and the method for assessing the taxonomy-eligibility and taxonomy-alignment can be found in [the appendix](#).

The below table summarize our taxonomy-eligible and taxonomy-aligned activities for Turnover, CAPEX and OPEX in 2022.

Amounts in NOK million	Total	Proportion of Taxonomy-eligible economic activities (in %)	Proportion of Taxonomy-aligned economic activities (in %)
Revenue (Turnover)	781	100 %	100 %
Capital expenditure (CAPEX)	104	100 %	100 %
Operating expenses (OPEX)	144	100 %	100 %



Governance

Good corporate governance at Aker Carbon Capture ensures sustainable and responsible operations and value creation over time to the benefit of all stakeholders, and provides a framework for the management of the business.

“Doing the right thing” is a core value to Aker Carbon Capture. We believe the success of our products and projects rests on achieving success by doing business responsibly, ensuring good governance through all parts of our operations and business activities.

SUSTAINABILITY PROGRAM

Responsible business conduct

Sustainability Challenge

Corruption, bribery and ethical misconduct undermine fair business competition and have negative impact on individuals, society and the planet.

Approach

All in Aker Carbon Capture shall live the value “doing the right thing” and conduct business responsibly by continuously developing our compliance program, ensuring Code of Conduct compliance through training and awareness, and proactively prevent, detect and respond to corruption risks and ethical misconduct.

Progress

- Increased awareness through compliance moments and tailored training
- Improved our screening and due diligence procedures for business partners
- Launched an all-employee business ethics and compliance survey
- Introduced and updated procedures in the company’s anti-corruption compliance program
- Established a quarterly compliance risk assessment process
- Developed new registers for gifts and hospitality and conflict of interest
- Strengthened our sanctions compliance routines
- Implemented an external whistleblowing channel

Priorities

- Continuously improve anti-corruption compliance program
- Implement a risk-based business ethics training program
- Maintain awareness about relevant compliance issues in the organization
- Continue to strengthen third party management through reviews and audits

International frameworks for reference

- UN Global Compact Guiding Principles
- OECD Guidelines for Multinational Enterprises
- ILO Core conventions

Examples of partnerships and collaborations

- Aker group compliance network
- Member of UN Global Compact Global Framework Agreement between Aker ASA and the Norwegian and international trade unions Fellesforbundet, IndustriALL Global Union, NITO and Tekna

Targets, priorities and indicators



Code of Conduct training
100%



MSCI ESG rating
2022: **BBB**
2025 target: **AAA**



Whistleblowing cases
2021: **0**
2022: **1**

SUSTAINABILITY PROGRAM

Responsible Supply Chain management

Sustainability Challenge

Corruption, sanctions, climate change, and human and labor rights infringements in global supply chains can negatively impact workers, communities and the planet.

Approach

Aker Carbon Capture shall know who the company works with and set clear expectations to responsible business conduct. The company shall reduce risks and potential negative impacts through dialogue and collaboration with suppliers.

Progress

- Replaced Supplier Declaration with a more comprehensive Code of Conduct for Business Partners
- Improved procurement procedures to better detect and respond to integrity and human rights risks
- Trained procurement staff in internal procedures, international sanctions, anti-corruption and human rights
- Strengthened compliance obligations for suppliers
- Conducted human rights impact assessment of supply chain
- Established dialogue with suppliers to identify new opportunities to reduce carbon footprint

Priorities

- Increase review and audit activities of critical suppliers
- Perform regular business integrity and human rights risk assessments of supply chain activities
- Maintain awareness about business integrity and human rights in the procurement team
- Establish maturity assessment and sustainability dialogues with critical suppliers
- Continue external collaboration to address best practice in screening climate and nature footprint

International frameworks for reference

- UN Global Compact Guiding Principles
- OECD Guidelines for Multinational Enterprises
- ILO Core conventions

Examples of partnerships and collaborations

- Member of UN Global Compact Global Framework Agreement between Aker ASA and the Norwegian and international trade unions Fellesforbundet, IndustriALL Global Union, NITO and Tekna
- First Movers Coalition

Targets, priorities and indicators



Sustainability dialogues with critical suppliers

2022: **New**
Target: **100%**

Responsible business conduct

Aker Carbon Capture has established a compliance function with dual reporting lines to the company's General Counsel and Audit Committee. The compliance functions's main task is to ensure that Aker Carbon Capture has an adequate and well-designed compliance program in line with applicable laws and regulations, and which meets expectations from regulators, external stakeholders and employees.

The compliance function reports on progress, risk and relevant developments to the Audit Committee and the Executive Management Team on a regular basis. The Chief Executive Officer is responsible for overseeing the implementation of the compliance program. The line management is responsible for implementing the compliance procedures and risk mitigating actions with the support and advice from the compliance function.

The compliance function participates in the compliance networks of Aker Horizons and the wider Aker group, where best practices are shared for the purpose of continuous awareness and improvement.

Compliance program

We have established a strong and risk-based compliance program with its basis in the Code of Conduct, the Business Integrity Policy and the Managing Integrity Procedure. The compliance program is set up to prevent, detect and respond to integrity risks, such as corruption, human rights infringements and ethical misconduct. The program consists of various elements, including topic-based procedures, tools, controls, training and awareness.

During 2022, the compliance program was strengthened with new and updated procedures, increased training and awareness activities across the company, and introduction of tools for screening third parties and registering conflict of interest and gifts and hospitality. An integrity risk assessment was completed with involvement of internal stakeholders, and a quarterly risk assessment process for compliance was established. The results of the quarterly risk assessments are presented to the Audit Committee on a quarterly basis.

We detected 0 instances of non-compliance, i.e. failure to comply with applicable laws and regulations, in 2022.

Tone from the top

When establishing a culture of compliance and integrity, we believe it is important that the top level of the company sets the right tone, acts as role models, and has clear expectations to acceptable behavior. We also think that the tone from "the middle" is similarly important because most employees have frequent interaction with the middle layer, and limited interaction with the top management. Therefore, responsible business conduct is addressed in management meetings on a regular basis.

During 2022, an all employee business ethics and compliance survey was distributed to all employees with a 65% response rate. The respondents were asked to rate the tone from the top. Over 90-95% of the respondents answered that they believe the Executive Management Team and the middle management have a clear and explicit focus on compliance and ethical business conduct.

Training and awareness

Compliance awareness for employees is addressed on a regular basis through tailored and risk-based training.

In 2022, training and awareness activities increased. A number of compliance moments were held in all employee townhall meetings, tailored presentations and training were given to the sales and procurement teams, and all employees, including hired-ins, completed a 1-1.5 hour training in the Code of Conduct.

Integrity due diligence of business partners

Integrity due diligence of business partners is required to protect companies 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.

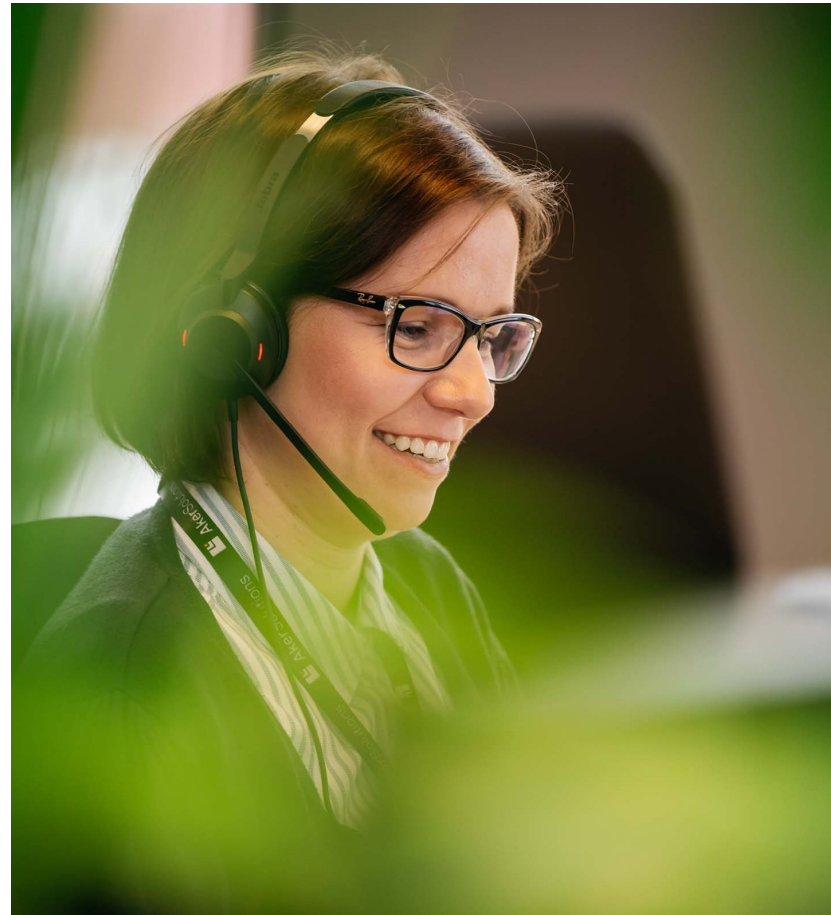
We have established integrity due diligence procedures applicable to potential and existing business partners. The process involves screenings, due diligence questionnaires, external due diligence reports, interviews, reviews and audits. The procedure is risk based, meaning that the anticipated risk level associated with the business partner determines the scope of the due diligence process. Nevertheless, all potential and existing business partners are screened prior to any engagement and subsequently monitored.

In 2022, our integrity due diligence procedure was updated and improved, specifying integrity risks and required due diligence levels for different types of business partners.

Conflict of Interest

We apply a strict norm as far as independence assessments are concerned, and we have prepared procedures ensuring that any conflict of interest for employees is assessed in relation to agreements concluded by the company. Any conflict of interest at Board of Directors level is duly assessed at each board meeting.

We also apply strict norms for the handling of agreements with related parties, as implemented through our Related Party Agreement Principles. The purpose of the principles is to ensure openness, objectivity and quality in the decisions, strengthening the confidence in the company's ability to create long-term values.

**INSIGHT****Compliance with international sanctions**

Due to introduction of new international sanctions as a response to the war in Ukraine, we strengthened our sanctions compliance governance framework, implementing additional tools and controls, and enhanced our contract clauses with third parties. We also increased internal awareness about sanctions and held tailored training in sanctions compliance for the management and the legal, procurement and sales teams.

Reporting concerns

We encourage speaking up on any issues of concern in good faith. Staff, management and third parties are encouraged to raise genuine concerns about misconduct concerning Aker Carbon Capture and our representatives. Speaking up is positive because it gives us the opportunity to correct mistakes, prevent misconduct and improve our procedures.

Issues of concern can be reported via the line management internally. Alternatively and for externals, reports can be sent to our whistleblowing email or via the whistleblowing channel available on our company website.

The whistleblowing channel is open for all employees and non-employees who would like to report a concern involving breach of law or regulations, the Code of Conduct or other internal policies or procedures. All reports are treated with strict confidentiality and managed in accordance with the Whistleblowing Procedure, which was updated and improved in 2022. Anonymous reports can be sent to the whistleblowing channel available on our website.

In 2022, we received 1 whistleblowing report. Information about the company's whistleblowing reporting channels and policy was given to all employees as part of the Annual Code of Conduct training.

Responsible Supply Chain Management

Aker Carbon Capture's procurement function reports to the Chief Project Officer and is part of the Project Execution Team. The function's key focus is to ensure quality, cost efficiency, business integrity and human rights compliance in all procurement activities.

The function has established a number of policies and procedures which are part of the company's Management System. The documents regulate and describe routines for responsible procurement and internal governance. Our procurement processes are ISO certified.

We engage with our suppliers on a regular basis and require that suppliers report on sustainability in all major purchase orders. Onsite audits and reviews are performed on critical suppliers in ongoing

projects. Audits are performed in collaboration with the company's HSSE, Quality and Compliance functions.

For 2023, our ambition is to establish structured ESG dialogues with critical suppliers.

Sustainable procurement

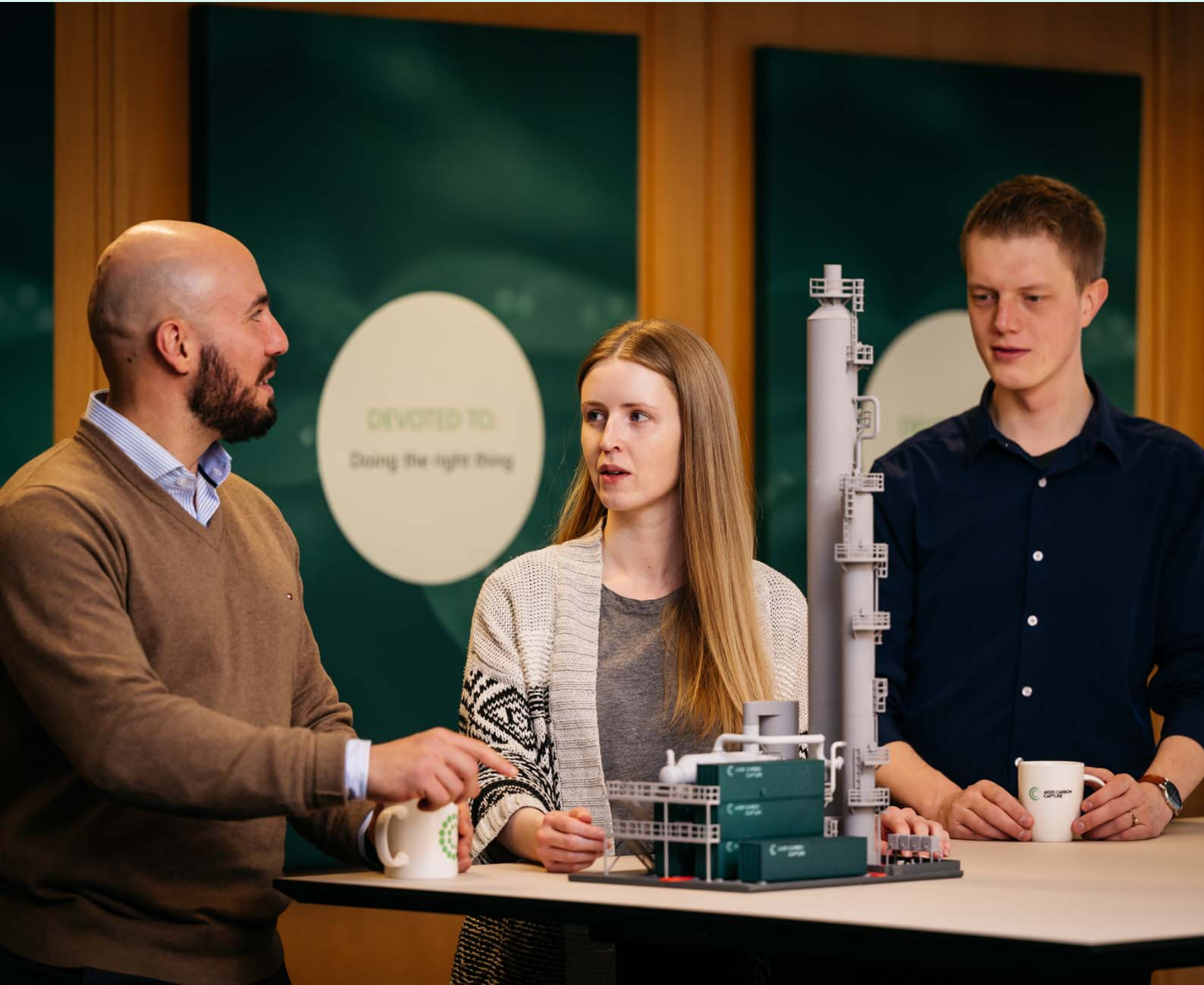
Our commitment to sustainability also includes our external operations, such as those related to our suppliers and partners. Suppliers are expected to adhere to our values, standards for business practices and sustainability ambitions. This includes important areas such as health and safety, human and labor rights, environment, quality management, business integrity and sustainability. The new Code of Conduct for Business Partners describes this in further details. The document was implemented in 2022 and applies to all business partners. It includes minimum requirements to ethical business conduct that all business partners must adhere to. It also includes ambitions on central ESG topics that we and our business partners should jointly aim to achieve. The Code of Conduct for Business Partners is available on our company website

Due diligence routines for suppliers

The company has established integrity due diligence routines for onboarding of new business partners as described in the responsible business conduct section.

For suppliers, the integrity due diligence process involves screening of all potential new suppliers, supplier qualification questionnaire, reviews and audits. The due diligence process is risk-based and the risk level of the potential supplier determines the scope of the due diligence process.

In 2022, the Norwegian Transparency Act entered into force and as a response, we conducted a human rights impact assessment of our supply chain. Based on the results, we improved our supplier qualification questionnaire and governing documents, and we strengthened our due diligence routines for qualifying suppliers. We also updated our company Code of Conduct to reflect our commitment to comply with the act. Tailored training in the new law and company routines was provided to the procurement team.



Principal risk factors and uncertainties

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 and reach net zero targets. The industry still relies heavily on government subsidies and further development of CO₂ transportation and permanent CO₂ storage. The main risks related to the market are listed below:

- Slow ramp-up of carbon capture and storage in key markets leading to delayed realization of Aker Carbon Capture's ambition to secure contracts to capture 10 million tonnes of CO₂ per annum by 2025, resulting in lower revenue and profit potential for the company
- Heavy dependence on government and other non-commercial funding and regulatory policies leading to delayed investment decisions for key carbon capture developments in key markets, where government subsidies are part of the business case
- Long-term low carbon prices, taxes and/or credits could limit the attractiveness of carbon capture and storage, and could result in limited attractiveness for the carbon capture as a service business model
- High market activity levels leading to rising prices for products, services and logistics
- Strong demand for carbon capture and storage could drive cost escalation, capacity constraints, delays and logistics challenges in the carbon capture and storage value chain that adversely impact market attractiveness
- Continuity of the pandemic, the war in Ukraine and the strong European and American sanctions against Russia could have significant negative effects on the global economy, energy markets and inflation levels with operational impact for Aker Carbon Capture
- The recent slowdown of economic activity and global tightening of financial conditions may affect Aker Carbon Capture's customers' appetite and ability to invest in green technology

Operational risk

Aker Carbon Capture is subject to project execution and contractual risk 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, such as Brevik CCS EPC, Twence EPC, and Net Zero Teesside FEED, are demanding from a 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.

During large construction projects Aker Carbon Capture is also exposed to health and safety risk, and the company is continuously working to avoid all harm to personnel, products and the environment through health and safety standards, training of employees and contractors, and monitoring of HSSE performance.

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
- Ability to stay competitive or ability to develop a significant market position
- Commercialization and development of new technologies
- Partnerships, joint ventures and other types of cooperation that expose Aker Carbon Capture to risks and uncertainties outside its control
- Significant delays or quality issues impacting project delivery or performance
- Non-delivery and/or disputes with key suppliers
- Inability to achieve targeted standardization, modularization and cost reduction ambitions for key products and offerings
- Inability to secure competent and relevant resources as activity levels increase
- Cybercriminals and cyber security issues leading to system downtime or significant loss of intellectual property
- In addition there is a group of delay or cost inflation due to unforeseen external circumstances on the back of the Covid-19 pandemic, the war in Ukraine and related sanctions against Russia such as
 - Continued impact of COVID-19 outbreak or other infectious diseases may have substantial negative effects on the global economy with operational impact for Aker Carbon Capture
 - Social unrest on the back of the war in Ukraine, democratic decline and influx of migrants in already strained areas

ESG and political risks

Aker Carbon Capture has implemented Sustainability policies and procedures covering the aspects across Environment, Social and Governance (ESG) to act according to domestic and international standards, anchored with the Code of Conduct available on the company website. The company has limited direct exposure in countries associated with high political, corruption and human rights risks. However, the implementation of sanctions against Russia increases the risk and intensifies the awareness required also in Europe. Aker Carbon Capture could, nevertheless, potentially become involved in non-compliance or unethical behavior, either directly or through third parties and partners.

Aker Carbon Capture has zero tolerance for corruption and works systematically to avoid such behavior. To ensure compliance with the standards, all employees are trained in the Code of Conduct on an annual basis. The company expects suppliers to act in accordance with the standards set out in the Code of Conduct for Business Partners. Aker Carbon Capture has a whistleblower channel where issues of concern related to the company and its operations can be reported.

Aker Carbon Capture is exposed to legal, regulatory, and political risks, decisions on environmental regulation and international sanctions that impact supply and demand, as well as risks associated with unethical and criminal behavior.

The company has set carbon reduction targets towards 2030 and is dependent on supply chain collaboration to ensure the development and access to low carbon materials.

Climate and nature risk

Aker Carbon Capture has performed an assessment according to the 'Task Force for Climate-related Financial Disclosures' (TCFD), addressing the disclosures related to the four thematic areas that represent core elements of how companies operate: governance, strategy, risk management, and metrics and targets.

The [full TCFD report](#) is available on Aker Carbon Capture's website.

If the world does not respond to the global climate change crisis according to the targets set out in the Paris agreement, Aker Carbon Capture could see a slower market demand for CCUS solutions. In the longer term, climate change consequences such as physical effects could directly impact Aker Carbon Capture's business and the full CCUS value chain. Accordingly, our analysis focuses on both transitional risks up to 2030 and physical risks past 2030.

The European energy crisis has led to higher energy costs and policy measures to encourage energy savings and reduce energy demand. This increases the importance of energy efficiency in the carbon capture process and may further delay deployment of CCUS solutions.

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 Executive Management Team.

The company's response to climate-related risks and opportunities spans all areas of the business including project development, technology development and investments. Considering the potential different effects due to climate change, there are a range of responses that are common for the two scenarios:

- Through collaboration with customers ensure that the individual site is assessed with respect to acute and chronic risks due to climate change
- Through the company's sustainability program address risks and opportunities in the supply chain, leveraging the company's purchasing power to support the transition to green industry
- Advocacy towards governments, public and organizations to ensure knowledge on carbon capture and storage as a solution to combat climate change

- Leverage memberships and partnerships to learn across industries and access to know-how and ideas on how to continuously improve on climate risk response

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 results and 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 subsidiaries will use financial derivative instruments to hedge certain risk exposures. 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 principal financial risk factors and uncertainties are further described in detail in note 14 and capital management is described in note 13.





Corporate Governance Report 2022

Pursuant to section 3-3b of the Norwegian Accounting Act and the recommendations in the Norwegian Code of Practice for Corporate Governance (the “Code of Practice”), most recently revised in the autumn of 2021, the board has reviewed and updated the company’s corporate governance principles. The Code of Practice is available at www.nues.com. The individual recommendations of the Norwegian Corporate Governance Board are discussed below. Aker Carbon Capture’s principles are largely consistent with the recommendations.

1. Corporate governance

This Corporate Governance Report and Aker Carbon Capture's corporate governance principles have been approved by the Board of Directors. The purpose is to ensure a productive division of roles and responsibilities among Aker Carbon Capture's owners, board and executive management, as well as to ensure satisfactory controls of the company's activities.

2. Business purpose

Aker Carbon Capture ASA's business purpose is expressed in the company's Articles of Association, section 2: "The company's purpose is to conduct business, invest in and/or own rights in the capture, use and storage of CO₂, hydrogen, and other related activities."

The board has prepared clear objectives, strategies and a risk profile for the company. The company has guidelines for how it integrates the interests of the society at large into its value creation. A sustainability policy has been established. ESG reporting forms an integrated part of the company's Annual Integrated Report. The board evaluates targets, strategies and its risk profile on an annual basis, at a minimum.

3. Equity and dividends

Share capital

Aker Carbon Capture had NOK 878 million in total equity as of 31 December 2022, corresponding to an equity ratio of 68 per cent. The parent company's equity amounted to NOK 1,800 million, corresponding to an equity ratio of 86 per cent. Aker Carbon Capture considers its capital structure appropriate and adapted to its objectives, strategy and risk profile.

Dividends

No dividends have been paid to date. To reach our ambitious targets for contributing to global decarbonization and build scale at the operational level, the company will, short-term, continue to prioritize growth over dividends.

Board authorizations

Any proposals for the Board of Directors to be given a mandate and power of authority complies with the relevant recommendation of the Code of Practice. Board authorizations are limited in time, to defined issues and are dealt with as separate agenda items at general meetings.

The General Assembly has provided the Board of Directors with the following authorizations:

- to acquire own shares in connection with (i) acquisitions, mergers, demergers or other transactions, (ii) employee share program and (iii) investment or subsequent sale or deletion of shares
- to increase the share capital

The board's authorizations to acquire own shares and to increase the share capital are valid until the 2023 annual general meeting, however, in no circumstances beyond 30 June 2023.

4. Equal treatment of shareholders

The company has a single class of shares, and all shares carry equal rights.

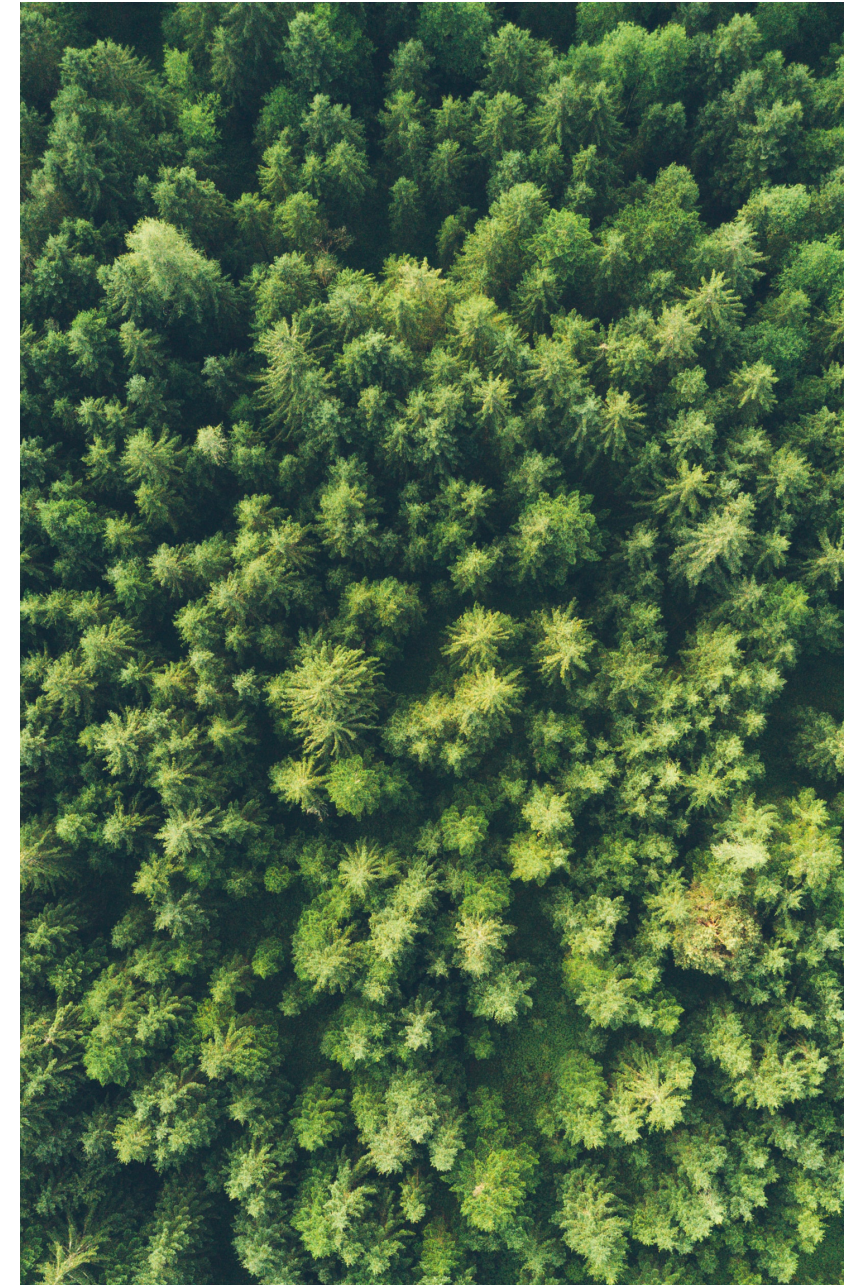
The company has developed principles and guidelines for related party transactions.

The company has developed principles and guidelines related to exercise of any actions that may impact the equality principle, such as waive of pre-emption rights or the company's acquisition of its own shares.

As of 31 December 2022, Aker Carbon Capture held no own shares.

5. Shares and negotiability

There are no restrictions in Aker Carbon Capture on a party's ability to own, trade or vote for shares in the company.



6. General meetings

Meeting notification, registration and participation

Aker Carbon Capture encourages all of its shareholders to participate in general meetings. Through the general meeting, shareholders exercise the highest authority in the company. The annual general meeting for 2023 will take place as a virtual meeting on 18 April.

Shareholders unable to attend the general meeting may use electronic voting to vote directly on individual agenda items during the pre-meeting registration period. Shareholders unable to attend a meeting may also vote by proxy. The procedures for electronic voting and the proxy voting instructions are described in the meeting notification and published on the company's website.

The company ensures that proposed resolutions and supporting information distributed prior to general meetings are sufficiently detailed, comprehensive and specific to allow shareholders to form a view on all matters to be considered at the meeting.

Meeting chair, voting, etc.

According to Aker Carbon Capture's Articles of Association, the general meeting is chaired by the Chair of the Board, or by an individual appointed by the Chair. In this regard, Aker Carbon Capture deviates from the Code of Practice recommendation, which states that the general meeting should be able to elect an independent chair for the general meeting. In the company's experience, its procedures for the chairing and the execution of general meetings have proven satisfactory.

The company will, however, normally not have the entire board attend the meeting as this is considered unnecessary. This represents a deviation from the Code of Practice which states that arrangements shall be made to ensure participation by all directors.

The general meeting elects the members of the Nomination Committee and shareholder elected board members. The shareholders are invited to vote on the composition of the Board of Directors proposed by the Nomination Committee as a group, and not on each board member separately. The Nomination Committee focuses on composing a Board of Directors that works optimally as a team, and on ensuring diversity and that board members' experience and qualifications complement

each other, that required and important areas of competence are covered by the board and that statutory gender representation requirements are met.

Aker Carbon Capture's practice thus differs from the Code of Practice recommendation, which states that the general meeting should be given an opportunity to vote on each individual candidate.

7. Nomination Committee

As required by its Articles of Association, Aker Carbon Capture has a Nomination Committee consisting of at least two members elected by the general meeting. The current members are Ingebret Hisdal (Chair) and Svein Oskar Stoknes. No members of the Nomination Committee are directors of the board or employed by the company. Shareholders who wish to contact the Nomination Committee can contact the company's Investor Relations (IR) function as set out on its website.

The general meeting determines the remuneration to the Nomination Committee. The Nomination Committee shall prepare the election of directors. The general meeting may adopt instructions for the Nomination Committee's tasks.

8. Board of Directors – composition and independence

Pursuant to the company's Articles of Association, the board comprises between three and nine members.

The current composition of the board is presented in Board of Directors of the 2022 Annual Integrated Report, as are board members' qualifications and expertise. Since April 2022, the board has included an employee elected representative.

The majority of the shareholder-elected board members are independent of the company's main shareholder(s) and material business contacts. None of the directors are part of the company's management team.

The company does not have a corporate assembly.

9. The work of the Board of Directors

The Board of Directors adopts an annual plan for its work with an emphasis on goals, strategy and implementation. Furthermore, 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 Chair and the Chief Executive Officer. The rules of procedure also include provisions on matters such as convening and chairing board meeting, decision making, the duty and right of the Chief Executive Officer to disclose information to the board and the duty of confidentiality.

Eight board meetings were held in 2022. In addition, the Board of Directors convened on a need to basis throughout the year.

The board carries out a self-evaluation of its performance and expertise on an annual basis.

Guidelines have been drawn up to ensure that board members and senior employees report to the board if they directly or indirectly have significant interest in agreements entered into by Aker Carbon Capture or companies in which Aker Carbon Capture has significant ownership interests.

Aker Carbon Capture has an Audit Committee. The Committee's mandate regulates areas of responsibilities, tasks, relations with the external auditor and reporting to the Board of Directors. The current members of the Audit Committee are Liv Monica Stubholt (Chair) and Linda Litlekalsøy Aase.

The company does not have a Remuneration Committee as this has not been considered necessary in the light of the composition of the Board of Directors. The company will however consider establishing a Remuneration Committee going forward.



10. Risk management and internal control

Governing principles

The Board of Directors, supported by the Audit Committee, ensures that Aker Carbon Capture has procedures and systems for good corporate governance, effective internal control and robust risk management. The board establishes the overall principles for governance and control in Aker Carbon Capture through the adoption of governing documents. The Audit Committee reviews the company's reporting systems, internal control and overall risk management on an annual basis.

Compliance function

Aker Carbon Capture has established a Compliance function with dual reporting duties to the company's General Counsel and the leader of the Audit Committee. The Head of Compliance's main task is to ensure that Aker Carbon Capture is compliant with relevant laws and regulations, including Aker Carbon Capture's internal regulations, policies, procedures and guidelines. This is done through the implementation of a risk-based compliance program.

Aker Carbon Capture has implemented a whistleblowing channel for the reporting of illegal and unethical conduct, such as potential breaches of ethical guidelines and violations of the law. Information about the whistleblowing channel, including contact information, is available on the company's website.

Risk management

Aker Carbon Capture is exposed to a variety of risks. The board carries out a quarterly review of the company's most important areas of exposure to risks. Prior to the quarterly enterprise risk reporting to the board, the Audit Committee reviews the reported main risks and relevant risk mitigating measures. Once a year, the climate-related financial risk analysis and the sustainability materiality analysis are presented to the Audit Committee and board.

Aker Carbon Capture's process for enterprise risk management is based on the assessment and monitoring of major financial, strategic and market, legal and compliance, project and operational, and climate-

related risk factors. Mitigating actions are identified for key risks and their implementation is monitored.

Internal control and financial reporting

The Aker Carbon Capture's financial reporting division reports to the Chief Financial Officer and is responsible for the external reporting process and the internal management of the financial reporting process.

The company has established a procedure for internal control over financial reporting (ICFR). The procedure requires annual risk assessment, mapping/implementation of key controls, and processes for monitoring that key controls are performed as intended. The procedure creates a framework for more targeted and consistent work with ICFR.

In connection with the process of preparing the financial statements, clearing meetings are held with the management team. The main purpose of these meetings is to ensure the quality of the financial reporting. The clearing meetings focus on significant valuation items, off-balance sheet items, significant non-recurring transactions, new or modified accounting principles, internal control in financial reporting, and special topics in the annual report.

The Audit Committee prepares a preliminary review of the quarterly and annual financial statements, focusing on items involving valuation items and the application of new accounting principles, as well as any material related-party transactions.

The Audit Committee also prepares a preliminary review of the annual sustainability reporting, including reporting in accordance with the Transparency Act.

11. Remuneration of the Board of Directors

Board of Director remuneration reflects the board's responsibilities and expertise, time spent and the complexity of the business. Remuneration does not depend on Aker Carbon Capture's financial performance, and there are no option programs for any of the board members.

The annual general meeting determines board remuneration after considering recommendations by the company's Nomination Committee. Additional information on remuneration paid to individual board members for 2022 can be found in the [Remuneration Report](#).

12. Remuneration of executive management

The board has adopted separate guidelines on the remuneration of executive management in accordance with section 6-16a of the Norwegian Public Companies Act as by the annual general meeting in 2022. The company's guidelines for remuneration to executive management are described in the [Remuneration Report](#) and will also be presented to shareholders at the annual general meeting in the form of a supporting document.

The employment contract of the Chief Executive Officer has been approved by the Board of Directors. The remuneration paid to the Chief Executive Officer is approved by the board after considering recommendations from the Chair of the Board of Directors.

The Chief Executive Officer determines the remuneration payable to key executives in accordance with board guidelines. Aker Carbon Capture has no stock option programs. The remuneration for executive management includes a fixed annual salary, standard employee pension and insurance schemes and a variable pay element.

Further information on remuneration for 2022 for individual members of Aker Carbon Capture's executive management can be found in the [Remuneration Report](#).

13. Information and communications

Aker Carbon Capture's reporting of financial and other information is based on transparency and equal treatment of stakeholders. All stock exchange notifications and press releases are published on the company website, www.akercarboncapture.com. Stock exchange notices are also available at www.newsweb.no. The company organizes presentations in connection with its financial reporting. These meetings are generally broadcast directly via the internet (webcast). The company's financial calendar is published on Aker Carbon Capture's website.

14. Take-overs

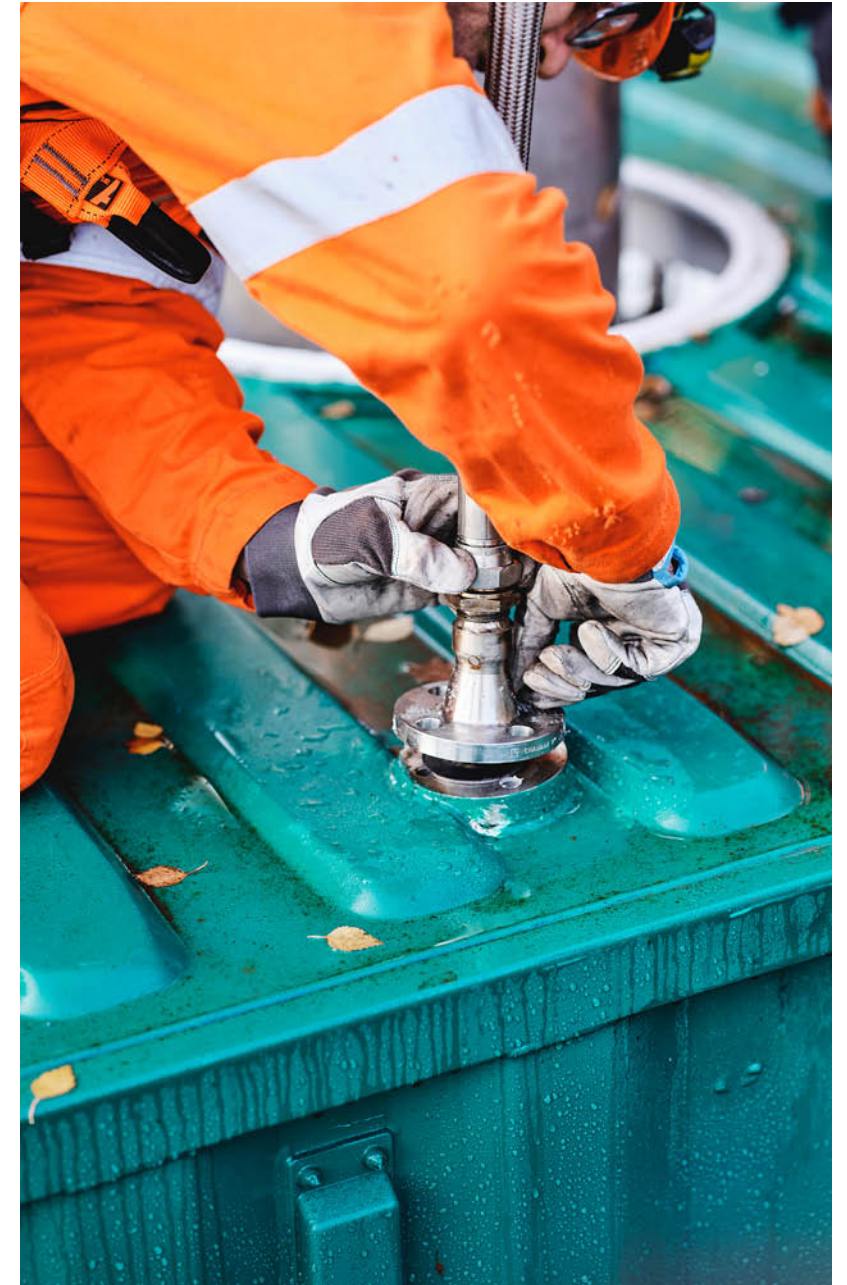
The company does not have separate guidelines on how to respond in the event of a take-over bid. The Code of Practice recommends the adoption of such guidelines. Through his privately held TRG holding companies, Kjell Inge Røkke is the ultimate beneficial owner of Aker Horizons Holding AS, the company's largest shareholder, holding more than 40 % of the shares in the company. In view of this, the Board of Directors has deemed separate take-over guidelines as recommended by the Code of Practice to be unnecessary.

15. Auditor

The auditor makes an annual presentation of the auditing plan to the board. Further, the auditor has provided the board with written confirmation that the requirement of independence is met.

The auditor participates in all meetings of the Audit Committee that deals with the annual accounts. The auditor reviews, with the board, any material changes in the company's accounting principles and assessments of material accounting estimates. There have been no disagreements between the auditor and management on any material issues.

The auditor reports to the Audit Committee on his assessment of the internal controls on the financial reporting process. The outcome of this review is presented to the board. The Audit Committee receives a quarterly overview of services rendered by the auditor to the company. The Audit Committee also approves the fees paid to the auditor for material additional services. The remuneration paid to the auditor in 2022 for both audit and other services is presented in Note 4 to the consolidated accounts. These details are also presented to the annual general meeting.





Transparency Act Progress Report 2022

This statement represents Aker Carbon Capture's account of due diligence pursuant to Section 5 in the Norwegian Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions (Transparency Act). The reporting period covered in this report is from 1 January 2022 to 31 December 2022.

About Aker Carbon Capture

Aker Carbon Capture is a pure play carbon capture company with solutions, services and technologies serving a range of industries. The company has a proprietary and field-proven technology to enable carbon emission reduction and removal in sectors such as cement, gas-to-power, waste incineration, bio-energy, and other hard-to-abate industries. The company's business model covers the sale of complete carbon capture units, and license models covering the supply of key equipment, and, with industrial partners, a full value chain 'Carbon Capture as a Service' model.

Purpose

Aker Carbon Capture's overall purpose is to accelerate planet positive by enabling carbon reduction and removal from industries and energy solutions. To drive this effort, the company and its employees are devoted to three core values: working together, doing the right thing and bold innovation.

Operations

Aker Carbon Capture is headquartered in Norway with operations in Norway, Denmark, United Kingdom, the Netherlands and India, and starting up in Sweden. The operations are primarily office-based, require high-skilled labor and involve limited direct labor-intensive work.

In 2022, Aker Carbon Capture delivered several pre-FEED and FEED studies, which are written engineering reports developed at our offices, to customers primarily located in Europe. The company also made significant progress on its two flagship projects, Brevik CCS in Norway and Twence in the Netherlands. The flagship projects involve delivering two carbon capture plants at the customers' cement and waste-to-energy facilities in Norway and the Netherlands, respectively.

Aker Carbon Capture's procurement activities are closely linked to and at all times dependent on the projects the company executes. The company divides its procurement activities into two categories: direct procurement, which is goods and services procured for our ongoing projects; and indirect procurement, which is goods and services not utilized directly in our projects. The majority of Aker Carbon Capture's direct procurement activities, both in terms of value and volume, are from the general manufacturing and electronics manufacturing industries. The company sources a variety of industrial parts and highly

technical components and systems from suppliers of products ready for use in the process industry. These items are collected and assembled into carbon capture units and facilities. The whole production and assembly process is executed by third parties. Besides the general and electronic manufacturing industries, the company also purchases items and services from the chemicals and pharmaceutical, services, hospitality, and information, communication and technology industries. Looking beyond tier 1, the components and items the company buys from the general and electronics manufacturing industries are produced from metals, minerals, and electronic equipment industries. The majority of Aker Carbon Capture's suppliers are multinational companies with presence and production in Europe and Norway.

Protecting human rights at Aker Carbon Capture

Our commitment

Aker Carbon Capture supports and respects internationally proclaimed human and labor rights such as the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work, as well as the International Bill of Human Rights, the UK Modern Slavery Act and the OECD Guidelines for Multinational Enterprises.

We acknowledge all employees' right to form and join trade unions of their own choice. We will not use child or forced labor and have zero tolerance for modern slavery, human trafficking and working conditions or treatment that conflicts with international laws, regulations, and generally accepted practices.

We are committed to implementing and enforcing effective systems to cease, prevent and mitigate adverse impacts on human rights that we may have caused, contributed to or be linked to through our operations and supply chain. Reducing the risks of such adverse impacts is done by conducting a human rights impact assessment and due diligence of our operations and business partners. The company's procedures and risk mitigation efforts are risk-based, focusing on the operations and business partners where the probability for adverse impacts on human rights is highest.

If Aker Carbon Capture causes, contributes to or is linked to adverse impacts on human rights, the company will take necessary steps to cease, prevent and/or mitigate (as appropriate) the adverse impacts.

Our approach

Aker Carbon Capture has established guidelines and routines to prevent adverse impacts on human rights and decent working conditions throughout the company's operations. Our human rights policy is described in the [Code of Conduct](#) and [Sustainability Policy](#), both of which are approved by the Board of Directors. Internal procedural requirements to conduct human rights impact assessments and due diligence of business partners are described in the company's [Sustainability Policy](#) and the Sales, Procurement and Integrity Due Diligence (IDD) procedures. These policies and procedures are available in the company's management system.

Aker Carbon Capture expects that our business partners adhere to the Code of Conduct for Business Partners, a new policy document that was implemented in 2022. The document describes key mandatory principles related to governance and sustainability, including the respect and protection of human and labor rights and performance of human rights impact assessments. The Code of Conduct for Business Partners is available on the company [website](#).

Besides our internal policies and procedures, the company is also covered by the Global Framework Agreement between Aker ASA, the Norwegian United Federation of Trade Unions (Fellesforbundet), IndustriALL Global Union, NITO and Tekna. The agreement commits Aker and its portfolio companies to respect and support fundamental human rights and union rights in societies where the companies operate.

Governance

The Board of Directors is responsible for overseeing the company's implementation of applicable laws and regulations, including the Transparency Act, and is the owner of the Code of Conduct and Sustainability Policy.

The Audit Committee supports the board in executing oversight over the management of the company and has been given a review role related to ESG topics, including risk of adverse impacts on human rights and decent working conditions. In 2022, the Audit Committee and the executive management received regular progress updates related to the

implementation of the Transparency Act, relevant risks of adverse impacts and mitigating actions.

The Chief Executive Officer is responsible for the daily operations of the company, including policy implementation and ensuring that ESG impacts are considered in the company's operations.

The compliance function maintains the company's human rights policies and procedures, including the due diligence procedures, and is responsible for rolling out training and awareness initiatives.

The line management is responsible for implementing the company policies, procedures and any relevant risk mitigating actions.

All Aker Carbon Capture employees have a responsibility to protect human rights and decent working conditions and must report suspected infringements of these rights. This responsibility is described in the Code of Conduct.

Human rights impact assessment

Aker Carbon Capture considers the risk of adverse impacts on human rights to be limited for its own operations as these are primarily office-based and based in countries where human rights are recognized and protected by national authorities, and/or where the risk of adverse impacts on human rights is generally considered low.

On the customer side, there were limited site operations on our ongoing projects in 2022, which reduces the risks of adverse impacts on our personnel and those involved, associated and potentially impacted by such operations.

On the supplier side, the risks of adverse impacts are considered relevant because the company procures from industries that have inherent risks of adverse impacts on human rights. To identify whether such inherent risks are relevant in our operations, we conducted a human rights impact assessment focusing specifically on our supply chain. To determine potential adverse impacts on human rights, we combined factors and known risks associated with the production location and industries our suppliers operate within, with the spend values and our perceived ability to influence change.

The assessment did not identify adverse impacts linked to or caused by our suppliers and we have not identified adverse impacts on human rights in our own or our customers' operations. Nevertheless, there is an

inherent risk associated with the industries that the company procures from. Specifically, this involves risks of child labor, forced labor, poor working conditions (long hours and low wages), affected and exploited land and communities, health and safety issues, exploitation of migrant workers, lack of collective bargaining and freedom of association, and lack of equality, diversity and inclusion.

Considering Aker Carbon Capture's operating model, the production location of our suppliers combined with limited use of migrant workers, labor intensive work and low skilled labor, we consider the risks of these adverse impacts materializing to be limited. Further, the items procured are highly technical and require skilled competence, which reduces the risks of child labor specifically. Nevertheless, the company recognizes that risks of adverse impacts on human rights cannot categorically be ignored based on the above risk reducing factors alone, and therefore considers due diligence, regular risk assessments and continuous monitoring to be of utmost importance to prevent, detect and respond to potential adverse impacts on human rights.

Reducing risks of negative impacts

Due diligence

Based on the results of the 2022 human rights impact assessment, Aker Carbon Capture updated internal procedures and routines. Specifically, risk based due diligence was added as a mandatory requirement in the company's IDD, sales and procurement procedures. Background screening of all new and current business partners was also added as a mandatory requirement.

To make sure we prioritize our efforts towards the areas with the highest risks, a method to identify suppliers with elevated risks of adverse impacts was developed. The method combines three factors: 1) type of procurement 2) production location and 3) delivery scope. For suppliers that are, based on these factors, defined as medium and high risk, increased human rights due diligence is pursued.

If the due diligence process reveals risks or concerns relating to adverse human rights impacts, dialogue, reviews or audits will be initiated to obtain more information. Aker Carbon Capture will seek to work together with and engage stakeholders, suppliers and other business partners to improve conditions and correct weaknesses.

Communication

A communication channel for human rights related grievances was established on the company [website](#), and an Information Request Procedure, describing the internal roles and process for handling general information requests from the public, were implemented.

Training and awareness

Training and awareness are important tools to equip employees with relevant competence so they can take responsibility for and contribute to the identification, assessment and prevention of adverse impacts on human rights and decent working conditions in our daily operations.

In 2022, a 30-minute e-learning course about human rights was rolled out to a majority of the company's employees. Tailored training on the updated procedures and new routines was given to the company's procurement and sales teams.

Priorities for 2023

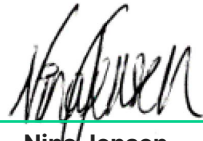
Aker Carbon Capture will continue to work proactively to identify, assess and prevent potential negative impacts on human rights in 2023. The company will monitor the implementation of its due diligence procedures and current business relationships, it will update its human rights impact assessment, and strengthen its internal competence in performing human rights audits. Audits of critical suppliers in ongoing projects will also be initiated. Sustainability dialogues, including human rights topics, will be established with critical suppliers and further internal training and awareness initiatives will be rolled out.

Fornebu, 14 March 2023

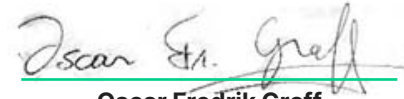
Board of Directors and Chief Executive Officer of Aker Carbon Capture ASA



Kristian Røkke
CHAIR



Nina Jensen
Director



Oscar Fredrik Graff
Director



Liv Monica Stubholt
Director



Linda Litlekalsøy Aase
Director



Bent Christensen
Director



Åse Marit Hansen
Director



Vålborg Lundegaard
Chief Executive Officer



Consolidated financial statements

Declaration by the Board of Directors and Chief Executive Officer	67
Income statement and other comprehensive income	68
Balance sheet	69
Statement of change in equity	70
Cash flow statement	71
Notes to the consolidated financial statements	72
General information	72
Income statement	73
Balance sheet	77
Other Information	82

Declaration by the Board of Directors and Chief Executive Officer

The board and Chief Executive Officer have today considered and approved the Annual Integrated Report and financial statements for the Aker Carbon Capture group and its parent company Aker Carbon Capture ASA for the year ended 31 December 2022. The board has based this declaration on reports and statements from the group's Chief Executive Officer, Chief Financial Officer and on the results of the group's activities, as well as other information that is essential to assess the group's position which has been provided to the Board of Directors.

To the best of our knowledge:

- The financial statements for 2022 for Aker Carbon Capture group and its parent company have been prepared in accordance with all applicable accounting standards.
- The information provided in the financial statements gives a true and fair portrayal of the group and its parent company's assets, liabilities, profit and overall financial position as of 31 December 2022.
- The Annual Integrated Report provides a true and fair overview of the development, profit and financial position of Aker Carbon Capture group and its parent company, as well as the most significant risks and uncertainties facing the group and the parent company.

Fornebu, 14 March 2023

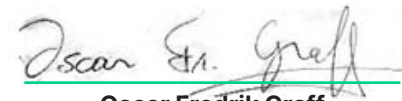
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Director



Bent Christensen
Director



Åse Marit Hansen
Director



Valborg Lundegaard
Chief Executive Officer

Income statement

Consolidated statement for the year ended 31 December

Amounts in NOK thousand	Note	2022	2021
Revenues	3, 15	780,863	363,177
Materials, goods and services	15	(705,807)	(332,814)
Salary and other personnel costs	11	(152,140)	(92,102)
Other operating expenses	4, 15	(134,663)	(128,104)
Operating profit (loss) before depreciation, amortization and impairment		(211,746)	(189,843)
Depreciation and amortization	7, 8, 10	(11,008)	(5,346)
Operating profit (loss)		(222,754)	(195,189)
Financial income		18,377	3,149
Financial expenses		(793)	(659)
Foreign exchange gain (loss)	15	1,097	399
Net financial items		18,682	2,889
Profit (loss) before tax		(204,072)	(192,301)
Tax benefit (expense)	5	—	—
Profit (loss) for the period		(204,072)	(192,301)
Earnings (loss) per share in NOK (basic and diluted)	6	(0.34)	(0.33)

Other comprehensive income

Consolidated statement for the year ended 31 December

Amounts in NOK thousand	Note	2022	2021
Profit (loss) for the period		(204,072)	(192,301)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges - effective portion of changes in fair value	15	5,529	—
Translation differences - foreign operations		114	8
Other comprehensive income (loss)		5,642	8
Total comprehensive income (loss)		(198,430)	(192,293)

Balance sheet

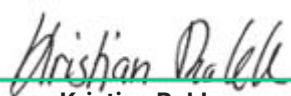
Consolidated statement for the year ended 31 December

Amounts in NOK thousand	Note	2022	2021
Assets			
Non-current assets			
Property, plant and equipment	7	48,892	7,732
Right-of-use assets	10	5,530	14,242
Intangible assets	8	73,152	11,292
Total non-current assets		127,573	33,266
Current assets			
Trade and other receivables	9	67,005	248,966
Customer contract assets	3, 15	8,663	6,340
Derivative financial assets		677	—
Cash and cash equivalents		1,092,669	1,321,270
Total current assets		1,169,013	1,576,576
Total assets		1,296,587	1,609,841

Equity and liabilities	Note	2022	2021
Equity			
Share capital		604,242	604,242
Other equity and reserves		273,597	472,034
Total equity	12	877,839	1,076,276
Non-current liabilities			
Pension liabilities	11	3,112	2,685
Non-current lease liabilities	10	—	6,091
Total non-current liabilities		3,112	8,775
Current liabilities			
Current lease liabilities	10	6,356	9,714
Trade and other payables	9	317,936	184,138
Customer contract liabilities	3, 15	91,343	330,938
Total current liabilities		415,635	524,790
Total equity and liabilities		1,296,587	1,609,841

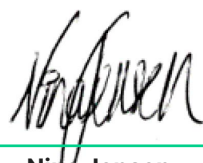
Fornebu, 14 March 2023

Board of Directors and Chief Executive Officer of Aker Carbon Capture ASA



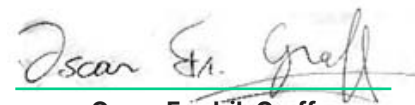
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Director



Linda Litlekalsøy Aase

Director



Bent Christensen

Director



Åse Marit Hansen

Director



Valborg Lundegaard

Chief Executive Officer

Statement of change in equity

Consolidated statement of changes in equity

Amounts in NOK thousand	Note	Share capital	Other paid-in capital	Other equity	Retained earnings	Hedging reserve	Currency translation reserve	Total equity
2021								
Equity as of 1 January 2021		566,060	432,893	(502,633)	(44,460)	—	—	451,860
Profit (loss) for the period		—			(192,301)	—	—	(192,301)
Other comprehensive income		—			—	—	8	8
Total comprehensive income		—	—	—	(192,301)	—	8	(192,293)
Share issue		38,182	801,818	—	—	—	—	840,000
Transaction costs, share issue		—	(23,291)	—	—	—	—	(23,291)
Equity as of 31 December 2021		604,242	1,211,420	(502,633)	(236,761)	—	8	1,076,276
2022								
Profit (loss) for the period		—	—	—	(204,072)	—	—	(204,072)
Other comprehensive income		—	—	—	—	5,529	114	5,642
Total comprehensive income		—	—	—	(204,072)	5,529	114	(198,430)
Share issue		—	—	—	—	—	—	—
Transaction costs, share issue		—	(8)	—	—	—	—	(8)
Equity as of 31 December 2022		604,242	1,211,412	(502,633)	(440,833)	5,529	122	877,839

Cash flow statement

Consolidated statement for the year ended 31 December

Amounts in NOK thousand	Note	2022	2021
Profit (loss) before tax		(204,072)	(192,301)
Adjustment for:			
Depreciation		11,008	5,346
Accrued interest and foreign exchange		(16,911)	(1,895)
Hedge adjustment, no cash effect	15	1,020	—
Net income after adjustments		(208,955)	(188,850)
Changes in current operating assets and liabilities		73,589	243,039
Cash generated from operating activities		(135,367)	54,190
Interest received		18,377	3,148
Interest paid		(745)	(658)
Cash flow from operating activities		(117,734)	56,681
Acquisition of property, plant and equipment		(42,573)	(5,341)
Payments for capitalized development		(62,741)	(7,769)
Cash flow from investing activities		(105,314)	(13,110)
Payment of lease liability	10	(9,448)	(4,888)
Proceeds from share issues		—	840,000
Transaction costs related to share issues		—	(15,112)
Cash flow from financing activities		(9,448)	820,000
Effect of exchange rate changes on cash and bank deposits		3,896	—
Net cash flow in the period		(228,601)	863,571
Cash and cash equivalent at the beginning of the period		1,321,270	457,699
Cash and cash equivalent at the end of the period		1,092,669	1,321,270



Notes to the consolidated financial statements

NOTE 1 Company information

Aker Carbon Capture ASA is a limited liability company incorporated and domiciled in Norway, whose shares are traded on Oslo Stock Exchange. The registered office is located at Oksenyveien 8, Bærum, Norway. The largest shareholder is Aker Horizons Holding AS and the ultimate parent company is The Resource Group TRG AS.

The consolidated financial statements of Aker Carbon Capture ASA and its subsidiary (collectively referred as Aker Carbon Capture or the group, and separately as group companies) for the year ended 31 December 2022 were approved by the Board of Directors and Chief Executive Officer on 14 March 2023. The consolidated financial statements will be authorized by the annual general meeting on 18 April 2023.

Aker Carbon Capture is a global provider of products, technology and solutions within the field of carbon capture, utilization and storage, and is one of the few companies globally that are involved in the entire CCUS value chain. The company trades on the Oslo Stock Exchange (Oslo Børs), under the ticker ACC.

Information on the group's structure is provided in Note 16 Group companies. Information on other related party relationships is provided in Note 17 Related parties.

NOTE 2 Basis of preparation

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 31 December 2022.

Going concern basis of accounting

The consolidated financial statements have been prepared on a going concern basis.

Functional and presentation currency

The consolidated financial statements are presented in NOK, which is Aker Carbon Capture ASA's functional currency. All financial information presented in NOK has been rounded to the nearest thousand (NOK thousand), except when otherwise stated. The subtotals and totals in some of the tables in these consolidated financial statements may not equal the sum of the amounts shown due to rounding. When the functional currency in a reporting unit is changed, the effect of the change is accounted for prospectively.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

Cash flow statement

The statement of cash flow is prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, cash pool arrangements and other short-term liquid investments.

Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2022 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.

Judgments and estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, 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 area where judgements and estimates have been made are related to the recognition of revenue according to IFRS 15. For more information, please refer to Note 3 Revenue.

Climate and nature related risk

Aker Carbon Capture is exposed to climate-related risks mainly due to its sites, supply chain, and technology. The climate-related financial risks for Aker Carbon Capture range from both physical acute and chronic ones, to regulatory, and technological. Even though the overall climate-related risk is low, effective assessment and analysis of climate-related risks and opportunities are critical to understanding their potential impacts on asset valuations, revenue, investment needs, and hence financial resilience of the company.

To successfully identify and manage climate-related risks and opportunities, Aker Carbon Capture used the Taskforce on Climate-related Financial Disclosures (TCFD) framework. The results of this assessment inform Aker Carbon Capture's strategy, investments, financial planning, valuations and allow stakeholders to comprehend Aker Carbon Capture's financial ramifications of climate-related exposure. Full Aker Carbon Capture's TCFD report can be found [here](#).

The identified risks are considered to have a higher probability in the longer term, and as such they have had no impact on the measurement of assets and liabilities in these financial statements, mainly consisting of shorter term items.

NOTE 3 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 CO₂.

Nature of performance obligations, including significant payment terms

Construction contracts

Under construction contracts, specialized products are built for a specific customer 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.

Service revenue

Service revenue is generated from rendering of services to customers. The invoicing is usually based on the service provided on a 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.

Performance obligations

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 have been delivered.

Accounting principles

Revenue from 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. The full loss is recognized immediately when identified on loss-making contracts. The loss is determined based on revenue less direct cost and an allocation of overhead that relate directly to the contract. 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.

Judgements and estimates

Revenue is recognized based on an estimated progress calculation multiplied with the total contract revenue. Estimates in the progress calculation includes both total cost and total revenue, as well as actual incurred cost on the balance sheet date. It can be challenging to estimate the expected revenue and cost in the company's customer contracts, in particular if there are operational challenges. The most significant judgments and estimates in the customer contracts are linked to the total contract cost. The cost estimates can significantly impact revenue recognition for contracts using cost progress, particularly in lump sum construction contracts. The forecasting of total project cost depends on the ability to properly execute the engineering and design phase, availability of skilled resources, manufacturing capacity, procurement and supply chain performance, productivity and quality factors, performance of subcontractors and sometimes also weather conditions. Experience, systematic use of the project execution model and focus on core competencies reduce, but do not eliminate, the risk that cost estimates may change significantly.

Major customers

In 2022, revenues were mainly related to the EPC-deliveries to Norcem Heidelberg Materials (Brevik CCS project) and the Twence CCU project in the Netherlands. Both contracts are recognizing profit.

Types of contracts

The Brevik CCS project consists 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.

The Twence CCU project consist of delivering a modular carbon capture plant (Just Catch) at Twence's waste-to-energy plant in Hengelo, the Netherlands. The Twence CCU project is expected to be in operation towards the end of 2023.

In addition, revenue recognized during 2022 related to various studies, FEEDs and mobile test unit campaigns.

Amounts in NOK thousand	2022	2021
Construction revenue	735,669	338,442
Service revenue	45,194	24,735
Total	780,863	363,177

Geographical information

External revenue is presented on the basis of geographical location of the selling company.

Amounts in NOK thousand	2022	2021
Norway	743,641	361,623
United Kingdom	36,208	1,177
Other	1,015	378
Total	780,863	363,177

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 31 December 2022, was NOK 1.3 billion, mainly consisting of the Brevik CCS project, Twence CCU project, bp Net Zero Teesside FEED, and SSE Keadby 3 FEED. The revenue is expected to be recognized over the years 2023-2024.

Major customers

The group has contracts in place for carbon capture and storage services with two major customers. The operating revenue, in both 2022 and 2021, was mainly related to these contracts.

Contract balances

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

Amounts in NOK thousand	Note	2022	2021
Trade receivables	9	25,464	236,834
Customer contract assets		8,663	6,340
Customer contract liabilities		91,343	330,938

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.

NOTE 4 Expenses

Other operating expenses by nature

Amounts in NOK thousand	Note	2022	2021
IT Services		29,441	13,360
External consultants and hired-ins inclusive audit fees ¹	17	91,718	103,921
Other operating expenses		13,504	10,823
Total		134,663	128,104

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

Fees to external auditor

Amounts in NOK thousand	Aker Carbon Capture ASA		Other group companies		Total	
	2022	2021	2022	2021	2022	2021
Audit fee PWC	158	—	388	—	546	—
Audit fee KPMG	—	250	50	167	50	417
Other assurance services PWC	—	—	52	—	52	—
Other assurance services KPMG	—	458	20	14	20	473
Other non-audit services PWC	—	—	—	—	—	—
Other non-audit services KPMG	—	—	—	—	—	—
Total	158	708	510	181	668	890

NOTE 5 Tax

Accounting 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 substantively 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. Neither the company nor any taxable subsidiaries existed before 8 July 2020 when the company was incorporated. No net taxable income has been reported for the years presented and no deferred tax assets have been recognized as uncertainty for future taxable income exists.

Effective tax reconciliation

Amounts in NOK thousand	Note	2022	2021	
Profit before tax		(204,072)	(192,301)	
Expected tax rate		44,679	42,306	21.9 % 22.0 %
Tax effects of:				
Permanent differences		(168)	5,185	(0.1)% 2.7 %
Effect of different tax rates		(355)	(119)	(0.2)% (0.1)%
Tax effect loss on sale of treasury shares		—	—	0.0 % 0.0 %
Difference due to continuity method ¹		13,471	13,471	6.6 % 7.0 %
No recognition of deferred tax assets		(57,628)	(60,844)	(28.2)% (31.6)%
Total income tax benefit (expense)		—	—	

¹ The acquisition of business from Aker Solutions in July 2020 is recognized at fair values in statutory accounts.

Deferred tax position

Amounts in NOK thousand	2022	2021
Projects under construction	48,792	16,535
Property, plant and equipment	(5,322)	(7,024)
Intangible assets	(344,905)	(391,800)
Other liabilities	(6,593)	(2,786)
Tax loss carry forwards	(667,737)	(387,910)
Pension	(2,872)	(2,685)
Other	542	634
Total deferred tax positions	(978,095)	(775,036)
Not recognized in the balance sheet ¹	978,095	775,036
Deferred tax asset (liability)	—	—

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

NOK 638 million of tax loss carry forwards is related to Norwegian entities, and there are no expiry date on these losses.

NOTE 6 Earnings per share

Aker Carbon Capture ASA holds 604,242,218 ordinary shares as of 31 December 2022. The company holds no treasury shares.

Amounts in NOK thousand	2022	2021
Profit (loss) for the period	(204,072)	(192,301)
Basic/ diluted earnings per share (NOK)		
Issued ordinary shares at 1 January	604,242,218	566,060,400
Effect of shares issued in August 2021	—	14,749,689
Weighted average number of issued ordinary shares for the year	604,242,218	580,810,089
Earnings (loss) per share in NOK (basic and diluted)	(0.34)	(0.33)



NOTE 7 Property, plant and equipment

Property, plant and equipment consists of the Mobile Test Units (MTUs) for carbon capture and capitalized IT equipment.

Accounting principles

Property, plant and equipment (PPE) is stated at cost less accumulated depreciation and impairment losses. Components of property, plant and equipment with different useful lives are accounted for separately. Assets are normally depreciated on a straight-line basis over their expected economic lives as follows:

- Machinery: 5-8 years
- IT Equipment: 3 years

Impairment triggers are assessed at the end of the reporting period, and impairment testing is performed when triggers have been identified. The cost of self-constructed assets includes the cost of materials, direct labor, production overheads and borrowing cost.

Judgments and estimates

Judgment is involved when determining the depreciation period and when assessing impairment or reversal of impairment. Impairment is assessed for individual assets and for cash generating units. The impairment testing involves judgmental assumptions about future market development, cash flows, determination of weighted average cost of capital (WACC), growth rate and other assumptions that may change over time.

Amounts in NOK thousand	Note	Machinery and equipment
Historical cost		
Balance as of 1 January 2021		2,610
Additions		5,341
Balance as of 31 December 2021		7,951
Balance as of 1 January 2022		7,951
Additions		42,573
Balance as of 31 December 2022		50,524
Accumulated depreciation		
Depreciation for the year		(218)
Balance as of 31 December 2021		(218)
Depreciation for the year ¹		(1,415)
Balance as of 31 December 2022		(1,633)
Book value as of 31 December 2021		
		7,732
Book value as of 31 December 2022		
		48,892

¹ The additions relate to on-going upgrades and no depreciation has been recognized in the period.

Machinery and equipment includes NOK 31,075 thousand of assets under construction related to the new MTU that is expected to be ready for the intended use by mid-2023.

No contractual commitments for the acquisition of property, plant and equipment exist per 31 December 2022.

NOTE 8 Intangible assets

Intangible assets mainly relate to development costs capitalized for the group's carbon capture technologies, product development and costs related to the digitalization program.

Accounting principles Capitalized development

Development costs are 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. Any third-party funding is presented as a reduction of the capitalized amount. 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 to be 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.

The group received public grants for carbon capture technology research activities amounting to NOK 4 million 2022, which have been recognized as expense reduction. There are no unfulfilled conditions or other contingencies related to these grants.

Judgments and estimates

The value in use of some of the intangible assets can be significantly impacted by changes in 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 the assets should be impaired. The valuations, often determined by value in use calculations, will normally be performed based on estimates of future cash flows discounted by an appropriate discount rate. The market capitalization of the group per the reporting date further support management's assumption that the fair value of the group's intangible assets exceeds the carrying values. Significant estimates and judgments made by the management includes discount rate projections for future cash flows and assumptions of future market conditions.

Amounts in NOK thousand	Note	Capitalized development costs
Historical cost		
Balance as of 1 January 2021		3,792
Additions		7,769
Balance as of 31 December 2021		11,561
Balance as of 1 January 2022		11,561
Additions		62,741
Balance as of 31 December 2022		74,302
Accumulated depreciation		
Amortization for the year		(269)
Balance as of 31 December 2021		(269)
Amortization for the year ¹		(881)
Balance as of 31 December 2022		(1,151)
Book value as of 31 December 2021		11,292
Book value as of 31 December 2022		73,152

¹ The additions mainly relate to on-going product development and no amortization has been recognized in the period.

Capitalized development costs include NOK 62,331 thousand of product development, standardization and modularization that will continue in 2023.

Research and development costs

Aker Carbon Capture's research and development activities relate to the enhancement of the group's CO₂ emission removal technology which can be applied to existing plants or new builds. The 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, coal, cement, refineries, and waste-to-energy through to hydrogen and other process industries.

NOK 62,741 thousand has been capitalized in 2022 (11,561 in 2021) related to development activities. In addition, NOK 55,844 thousand in research and development costs 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 that has been recognized as a reduction of costs in the income statement.

Amounts in NOK thousand	2022	2021
Capitalized research and development cost	62,741	7,769
Expensed research and development cost	55,844	73,998
Total research and development spend	118,585	81,767
External funding of research and development cost	(7,866)	(24,545)

NOTE 9 Current operating assets and liabilities

Accounting 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 the group are mainly large companies with low credit risk, and no material impairment losses have been recognized for the reporting periods presented.

Trade and other receivables

Amounts in NOK thousand	Note	2022	2021
Trade receivables	3	25,464	236,834
Public duties and taxes refund		35,379	—
Other receivables		2,719	9,590
Prepaid expenses		3,443	2,542
Total		67,005	248,966

Trade and other payables

Amounts in NOK thousand	Note	2022	2021
Accrued operating expenses		257,278	133,186
Other current liabilities		(23)	2,898
Public duties and taxes		20,199	31,114
Trade payables		40,482	16,939
Total		317,936	184,138

NOTE 10 Leases

In 2020, the group entered into a property lease contract for its offices at Fornebu, Norway. See note 17 Related parties for more information about the lease contract. No other material lease agreements existed for previous periods presented.

Accounting 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 noncancellable 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 (or 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 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	2022	2021
Historical cost		
Balance 1 January	20,981	15,065
Additions and remeasurement	—	5,916
Total	20,981	20,981
Accumulated depreciation		
Balance 1 January	(6,740)	(1,881)
Depreciation	(8,712)	(4,859)
Total	(15,451)	(6,740)
Book value 31 December	5,530	14,242

Lease liability

Amounts in NOK thousand	2022	2021
Balance 1 January	15,805	14,181
Additions and remeasurement	—	5,916
Lease payments	(10,073)	(4,888)
Interest expense	625	596
Total	6,356	15,805
Current lease liability	6,356	9,714
Non-current lease liability	—	6,091

Maturity lease liabilities

Amounts in NOK thousand	2022	2021
Maturity within one year	6,356	9,714
Maturity 1-5 years	—	6,476
Maturity later than 5 years	—	—
Total undiscounted lease liability	6,356	15,241

Expenses related to short-term and low-value assets

Amounts in NOK thousand	2022	2021
Expenses related to short term leases and low value assets	2,354	784

NOTE 11 Employee benefits

Accounting 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

The company does not have any defined benefit plans.

Defined contribution plan

All employees are offered participation in a defined contribution plan. The annual contribution expensed for the Norwegian plans in 2022 was NOK 5,870 thousand.

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 labor 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.

Salaries and wages

Salaries and wages include fixed base salary, holiday pay and variable pay programs. All employees, including the Executive Management Team, participate in the company's variable pay programs.

Compensation to key management

The key management personnel of Aker Carbon Capture include the Board of Directors and the Executive Management Team. Further description about management compensation is included in the [Remuneration Report](#).

Salary and other personnel costs

Amounts in NOK thousand	2022	2021
Salaries and wages	118,220	76,566
Social security costs	14,405	10,138
Pension costs	10,839	4,651
Other employee benefits	8,675	747
Total salary and other personnel costs	152,140	92,102

The company has a total of 133 employees, whereof 117 permanent own employees and 16 contract staff as of 31 December 2022.

Total pension liability

Amounts in NOK thousand	2022	2021
Compensation plan	3,112	2,685
Total	3,112	2,685

NOTE 12 Capital and reserves

Share capital

The total number of outstanding shares in Aker Carbon Capture ASA at 31 December 2022, is 604,242,218 at a nominal value of NOK 1.00 per share. All issued shares are fully paid. Aker Carbon Capture ASA has one class of shares, ordinary shares, with equal rights for all shares. The holders of ordinary shares are entitled to receive dividends and are entitled to one vote per share at general meetings.

Other paid-in capital

Other paid-in capital include share premium net of transaction costs.

Other equity

Other equity includes negative NOK (502,633) thousand in continuity difference from the common control transaction.

Currency translation reserve

The foreign currency translation reserve comprises the aggregate effect since incorporation or acquisition of translating the equity of subsidiaries that have a functional currency different than its parent company to the currency of the parent company, including the group's share of joint venture and associate foreign exchange variations.

NOTE 13 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 group'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 at 31 December 2022 of NOK 1,093 million in cash and cash equivalents, compared to 1,321 million at 31 December 2021. A total of NOK 5.4 million of outstanding cash and cash equivalents as of 31 December 2022 was related to withholding taxes.

NOTE 14 Financial risk management and exposure

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 results and performance. The group is or may be exposed to a variety of financial market risks, such as currency risk, credit risk, interest rate risk, liquidity risk and capital risks, as well as risks associated with access to and terms of financing.

Risk management

Aker Carbon Capture has implemented a risk-based management system with clear policies and procedures to facilitate risk management. The overarching governance policy requires the group to ensure active identification and management of risks in activities to ensure safe operations and achievement of strategic objectives. This risk-based approach has been adopted across all company policies and further operationalized through the group's Enterprise Risk, Quality Operations, and ICFR procedures. Through these governing processes, Aker Carbon Capture control risks, effectuate risk reducing measures, systematically identify business opportunities, increase the effect of improvement efforts, and ensures quality of internal and external reporting. Risk management of financial exposures is performed in every contract and is the responsibility of the project manager. The project manager cooperates with relevant finance managers to identify, evaluate and perform necessary hedging and mitigating actions when necessary.

Currency risk

Aker Carbon Capture has limited currency exposures in current customer contracts and expect this to increase going forward with the projected international growth. Aker Carbon Capture will thus be exposed to currency risk on commercial transactions, recognized assets and liabilities and net investments in foreign operations. Commercial transactions and recognized assets and liabilities are subject to currency risk when payments are denominated in a currency other than the respective functional currency of the group.

The policy requires that all projects hedge their net exposure. Aker Carbon Capture manages the currency risk in the tender period by including currency clauses in the tender, by entering into currency options or by adding a contingency in the tender price to cover for potential currency fluctuations.

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 would be due to disagreements and related to project deliveries and would be solved together with the customer.

Measurement of expected credit losses (ECLs)

Impairment is assessed using the expected credit loss (ECL) method for financial assets. The group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligation to the group 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 group 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 group 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 group is unable to meet the obligations associated with its financial liabilities. The group'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.

Overview of contractual maturities of financial liabilities

Amounts in NOK thousand	Carrying amount	6 months or less	6-12 months
Current lease liabilities	6,356	3,178	3,178
Trade and other payables	317,936	317,936	0
Total liabilities	324,293	321,115	3,178

Price risk

The group is exposed to inflation and 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 and through escalation clauses with customers.

Guarantees

Aker Carbon Capture ASA has entered into a parent company guarantee related to project performance on behalf of group companies. It is common practice to provide bank guarantees as part of the execution of a project, and in this event Aker Carbon Capture Norway AS has entered into a NOK 500 million Advance Payment Guarantee facility. According to the guarantee facility, the group has an obligation to ensure that it has sufficient cash or cash equivalents, whereby the total cash and cash equivalents held by the group shall be at least equal to 20% of any outstanding guarantees under the guarantee facility, and in any event, minimum NOK 100 million.

Although guarantees are financial instruments, they are considered contingent obligations and the notional amounts are not included in the financial statements.

NOTE 15 Derivative financial instruments

Accounting principles

Aker Carbon Capture has future cash flows to be settled in foreign currencies. The risk management policy states that all major projects shall hedge their exposure based on cash flow forecasts and Aker Carbon Capture applies a net hedging strategy where all known and highly probable cash flows shall be included.

Cash flow hedges of foreign currency

Hedging instruments used to hedge the net exposures in future project cash flows include derivatives and non-financial instruments. Foreign exchange forward contracts are the most used derivative, and non-financial instruments include dedicated project bank accounts. In case of changes in the expected currencies or amounts of the hedged items the corresponding derivatives are routinely adjusted. Timing differences or changes in cash flow dates are handled with foreign exchange swaps or dedicated project bank accounts. The hedged items subject to hedge accounting are highly probable transactions in foreign currency expected to occur at various dates during the next one to four years, depending on progress of the projects and firm commitments. The hedging instruments are recognized initially and subsequently at fair value in the balance sheet, and the effective portion of changes in the fair value is recognized in other comprehensive income as a

hedge reserve. The hedge reserve is expected to be transferred to the income statement according to the progress of the projects.

Revenues and material, goods and services are reported at transaction rates and the realized effect of the net hedging strategy is included in other operating expenses.

Aker Carbon Capture designates the full forward foreign exchange contracts to hedge its currency risk and applies a hedge ratio of 1:1. Aker Carbon Capture designates net positions in hedging relationships.

The policy covers critical terms such as currency pair, amount and timing of the forward exchange contracts to align with the hedged items. The existence of an economic relationship between the hedging instrument and hedged items is determined based on matching critical terms of their respective cash flows. In addition, an assessment is made to determine whether the hedging instrument designated in each hedging relationship is expected to be, and has been, effective in offsetting changes in cash flows of the hedged item by the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

- change in the total amount of the hedge item; and
- significant change in the counterparty's and Aker Carbon Capture's credit risk.

Hedge accounting is discontinued with immediate recognition in finance income and expenses in the income statement when the hedge no longer qualifies for hedge accounting, for example upon sale, expiration, termination or when a forecasted transaction is no longer probable. The derivative financial instruments are classified as current assets or liabilities as they are part of the operating cycle.

The effect of hedge accounting per accounting line item:

Amounts in NOK thousand	2022	Of which hedging effect
Revenues	780,863	-543
Materials, goods and services	-705,807	1,564
Other operating expenses	-134,663	-1,020
Foreign exchange gain (loss)	1,097	-4,508
Cash flow hedges - effective portion of changes in fair value	5,529	5,529
Customer contract assets	8,663	1,564
Customer contract liabilities	91,343	543

NOTE 16 Group companies

Accounting principles

The consolidated statements include all entities controlled by Aker Carbon Capture ASA. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

Group companies

If not stated otherwise, ownership equals the percentage of voting shares.

Company	Location	Country	2022	2021
			Ownership	
Aker Carbon Capture Holding AS	Oslo	Norway	100 %	100 %
Aker Carbon Capture Norway AS	Oslo	Norway	100 %	100 %
Aker Carbon Capture Denmark A/S	Copenhagen	Denmark	100 %	100 %
Aker Carbon Capture UK Ltd	Leeds	UK	100 %	100 %
Aker Carbon Capture India Pvt Ltd	Mumbai	India	100 %	—
Aker Carbon Capture Netherlands BV	Amsterdam	Netherlands	100 %	—

NOTE 17 Related parties

Accounting 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 Aker Carbon Capture that would not necessarily be undertaken between unrelated parties.

Aker Carbon Capture ASA at 31 December 2022 is a parent company with control of the group entities as listed in note 16 Group companies. Any transactions between the parent company and the group entities are eliminated in the consolidated financial statements.

Remunerations and transactions with directors and executive officers are summarized in the [Remuneration Report](#).

The largest shareholder of Aker Carbon Capture ASA is Aker Horizons Holding AS (previously Aker Horizons AS) which in turn is controlled by Kjell Inge Røkke through Aker ASA, TRG Holding AS and The Resource Group TRG AS. The Resource Group TRG AS is the ultimate parent company of Aker Carbon Capture ASA. In this respect, all entities controlled by Aker ASA and entities which Kjell Inge Røkke and his close family controls

through The Resource Group TRG AS are considered related parties to Aker Carbon Capture ASA and referred to as "Aker entities" in the table below.

Agreements with related parties to Aker

Aker Solutions

Global frame agreements

On 31 July 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. 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 CCS project

In December 2020, Aker Carbon Capture awarded Aker Solutions a contract for engineering, procurement and management assistance services to realize the carbon capture plant at the Brevik cement factory in southern Norway.

Twence CCU project

In June 2021, Aker Carbon Capture entered into a pass-through agreement with Aker Solutions relating to the design and construct of the CO₂ capture and liquefaction project with Twence B.V. The formal contractor position remains with Aker Solutions, whereas Aker Carbon Capture assumes all risks, obligations, and benefits under the agreement with Twence B.V.

Agreements with Aker entities

Aker Horizons Holding AS

Aker Carbon Capture has entered into a cooperation and shared service agreement with Aker Horizons Holding AS. The agreement includes finance and accounting services, business development and M&A support, and other support functions. Also, legal resources are seconded from Aker Horizons to Aker Carbon Capture. Further, the group has entered into a sublease agreement with Aker Horizons Holding AS for its headquarter offices at Fornebu.

Aker ASA

The group has entered into an IT service agreement with Aker ASA for delivery of IT services to the group.

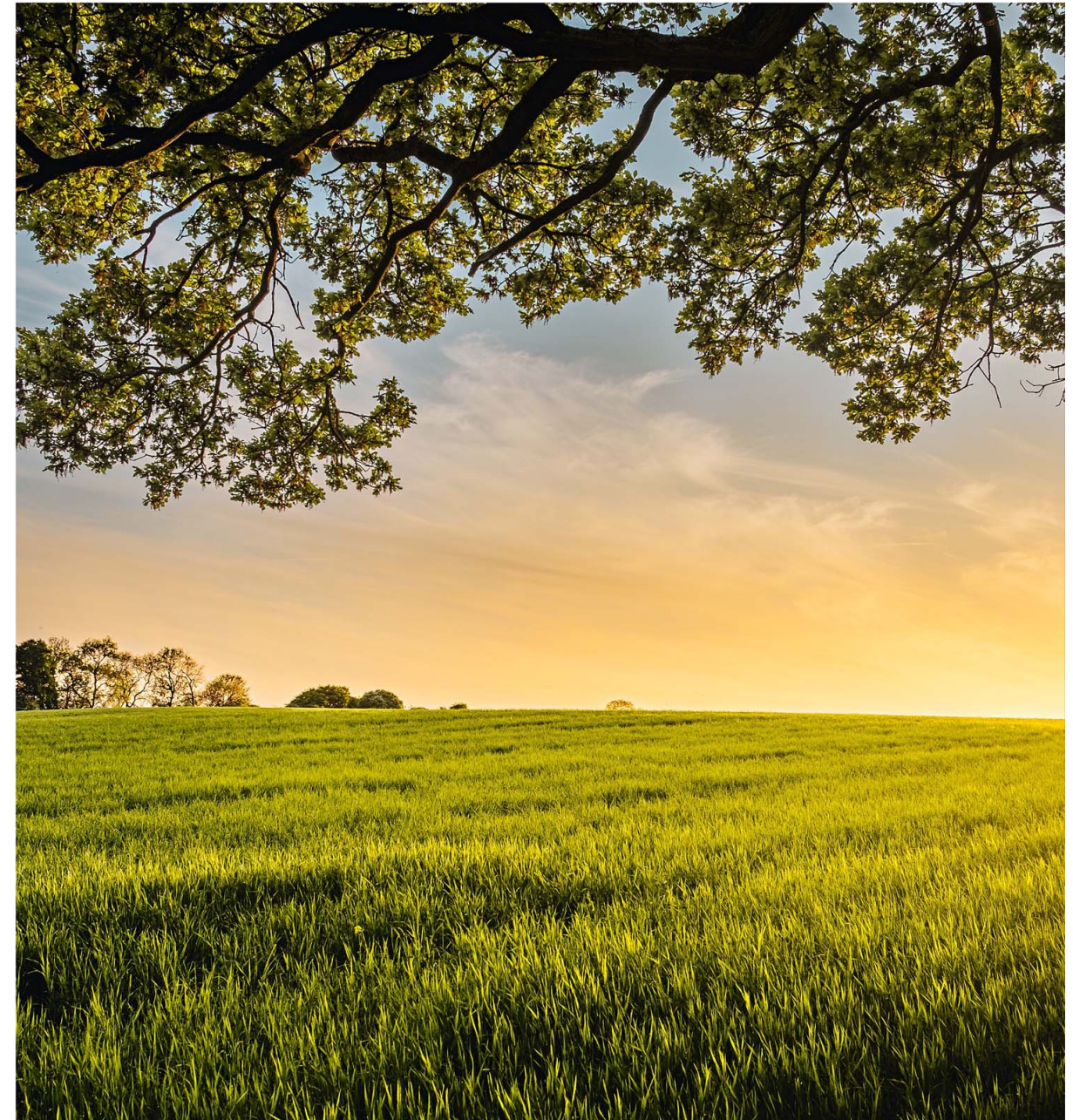
Aize/Cognite

Aker Carbon Capture has had a cooperation agreement with Cognite AS and Aize AS as part of the agenda to invest in products, services and R&D with the intent of developing software and associated processes to enable new ways of working along the entire CCUS value chain. The group has also entered into a software as a service agreement with Cognite AS for their industrial data operations platform CDF.

Significant related party transactions

Summary of transactions and balances with significant related parties:

Amounts in NOK thousand	Aker entities	Related parties to Aker	Total
2022			
Income statement			
Revenues	7,973	25,799	33,772
Operating expenses	(75,235)	(250,084)	(325,319)
Net financial items (lease liability)	(625)	—	(625)
Balance sheet			
Trade and other receivables	1,976	—	1,976
Trade and other payables	(7,048)	(88,573)	(95,621)
Lease liabilities	(6,356)	—	(6,356)
2021			
Income statement			
Revenues	88	3,497	3,585
Operating expenses	(44,055)	(181,521)	(225,576)
Net financial items (lease liability)	(596)	—	(596)
Balance sheet			
Trade and other receivables	—	2,060	2,060
Trade and other payables	(11,249)	(1,067)	(12,316)
Lease liabilities	(15,805)	—	(15,805)





Parent company financial statements

Parent company income statement	87
Parent company balance sheet	88
Parent company cash flow statement	89
Notes to the parent company financial statements	90
Company information	90
Basis of accounting	90
Expenses	90
Tax	90
Investment in group companies	91
Cash pool arrangement	91
Shareholders equity	91
Related parties	91
Shareholders	92

Parent company income statement

Statement for the period ended 31 December

Amounts in NOK thousand	Note	2022	2021
Revenues		710	76
Operating expenses	3	(14,207)	(13,462)
Operating profit (loss)		(13,497)	(13,386)
Financial income	6	17,895	1,487
Financial expenses	6	(6,504)	(69)
Net financial items		11,392	1,418
Profit (loss) before tax		(2,106)	(11,968)
Tax benefit (expense)	4	—	—
Profit (loss) for the period		(2,106)	(11,968)



Parent company balance sheet

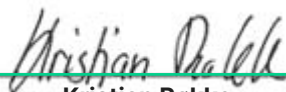
Statement for the period ended 31 December

Amounts in NOK thousand	Note	2022	2021
Assets			
Non-current assets			
Investment in group companies	5	1,013,073	1,012,903
Total non-current assets		1,013,073	1,012,903
Current assets			
Current operating assets	6	3,507	4,026
Cash and cash equivalents	6	1,085,602	795,743
Total current assets		1,089,109	799,768
Total assets		2,102,182	1,812,672

Amounts in NOK thousand	Note	2022	2021
Equity and liabilities			
Equity			
Share capital		604,242	604,242
Share premium		1,211,978	1,211,978
Retained earnings		(15,948)	(13,843)
Total equity	7	1,800,272	1,802,377
Current liabilities			
Current operating liabilities	6	301,911	10,294
Total current liabilities		301,911	10,294
Total equity and liabilities		2,102,182	1,812,672

Fornebu, 14 March 2023

Board of Directors and Chief Executive Officer of Aker Carbon Capture ASA



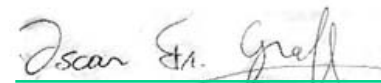
Kristian Røkke

CHAIR




Nina Jensen

Director



Oscar Fredrik Graff

Director



Liv Monica Stubholt

Director



Linda Litlekalsøy Aase

Director



Bent Christensen

Director



Åse Marit Hansen

Director



Valborg Lundegaard

Chief Executive Officer



Parent company cash flow statement

Statement for the year ended 31 December

Amounts in NOK thousand	Note	2022	2021
Profit (loss) before tax		(2,106)	(11,968)
Changes in operating assets and liabilities		(4,335)	(5,857)
Cash flow from operating activities		(6,440)	(17,825)
Investment in group companies		(170)	(25,873)
Cash flow from investing activities		(170)	(25,873)
Changes in borrowings to/from group companies	6	296,469	—
Proceeds from share issues	7	—	840,000
Transaction costs related to share issues	7	—	(15,112)
Cash flow from financing activities		296,469	824,888
Net cash flow in the period		289,860	781,190
Cash and cash equivalent at the beginning of the period		795,743	14,553
Cash and cash equivalent at the end of the period		1,085,602	795,743

Notes to the parent company financial statements

Note 1 Company information

Aker Carbon Capture ASA is the parent company in the Aker Carbon Capture group, and is domiciled in Norway. On 26 August 2020, the company was made available for trading on Euronext Growth (Oslo) under the ticker ACC-ME, and on 18 June 2021 the company moved from Euronext Growth (Oslo) to Oslo Stock Exchange (Oslo Børs). The company now trades under the ticker ACC.

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 ASA's functional currency. All financial information presented in NOK has been rounded to the nearest thousand (NOK thousand), except when otherwise stated. The subtotals and totals in some of the tables in these financial statements may not equal the sum of the amounts shown due to rounding.

Foreign currency

Transactions in foreign currencies are translated at the exchange rate applicable 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/liabilities.

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, cash pool arrangements and other short-term liquid investments.

Note 3 Expenses

Aker Carbon Capture ASA has no employees and hence no personnel expenses. The Chief Executive Officer is employed by Aker Carbon Capture Norway AS.

Remuneration to and shareholding of the Chief Executive Officer and the Board of Directors are described in the [Remuneration Report](#).

Amounts in NOK thousand	2022	2021
Audit fee PWC	158	—
Audit fee KPMG	—	250
Other assurance services KPMG	—	458
Other non-audit services PWC	—	—
Total	158	708

Note 4 Tax

Accounting principles

Tax income or expense in the income statement comprise current tax and changes in deferred tax. Deferred tax is calculated as 22 percent of temporary differences between accounting and tax values as well as any tax losses carried forward at year-end. Deferred tax assets are recognized only to the extent it is probable that they will be utilized against future taxable profits.

Amounts in NOK thousand	2022	2021
Profit (loss) before tax	(2,106)	(11,968)
Permanent differences	(75)	(22,861)
Taxable income (loss)	(2,181)	(34,830)

Aker Carbon Capture ASA has tax loss carry forwards of NOK 51,274 thousand. Deferred tax assets related to tax loss carry forwards not recognized as the group is newly founded and has no history of taxable profits.

Note 5 Investments in direct subsidiaries

Accounting principles

Investments in subsidiaries are measured at cost. The investments are written down to fair value when the impairment is not considered to be temporary. Impairment losses are reversed if the basis for the impairment is no longer present.

Dividends and other distributions from subsidiaries are recognized in the same year as they are recognized in the financial statement of the provider. If the distributed dividend in the subsidiary exceeds accumulated profits in the ownership period, the payment is treated as a reduction 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 Holding AS	Fornebu, Norway	33,000	3,000	100 %	1,001,159
Aker Carbon Capture UK Ltd	Leeds, UK	11,854,100	1,000,001	100 %	11,914
Total					1,013,073

Note 6 Cash pool arrangement

Aker Carbon Capture ASA is the owner of the cash pool arrangement with DNB. The cash pool arrangement covers most companies within the group. The participants are jointly and severally liable, and it is therefore important that Aker Carbon Capture as a group is financially viable and can repay deposits and carry out transactions. Any debit balance on a sub account can be set off against any credit balance. Hence, a debit balance represents a claim on Aker Carbon Capture ASA and a credit balance a borrowing from Aker Carbon Capture ASA.

Amounts in NOK thousand	2022	2021
Group companies' borrowing in the cash pool arrangement	(2,053)	—
Group companies' deposits in the cash pool arrangement	298,522	—
Aker Carbon Capture ASA's net deposits in the cash pool arrangement	789,133	—
Cash in the cash pool arrangement	1,085,602	—

Note 7 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	Retained earnings	Total equity
Equity as of 1 January 2021	566,060	433,451	(1,874)	997,637
Share issue	38,182	801,818	—	840,000
Transaction costs, share issue	—	(23,291)	—	(23,291)
Profit (loss) for the period	—	—	(11,968)	(11,968)
Total equity as of 31 December 2021	604,242	1,211,978	(13,843)	1,802,377
Profit (loss) for the period	—	—	(2,106)	(2,106)
Total equity as of 31 December 2022	604,242	1,211,978	(15,948)	1,800,272

The share capital of Aker Carbon Capture ASA is divided into 604,242,218 shares with a nominal value of NOK 1.00. All issued shares are fully paid. The shares can be freely traded. See note 9 Shareholders for an overview of the company's largest shareholders.

Note 8 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 ASA have been based on arm's length terms.

Transactions with related parties

Remuneration to Chief Executive Officer and Board of Directors are described in the [Remuneration Report](#).

Guarantees

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

Note 9 Shareholders

Shareholders with more than 1 percent shareholding per 31 December 2022 are listed below.

Company	Nominee	Number of shares held	Ownership
2022			
Aker Horizons Holding AS		261,438,859	43.30 %
State Street Bank and Trust Comp	Nominee	27,399,391	4.50 %
Clearstream Bankin A.S	Nominee	23,134,762	3.80 %
Morgan Stanley & Co. Int. Plc.	Nominee	20,048,476	3.30 %
J.P. Morgan SE	Nominee	11,558,758	1.90 %
State Street Bank and Trust Comp	Nominee	11,226,101	1.90 %
The Bank of New York Mellon	Nominee	10,538,898	1.70 %
State Street Bank and Trust Comp	Nominee	9,186,261	1.50 %
State Street Bank and Trust Comp	Nominee	8,440,746	1.40 %
BNP Paribas	Nominee	8,193,998	1.40 %
2021			
Aker Horizons Holding AS		255,757,041	42.33 %
Morgan Stanley & Co. Int. Plc.	Nominee	22,342,726	3.70 %
Clearstream Banking S.A.	Nominee	18,161,592	3.01 %
State Street Bank and Trust Comp	Nominee	17,773,875	2.94 %
The Bank of New York Mellon	Nominee	14,484,615	2.40 %
Folketrygdfondet		13,621,554	2.25 %
J.P. Morgan Bank Luxembourg S.A.	Nominee	11,226,809	1.86 %
State Street Bank and Trust Comp	Nominee	10,752,361	1.78 %
State Street Bank and Trust Comp	Nominee	8,751,764	1.45 %
The Northern Trust Comp	Nominee	7,755,065	1.28 %
State Street Bank and Trust Comp	Nominee	7,570,987	1.25 %

Baillie Gifford Overseas Limited (BGO) on 17 November 2022 disposed of 665,252 voting rights in Aker Carbon Capture ASA. After the transaction, BGO holds a total of 60,096,179 voting rights in Aker Carbon Capture, corresponding to 9.95% of the votes. All voting rights are held under discretionary investment management agreements with clients.





Auditor's report

Report on the audit of the financial statements

Report on other legal and regulatory requirements

To the General Meeting of Aker Carbon Capture ASA

Report on the Audit of the Financial Statements

Opinion

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

- the financial statements of the parent company Aker Carbon Capture ASA (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Aker Carbon Capture ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the income statement, other comprehensive income, statement of change in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 1 year from the election by the general meeting of the shareholders on 19 April 2022 for the accounting year 2022.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the Key Audit Matter
<p>Revenue from construction contracts</p> <p>In 2022, revenue from construction contracts constituted NOK 735 669 thousand, equal to approximately 97% of total operating revenues. Revenue from construction contracts is recognized over time based on expected final outcome, and stage of completion of the contract. Assessment of total contract cost, revenue and stage of completion is updated on a regular basis.</p> <p>There are several reasons why we consider revenue from construction contracts a key audit matter. At present, the Group has two construction contracts that represent most of the operations in the Group. The contracts have a long duration, and the assessment of contract costs and stage of completion is subject to Management judgment. Furthermore, the application of Management judgment impacts several areas of the financial statements, including revenue, contract assets and liabilities.</p> <p>Notes 2 and 3 and the accounting principles include additional information on the Group's recognition of revenue from construction contracts.</p>	<p>We have assessed the accounting treatment of both contracts against the Group's accounting principles and IFRS 15 Revenue from contracts with customers. We found that Management's accounting treatment was consistent with the content of the contracts, and the requirements in IFRS 15.</p> <p>We obtained an understanding of Management's process and related internal control activities relevant to the recognition of revenue from construction contracts. Specifically, Management has implemented internal controls (ICFR) to ensure that accounting for construction contracts reflect Management's best estimates with respect to total contract cost, revenue and stage of completion. Controls are implemented at various levels of the organization and include periodic meetings to review the contracts. Through meetings with Management and project controllers, and review of relevant documentation, we identified relevant controls ensuring that proper assessments are made to total contract cost, revenue and stage of completion, and tested them for operational effectiveness.</p> <p>Estimating project costs and calculating stage of completion requires Management judgment. We performed various procedures on both contracts to assess whether Management's judgements were reasonable, including:</p> <ul style="list-style-type: none"> Interviews with project controllers and Management, where we challenged judgements made with respect to project estimates. Comparisons of expenses and hours incurred against budgeted expenses and hours. Tested a sample of expenses in project forecast against purchase orders with subcontractors. Tested contract revenue for validity by reconciling the customer contracts against the revenue in the project forecasts. Tested whether the estimated stage of completion corresponds to amounts recognized in the financial statements. <p>Through our procedures we found that assumptions used, and judgements made by Management are reasonable.</p> <p>We further evaluated the disclosures in notes 2 and 3 and found them to be appropriate and in accordance with relevant requirements.</p>

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional 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, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Aker Carbon Capture ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name "acc-2022-12-31-en", have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

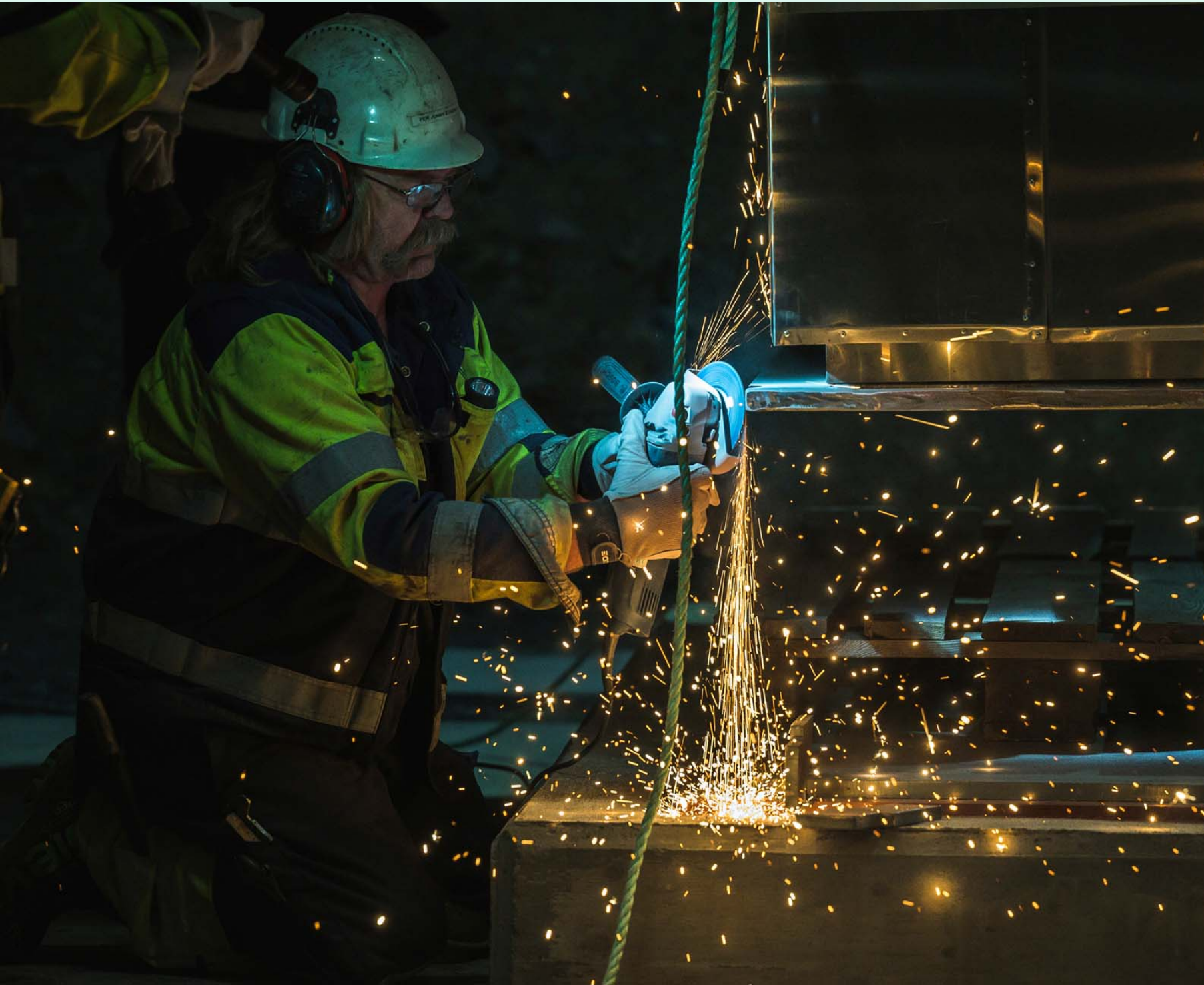
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: <https://revisorforeningen.no/revisjonsberetninger>.

Oslo, 14 March 2023
PricewaterhouseCoopers AS


Thomas Fraurud
State Authorized Public Accountant



Alternative performance measures

Aker Carbon Capture discloses alternative performance measures in addition to those normally required by IFRS as such performance measures are frequently used by securities analysts, investors and other interested parties. Alternative performance measures are meant to provide an enhanced insight into the operations, financing and future prospects of the company. These measures are calculated in a consistent and transparent manner and are intended to provide enhanced comparability of the performance from period to period.

Definitions

EBITDA - Earnings before interest, tax, depreciation and amortization, corresponding to “Operating profit (loss) before depreciation, amortization and impairment” in the consolidated income statement.

EBIT - Earnings before interest and tax, corresponding to “Operating profit (loss)” in the consolidated income statement.

Capex - A measure of expenditure on tangible and intangible assets that qualify for capitalization.

Net current operating assets (NCOA) - A measure of working capital. It is calculated by trade and other receivables and inventories minus trade and other payables, excluding financial assets or financial liabilities related to hedging activities.

Research and development spend - A measure of total expenditure on research and development activities. It is calculated by adding total capital expenditures related to fixed assets directly associated with research and technology development, and capitalized development of intangible assets, as well as non-capitalized direct cost on development projects.

Reconciliation

The table below show the reconciliation of alternative performance measures to the line items in the consolidated financial statements according to IFRS.

Net current operating assets

Amounts in NOK thousand	2022	2021
Trade and other receivables	67,005	248,966
Customer contract assets	8,663	6,340
Trade and other payables	(317,936)	(184,138)
Customer contract liabilities	(91,343)	(330,938)
Net current operating assets (NCOA)	(333,611)	(259,770)

Research and development spend

Amounts in NOK thousand	2022	2021
Capitalized research and development cost	62,741	7,769
Expensed research and development cost	55,844	73,998
Total research and development spend	118,585	81,767





Appendix

ESG performance metrics

Planet

Environment ⁵				
Waste	Unit	2022	2021	2020
Hazardous waste generated	Tonne	0.051	0.002	—
Total waste	Tonne	19.6	7.1	1.6
Non-recycled waste	Tonne	7.4	3.2	—
Non-recycled waste - proportion of all waste generated	%	38	45	—
Water consumption	Unit	2022	2021	2020
Water consumption, office	m3	1698	1342	347
Water consumption, mobile test unit	m3	351	10	—
Sites/operations located in areas of high or extremely high baseline water stress (according to WRI Aqueduct water risk atlas tool)	Number	—	—	—
Environmental incidents	Unit	2022	2021	2020
Environmental incidents	Number	—	—	—
Penal sanctions. environment	Unit	2022	2021	2020
Cases where legal or administrative sanctions have been issued for material breaches of environmental legislation	Number	—	—	—
Fines or charges for material breaches of environmental legislation	NOK thousand	—	—	—

⁵ For all environment metrics, the Danish office is included as an estimate based on Fornebu data.

Climate ⁶				
Carbon Capture	Unit	2022	2021	2020
Carbon capture design capacity (annual) in construction	Million tonnes	0.5	0.5	0.4
Energy consumption	Unit	2022	2021	2020
Electricity, offices and mobile test unit	MWh	441	311.4	380.1
Purchase of Guarantee of Origin renewable electricity	MWh	418	302.4	—
Share renewable consumption (GO) of total	%	95	97.1	—
District heating	MWh	221	217.1	37.7
District cooling	MWh	116	98.9	23.4
Greenhouse Gas Emissions ⁷	Unit	2022	2021	2020
Scope 1, Direct emissions	tCO ₂ e	0.5	—	—
Scope 2, Indirect emissions, location based	tCO ₂ e	81.9	3.2	1.2
Scope 2, Indirect emissions, marked based	tCO ₂ e	14.5	2.2	28.9
Scope 3, Other indirect emissions, location based	tCO ₂ e	18,219	81.1	19.4
Scope 3, Other indirect emissions, marked based	tCO ₂ e	18,223	34.9	—
Scope 3, category 1, purchased goods and services, market based	tCO ₂ e	17,836		
Scope 3, category 3, fuel- and energy related activities (not included in scope 1 or scope 2), market based	tCO ₂ e	30		
Scope 3, category 4, upstream transport and distribution	tCO ₂ e	18		
Scope 3, category 5, waste generated in operations (upstream)	tCO ₂ e	0.4		
Scope 3, category 6, business travel	tCO ₂ e	322		
Scope 3, category 7, employee commuting	tCO ₂ e	17		
Total GHG emissions, scope 1,2,3, location based	tCO ₂ e	18,302	84.40	20.70
Total GHG emissions, scope 1,2,3, marked based	tCO ₂ e	18,238	37.10	—
Purchase of carbon removal	tCO ₂ e	—	—	—
Net GHG emissions, tCO ₂ e emitted - tCO ₂ removed ⁸	tCO ₂ e	18,238	37.10	—
Carbon intensity	Unit	2022	2021	2020
Carbon intensity, Just Catch™	% ((tCO ₂ e emitted/tCO ₂ captured)x100)	0.2	0.2	—
Carbon intensity, Big Catch™	% ((tCO ₂ e emitted/tCO ₂ captured)x100)	1.6	1.6	—

⁶ For all climate metrics, the Danish office is included as an estimate based on Fornebu data.

⁷ GHG assessment performed according to the Greenhouse Gas Protocol for all GHGs and for a market based and location based approach. Main source of emission factors DEFRA. Shifted from operational control to financial control approach in 2022.

⁸ Market based approach.

People

People				
Employees ⁹	Unit	2022	2021	2020
Permanent employees as per 31.12	Number	117	71	26
Norway	Number	98	61	26
Denmark	Number	12	6	—
UK	Number	7	3	—
Netherlands	Number	—	NA	NA
Contract staff (hired ins)	Number	16	11	—
Norway	Number	12	10	—
Denmark	Number	—	1	—
UK	Number	0	0	0
India	Number	3	NA	NA
Netherlands	Number	1	NA	NA
Full-time	Number	127	70	26
Part-time	Number	6	1	—
Turnover	%	10	4	—
Trainees (interns) as per 31.12	Number	4	5	—
Total trainees (incl completed internships during 2022)	Number	10	7	—
Total employees	Number	133	82	26

⁹ Headcount. The Netherlands is included as a new location in 2022.

HSSE and Well-being				
Well-being	Unit	2022	2021	2020
Employee satisfaction survey	Employee net promoter score	16	44	—
Participation in employee satisfaction survey	%	72	80	—
Average hours of training ¹⁰	Hours	34	48	—
Training expenditure	NOK	5,600	8,000	—
Health and Safety	Unit	2022	2021	2020
Sickness absence	%	1.17	0.35	1
Fatalities as a result of work-related injury	Number	—	—	—
Employees	Number	—	—	—
Non-employees	Number	—	—	—
High-consequence work-related injuries (excluding fatalities) - number (LTIF)	Number	—	—	—
Employees	Number	—	—	—
Non-employees	Number	—	—	—
The rate of high-consequence work-related injuries (excluding fatalities) - rate per million hours worked (LTIF)	Rate per million	—	—	—
Employees	Rate per million	—	—	—
Non-employees	Rate per million	—	—	—
The number of recordable work-related injuries (excluding fatalities) - number (TRIF)	Number	—	—	—
Employees	Number	—	—	—
Non-employees	Number	—	—	—
The rate of recordable work-related injuries (excluding fatalities) - rate per million hours worked (TRIF)	Rate per million	—	—	—
Employees	Rate per million	—	—	—
Non-employees	Rate per million	—	—	—

¹⁰ Estimate based on offered training. Note, no differentiation on gender.

Equality, Diversity and Inclusion				
Diversity, Age	Unit	2022	2021	2020
Employees under 30	%	8	12	7
Employees aged 30-50	%	58	54	58
Employees over 50	%	34	34	35
Average age, all employees	Years	44.8	44	46
Average age, men	Years	45	45	48
Average age, female	Years	44	42	42
Diversity, Gender	Unit	2022	2021	2020
Female	Number	42	24	7
Norway	Number	35	24	7
Denmark	Number	4	3	—
UK	Number	2	—	—
Netherlands	Number	—	NA	NA
India	Number	2	NA	NA
Male	Number	91	47	19
Norway	Number	78	44	19
Denmark	Number	8	3	—
UK	Number	5	3	—
Netherlands	Number	1	NA	NA
India	Number	1	NA	NA
Other and not disclosed	Number	—	—	—
Female representation, across group	%	31	34	26
Female representation, executive management	%	38	38	38
Female representation, Board of Directors	%	57	43	20
Diversity, Nationalities	Unit	2022	2021	2020
Number of nationalities in group	Number	18	12	6
Pay equality	Unit	2022	2021	2020
Average salary for women as a percentage of average salary for all employees	%	To be discontinued	96	101
Average salary for men as a percentage of average salary for all employees	%	To be discontinued	101	99
Pay equality ¹¹	%	7.4	7.4	Not available
Ratio of CEO's compensation to median compensation employees ¹²	Ratio	3.6	3.6	—

¹¹ New salary gap calculation: average salary men - average salary women / average salary men. Previous calculations to be discontinued.

¹² Ratio of CEO's total annual compensation to median total annual compensation of all employees (excluding the CEO): CEO salary / median salary excl. CEO

Prosperity

Innovation of better products and services				
Taxonomy eligible and aligned	Unit	2022	2021	2020
Total CAPEX during the reporting period	NOK thousand	105,314	18,879	—
Turnover considered according to EU Taxonomy – total	NOK thousand	780,863	363,177	—
CAPEX considered according to EU Taxonomy – total	NOK thousand	104,078	18,879	—
OPEX considered according to EU Taxonomy – total	NOK thousand	143,669	109,092	—
EU Taxonomy eligible turnover	NOK thousand	780,863	363,177	—
EU Taxonomy eligible CAPEX	NOK thousand	104,078	18,879	—
EU Taxonomy eligible OPEX	NOK thousand	143,669	109,092	—
EU Taxonomy aligned turnover	NOK thousand	780,863	363,177	—
EU Taxonomy aligned CAPEX	NOK thousand	104,078	18,879	—
EU Taxonomy aligned OPEX	NOK thousand	143,461	104,024	—
EU Taxonomy eligible turnover	%	100	100	—
EU Taxonomy eligible CAPEX	%	100	100	—
EU Taxonomy eligible OPEX	%	100	100	—
EU Taxonomy aligned turnover	%	100	100	—
EU Taxonomy aligned CAPEX	%	100	100	—
EU Taxonomy aligned OPEX	%	100	95	—
Research, development and innovation	Unit	2022	2021	2020
Total R&D expenses	NOK thousand	118,585	81,767	—

Employment				
Job creation	Unit	2022	2021	2020
Total number of new employee hires (own employees)	Number	51	52	26
Rate of new employees / total employees	%	44 %	66	100
Norway	Number	40	43	26
Denmark	Number	6	6	—
UK	Number	5	3	—
Netherlands	Number	—	NA	NA
India	Number	—	NA	NA
Turnover	Unit	2022	2021	2020
Total number of employee turnover	Number	12	3	—
Total number of employee turnover ¹³	Ratio	0.10	0.04	—
Employee turnover - female	Number	5	—	—
Employee turnover - male	Number	7	3	—

¹³ Turnover / total employees excl. turnover.

Governance

Strong governance and compliance				
Code of conduct training	Unit	2022	2021	2020
Employees completed training	%	100	100	100
Whistleblowing cases	Unit	2022	2021	2020
Total number of concerns reported	Number	1	0	—
Penal sanctions, business ethics	Unit	2022	2021	2020
Cases where legal or administrative sanctions have been issued for material breaches of business ethics legislation	Number	—	—	—
Fines or charges for material breaches of business ethics legislation	NOK thousand	—	—	—

Board of Directors				
Board composition	Unit	2022	2021	2020
Total number of board members	Number	7	7	—
Female (or other gender minority) board members	Number	4	3	—
Female (or other gender minority) board members	%	57	43	—
Board members with executive positions in the company	Number	0	0	—
Board members with executive positions in the company	%	0	0	—
Independent board members	Number	5	2	—
Independent board members	%	71	29	—
Employee elected board members	Number	1	0	—
Average tenure on the Board of Directors	Years	2,1	2	—
Board members aged below 50	Number	2	2	—
Board members aged below 50	%	29	29	—
Board members aged over 50	Number	5	5	—
Board members aged over 50	%	71	71	—
Number of board meetings held	Number	8	7	—
Directors average meeting attendance	%	92	96	—

Sustainable Finance Disclosure Regulation (SFDR) indicators

	Unit	2022	2021
Greenhouse gas emissions, total scope 1,2,3 ¹⁴	tCO2e	18,238	37.1
Scope 1	tCO2e	0.5	0
Scope 2	tCO2e	14.50	2.2
Scope 3	tCO2e	18,223	34.9
Carbon footprint		Not relevant for Aker Carbon Capture	Not relevant for Aker Carbon Capture
GHG intensity of investee companies		Not relevant for Aker Carbon Capture	Not relevant for Aker Carbon Capture
Share of investments in companies active in the fossil fuel sector		Not relevant for Aker Carbon Capture	Not relevant for Aker Carbon Capture
Share of non-renewable energy consumption and production ¹⁵	%	12	1.44
Energy consumption intensity per high impact climate sector ¹⁶	Ratio	0.246	0.007
Activities negatively affecting biodiversity-sensitive areas	Number	0	0
Emissions to water	Tonne	0	0
Hazardous waste	Tonne	0.051	0.002
Violations of UNGC principles and OECD Guidelines for Multinational Enterprises	Number	0	0
Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises	Number	0	0
Unadjusted gender pay gap ¹⁷	%	7.4	7.4
Board gender diversity, female representation	%	57	43
Exposure to controversial weapons		None	None

¹⁴ Financial control, market based approach.

¹⁵ 2021 value is limited to HQ offices at Fornebu, Norway. 2022 value includes scope 1 and 2, including Norway, Denmark and MTU.

¹⁶ Intensity measure: GHG scope 1+2+3 / EUR million revenue.

¹⁷ The ratio is based on average salary in the organization regardless of employment level including the CEO, and is affected by a larger % of males in executive and management positions.

Global Reporting Initiative (GRI) content index

Statement of use: Aker Carbon Capture has reported the information cited in this GRI content index for the period of 1 January 2022 to 31 December 2022 with reference to the GRI Standards. GRI 1 used: GRI 1 Foundation 2021

General Disclosures

DISCLOSURE	LOCATION	PAGE
GRI 2: General Disclosures 2021		
2-1 Organizational details	Aker Carbon Capture in brief	3
2-2 Entities included in the organization's sustainability reporting	Sustainability progress	33
2-3 Reporting period, frequency and contact point	About this report, Sustainability progress	4, 33
2-4 Restatements of information	No changes from last year's reporting	
2-5 External assurance	No external assurance of the sustainability reporting has been performed for 2022, preparations to be continued for external assurance of scope 1,2,3 accounting for 2023	
2-6 Activities, value chain and other business relationships	Strategy summary	20
2-7 Employees	Sustainability progress - People, ESG Performance metrics	40, 100
2-8 Workers who are not employees	Have worked with a stable number of hired-ins to our organization, numbers provided in ESG metrics. Contracts are both on a self-employed and agency basis	100
2-9 Governance structure and composition	Board of Directors, Sustainability progress , ESG Performance metrics	16, 33, 100
2-10 Nomination and selection of the highest governance body	Corporate Governance Report	57
2-11 Chair of the highest governance body	Board of Directors	16
2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability progress - Governance, Board of Directors report	50, 6
2-13 Delegation of responsibility for managing impacts	Sustainability progress - Governance, Board of Directors report	50, 6
2-14 Role of the highest governance body in sustainability reporting	Sustainability progress - Governance	50
2-15 Conflicts of interest	Sustainability progress - Governance	50
2-16 Communication of critical concerns	Sustainability progress - Governance. 1 whistleblowing case in 2022	50
2-17 Collective knowledge of the highest governance body	Board of Directors. Sustainability progress - Governance.	16, 50
2-18 Evaluation of the performance of the highest governance body	Corporate Governance Report	57
2-19 Remuneration policies	Corporate Governance Report. Remuneration guideline and annual remuneration report available online . Objectives on executive level includes sustainability targets and is linked to variable pay.	57
2-20 Process to determine remuneration	Corporate Governance report	57
2-21 Annual total compensation ratio	ESG Performance metrics	100
2-22 Statement on sustainable development strategy	CEO letter, Board of Directors report	5, 6
2-23 Policy commitments	Sustainability progress - Governance	50
2-24 Embedding policy commitments	Sustainability progress - Governance	50

DISCLOSURE	LOCATION	PAGE
GRI 2: General Disclosures 2021		
2-25 Processes to remediate negative impacts	Code of Conduct, Sustainability Policy, Sustainability progress - People	40
2-26 Mechanisms for seeking advice and raising concerns	Sustainability progress - Governance	50
2-27 Compliance with laws and regulations	We had zero non-compliance instances in 2022	
2-28 Membership associations	Memberships and collaborations	28
2-29 Approach to stakeholder engagement	Materiality assessment	27
2-30 Collective bargaining agreements	Sustainability progress - People	32

Material Disclosures

DISCLOSURE	LOCATION	Page
GRI 3: Material Topics 2021		
3-1 Process to determine material topics	Materiality assessment	27
3-2 List of material topics	Materiality assessment	27
3-3 Management of material topics	Sustainability progress - Planet, People, Prosperity, Governance	34, 40, 45, 50
GRI 201: Economic Performance 2016		
201-1 Direct economic value generated and distributed	Consolidated financial statement	66
201-2 Financial implications and other risks and opportunities due to climate change	TCFD Assessment is available on Aker Carbon Capture webpages	
GRI 203: Indirect Economic Impacts 2016		
203-2 Significant indirect economic impacts	Sustainability progress - Prosperity	45
GRI 205: Anti-corruption 2016		
205-2 Communication and training about anti-corruption policies and procedures	Sustainability progress - Governance	50
205-3 Confirmed incidents of corruption and actions taken	Zero incidents. ESG Performance metrics	100
GRI 305: Emissions 2016		
305-1 Direct (Scope 1) GHG emissions	Sustainability progress - Planet, ESG Performance metrics	34, 100
305-2 Energy indirect (Scope 2) GHG emissions	Sustainability progress - Planet, ESG Performance metrics	34, 100
305-3 Other indirect (Scope 3) GHG emissions	Sustainability progress - Planet, ESG Performance metrics	34, 100
305-4 GHG emissions intensity	Sustainability progress - Planet, ESG Performance metrics	34, 100
GRI 306: Waste 2020		
306-3 Waste generated	ESG Performance metrics	100
GRI 308: Supplier Environmental Assessment 2016		
308-2 Negative environmental impacts in the supply chain and actions taken	No negative environmental impacts in the supply chain were detected in 2022	100
GRI 401: Employment 2016		

DISCLOSURE	LOCATION	Page
401-1 New employee hires and employee turnover	ESG Performance metrics	100
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Part-time employees have the same benefits as full-time employees with exception of insurance covering death- and accidents outside of work.	
401-3 Parental leave	ESG Performance metrics. In 2022 6 employees (6 male/0 female) were entitled to, and 6 took parental leave. Out of these 6, 2 returned to work after parental leave ended in the reporting period. 4 employees are still on parental leave.	
GRI 403: Occupational Health and Safety 2018		
403-1 Occupational health and safety management system	Certified according to ISO 45001:2018	
403-3 Occupational health services	Sustainability progress - People	32
403-4 Worker participation, consultation, and communication on occupational health	Sustainability progress - People	32
403-6 Promotion of worker health	Sustainability progress - People	32
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Regular audits will identify, isolate and address potential shortcomings.	
403-8 Workers covered by an occupational health and safety management system	The system covers all employees and contractors.	
403-9 Work-related injuries	Sustainability progress - People, ESG Performance metrics	40, 100
403-10 Work-related ill health	Sustainability progress - People, ESG Performance metrics	40, 100
GRI 404: Training and Education 2016		
404-1 Average hours of training per year per employee	ESG Performance metrics, data provided is on employee, no differentiation on gender or employee category	100
404-2 Programs for upgrading employee skills and transition assistance programs	Sustainability progress - People	32
404-3 Percentage of employees receiving regular performance and career development reviews	Target for 2021 was to achieve minimum 80% coverage, and this was fully achieved for 2021. Target for 2022 was 100% coverage, and was fully achieved.	
GRI 405: Diversity and Equal Opportunity 2016		
405-1 Diversity of governance bodies and employees	Board of Directors, ESG Performance metrics	16, 100
405-2 Ratio of basic salary and remuneration of women to men	Sustainability progress - People	32
GRI 406: Non-discrimination 2016		
406-1 Incidents of discrimination and corrective actions taken	No incidents of discrimination and corrective actions taken in 2022	
GRI 414: Supplier Social Assessment 2016		
414-2 Negative social impacts in the supply chain and actions taken	No negative social impacts in the supply chain were detected in 2022	

Task Force on Climate-Related Financial Disclosures (TCFD) assessment

Aker Carbon Capture's full Task Force on Climate-Related Financial Disclosures (TCDF) assessment is available on the company [webpages](#).



Taxonomy assessment

Article 8 Taxonomy Regulation

Regulation (EU) 2020/852 (the “Taxonomy Regulation”) is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy. It represents an important step towards achieving carbon neutrality by 2050 in line with EU goals as the Taxonomy is a classification system for environmentally sustainable economic activities.

On a voluntary basis we present our assessment of the share of our company's Revenue (Turnover), capital expenditure (CAPEX) and operating expense (OPEX) which are associated with Taxonomy-eligible economic activities and Taxonomy-aligned economic activities for the 2022 reporting period.

Economic activities 2022	Turnover		CAPEX		OPEX	
	NOK	%	NOK	%	NOK	%
Taxonomy eligible activities	780,863	100	104,078	100	143,669	100
Manufacture of other low carbon technologies (3.6)	780,863	100	104,078	100	133,422	93
Close to market research, development and innovation (9.1)	—	—	—	—	10,248	7
Taxonomy aligned activities	780,863	100	104,078	100	143,461	100
Manufacture of other low carbon technologies (3.6)	780,863	100	104,078	100	133,422	93
Close to market research, development and innovation (9.1)	—	—	—	—	10,040	7

The taxonomy framework is relatively new, which leaves room for interpretation. As a result, our assessment could change as the taxonomy framework develops and is supplemented with regulatory guidance and recommendations, amendments to the taxonomy framework or court decisions going forward. As the Climate Delegated Act entered into force in 2022, we have not identified any new information or guidance from the European Commission impacting our approach as of our reporting for 2021.

Definitions

Taxonomy-eligible economic activity means an economic activity that is described in the Delegated Act (EU) 2021/2139 (the “Screening Regulation”) supplementing the Taxonomy Regulation irrespective of whether that economic activity meets any or all of the technical screening criteria laid down in the Screening Regulation.

Taxonomy-non-eligible economic activity means any economic activity that is not described in the Screening Regulation supplementing the Taxonomy Regulation.

Taxonomy-aligned economic activity means an economic activity that complies with all of the following requirements:

- the economic activity contributes substantially to one or more of the environmental objectives;
- it does not significantly harm any of the environmental objectives;
- it is carried out in compliance with the minimum safeguards; and
- it complies with technical screening criteria in the Screening Regulation.

An in-depth assessment of Aker Carbon Capture's economic activities in light of the criteria can be found in the sections below.

Taxonomy eligibility and alignment

Based on the Taxonomy Regulation and the delegated acts, we have examined our activities to systematically assess whether they according to the relevant legislation are defined as Taxonomy-eligible and to what extent they are Taxonomy-aligned.

Overview of Aker Carbon Capture's economic activities

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 reduce and remove CO₂ emissions. The company's Mobile Test Unit is a fully functional carbon capture plant used to qualify the company's technology for new flue gases and to validate technical solutions in an industrial environment.

Aker Carbon Capture invests in reducing costs associated with its product offering, ensuring to meet the changing requirements in the CCUS market, and to develop new carbon capture technologies and expand the portfolio to meet future market demands.

More in-depth information on our activities may be found in [Strategy summary](#).

Climate change mitigation – the keyword for all our economic activities

In Article 2 of the Taxonomy Regulation climate change mitigation is defined as “the process of holding the increase in the global average temperature to well below 2°C and pursuing efforts to limit it to 1,5 °C above pre-industrial levels, as laid down in the Paris Agreement”.

According to Article 10 of the Taxonomy Regulation, an “economic activity shall qualify as contributing substantially to climate change mitigation where that activity contributes substantially to the stabilization of greenhouse gas concentrations in the atmosphere at a level which prevents dangerous anthropogenic interference with the climate system consistent with the long-term temperature goal of the Paris Agreement through the avoidance or reduction of greenhouse gas emissions or the increase of greenhouse gas removals”. For example by increasing the use of environmentally safe carbon capture and utilization (CCU) and carbon capture and storage (CCS) technologies that deliver a net reduction in greenhouse gas emissions.

The purpose of all our activities is to reduce greenhouse gas emissions of other activities and by delivering carbon capture solutions, a net reduction in greenhouse gas emissions is pursued. Consequently, the climate change mitigation objective is most relevant to our activities.

Assessment of the eligibility of our economic activities

Aker Carbon Capture’s economic activities can be allocated to two activities described in Annex I to the Screening Regulation: “Manufacture of other low carbon technologies” (section 3.6) and “Close to market research, development and innovation” (section 9.1).

This assessment is based on applicable laws and regulations, as well as guidance and information as currently available to us. Changes to the factual circumstances as well as the regulatory landscape, in particular amendments to laws and regulations, future legislation, guidance and information may lead to a different assessment of our economic activities under the Taxonomy Regulation in the future.

Activity 3.6 - Manufacture of other low carbon technologies

According to section 3.6 of the Screening Regulation, the activity “Manufacture of other low carbon technologies” covers economic activities related to the “Manufacture of technologies aimed at substantial GHG emission reductions in other sectors of the economy, where those technologies are not covered in Sections 3.1 to 3.5 of this Annex. The economic activities in this category could be associated with several NACE codes, in particular from C22, C25, C26, C27 and C28 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.”

Our economic activities are centered around providing carbon capture solutions with the aim to reduce GHG emissions substantially in other sectors of the economy. The activity “carbon capture” itself is not listed as a self-standing activity in section 3.1 to 3.5 or elsewhere in the Screening Regulation.

In December 2021, the Platform on Sustainable Finance published an EU taxonomy NACE alternate classification mapping which represents an indicative mapping of selected industry classification systems and how they relate to the description of economic activities in the Screening Regulation. The activities “Carbon

Capture and Storage” and “Carbon Capture Services and Technologies” from alternate classification systems were included in the list of eligible activities under Section 3.6 of the Screening Regulation.

We have therefore assessed that our economic activities to a large extent can be considered as eligible economic activities under section 3.6 (manufacture of other low carbon technologies) of Annex I to the Screening Regulation.

Activity 9.1 - Close to market research, development and innovation

Some of our activities are related to research, applied research and experimental development of solutions, processes, technologies, business models and other products dedicated to the reduction, avoidance or removal of GHG emissions (R&D) for which the ability to reduce, remove or avoid GHG emissions in the target economic activities has at least been demonstrated in a relevant environment, corresponding to at least Technology Readiness Level (TRL) 6. These activities are early phase activities and could be associated with several NACE codes, in particular M71.1.2v (Engineering activities and related technical consultancy), or for research that is an integral part of those economic activities for which technical screening criteria are specified in the Screening Regulation.

Research and development that represent significant novelty or new methods of carbon capture, and not assessed as incremental improvements to existing approach will be assessed under this activity. Our research, development and innovation activities are dedicated to the reduction, avoidance or removal of GHG emissions in other sectors. Our activities are related to the enhancement of the our CO2 emission removal technology which aims at reducing GHG emissions in the target economic activity, and hence we have concluded that these activities can be allocated to the activity “Close to market research, development and innovation” in section 9.1 of Annex I to the Screening Regulation.

Assessment of the alignment of our economic activities

Aker Carbon Capture is not legally obliged to disclose information on the Taxonomy-alignment of its economic activities in 2022. In light of our commitment to sustainability and in order to increase transparency on our business operation, we have chosen to provide information on our Taxonomy-alignment assessment for our economics activities for the reporting period 2022.

This assessment is based on applicable laws and regulations, as well as guidance and information as currently available to us. Changes to the factual circumstances as well as the regulatory landscape, in particular amendments to laws and regulations, future legislation, guidance and information may lead to a different assessment of our economic activities under the Taxonomy Regulation in the future.

Activity 3.6 - Manufacture of other low carbon technologies Substantial contribution

In order to meet the substantial contribution criteria for climate change mitigation, the economic activity must manufacture technologies that are aimed at and demonstrate substantial lifecycle GHG emission savings compared to the best performing alternative technology/product/solution available on the market, where specific emission savings calculations according to ISO 14067 needs to be done site-specific.

In contrast to other low carbon technologies that have a primary objective different from reducing GHG emissions, but that at the same time also have an intended impact on GHG emissions, carbon capture solutions delivered by Aker Carbon Capture aim solely at the reduction of GHG emissions. For our carbon capture technologies, it is therefore possible to assess potential lifecycle GHG emission savings without having to determine the best performing alternative technology/product/solution available on the market as a basis for comparison.

We are not aware of currently available official guidance on the comparison-criteria and, in particular, on how to perform this comparison. Aker Carbon Capture has carefully considered various alternatives to calculate GHG emissions savings compared to best performing alternative solution. The main effect of such a comparison to other relevant technologies would typically be the prevention of all carbon capture technologies that are currently not best performing on the market from being reported as Taxonomy-aligned and thus environmentally sustainable. This is clearly in contrast with Article 10 (1) e of the Taxonomy Regulation that explicitly qualifies economic activities as “contributing substantially to climate change mitigation” if they increase the use of environmentally safe carbon capture and utilization (CCU) and carbon capture and storage (CCS) technologies that deliver a net reduction in GHG emissions. The EU has an outspoken intention to incentivize and increase the use of carbon capture, utilization and storage across sectors.

We have therefore, in line with the Taxonomy Regulation, focused on the lifecycle GHG emissions savings that can be achieved with its carbon capture solutions.

Our carbon capture technology is solely aimed at enabling other economic activities to achieve GHG emission savings by capturing CO₂. An independent third party have conducted a lifecycle assessment (LCA) of our Just Catch™ and Big Catch™ solutions, providing information on the carbon footprint drivers within each phase of the products’ lifetime. The LCA analysis was performed according to ISO 14040 and ISO 14044, reporting output and quantification according to ISO 14067, and the independent third-party has the resources and expertise to perform the verification, is independent to avoid any conflict of interest, and is not involved in the development or operation of Aker Carbon Capture’s activities.

Considering the construction phase and operational phase consuming renewable electricity, excluding transport and storage as that varies for each emitter and is outside of Aker Carbon Capture’s direct control, the resulting carbon intensity (tCO₂ emitted/tCO₂ captured) is 0.2% for the standardized Just Catch™ capturing 100.000 tonnes CO₂ annually, and 1.6% for a generic Big Catch™ capturing 400.000 tonnes CO₂ annually. Thus our technology leads to substantial GHG emission savings and a significant net reduction of GHG emissions in the sector it is applied. As described in [Strategy summary](#), Aker Carbon Capture’s technology ranges in the upper range of capture rates in available technologies on the market. The substantial contribution criteria is thus fulfilled.

Do no significant harm

We have carried out a diligent assessment to ensure that our activities have no significant negative environmental impact. The assessment is made on the basis of the the “do no significant harm” (DNSH) criteria set out in technical screening criteria for “Manufacture of other low carbon technologies”. For DNSH criteria that reflect legal requirements under EU regulations, it is according to the TEG Final Report reasonable for taxonomy users to assume that these criteria have been met in the normal, lawful conduct of business, unless

evidence to the contrary is demonstrated. As part of the assessment, we have mapped the locations of which our activities in 2022 was carried out in order to assess whether relevant legislation is in force in the relevant countries. After a diligent assessment, we consider that our activities meet the relevant requirements:

- **Climate change adaption:** We have assessed our activities in light of Appendix I to the Screening Regulation. Our climate risk and vulnerability assessment identified the physical climate risks that are material to our activities and is carried out as part of our enterprise risk process. We have also conducted a third-party TCFD assessment in 2021 and will follow up recommendations on a more systematic approach of chronic and acute climate-related hazards for new projects that are maturing towards realization. Our solutions are designed with a 25 years lifetime, and include design specifications covering temperature-related and wind-related aspects. Additional assessments would need to be site specific. Such site-specific assessments have been made for our activities that took place in 2022. We therefore consider that our activities do no significant harm to climate change adaption.
- **Sustainable use and protection of water and marine resources:** Our activities involve no material consumption of water, do not affect water quality in any significant manner, and we do not have any operations in water-stressed areas. Any such impacts would have been identified as part of our systematic approach to identify impacts according to ISO 14001 certification and our environment policy commits us to zero harm and sustainable resource use. Our main activities in 2022 took place in Norway and the Netherlands, and we are not aware of any non-compliance with applicable laws and regulations nor have we identified any concerns in relation to the specific regulations set out in Appendix B to Annex I to the Screening Regulation. We consider that our activities do no significant harm to the sustainable use and protection of water and marine resources.
- **Transition to a circular economy:** The lifecycle analysis performed in 2021 has provided a good overview of the types and volumes of material used in our solutions, where steel is the main material used. Reducing and optimizing material input support both our carbon reduction target as well as improved circularity principles. Our products are designed in a way so that they can easily be disassembled and recycled at end of life of the product. The solutions have a design lifetime of 25 years, and designing for maintenance reduces both cost in operation and optimizes material usage. A relevant component is amine solvent which is a consumable during the operational phase of our carbon capture plants. Our proprietary solvent has a proven lower degradation than other comparable solvents, hence reducing both consumption and waste. It is part of Aker Carbon Capture’s priorities in the sustainability program to identify further improvements and opportunities regarding circularity. Taken into consideration our approach, we consider that our activities do no significant harm to the transition to a circular economy.
- **Pollution prevention and control:** We have a systematic approach to this environmental objective as part of ISO14001 certification. Our activities do not lead to the manufacture, placing on the market or use of any substances set out in the relevant regulations, unless such activity is carried out in full compliance with the relevant conditions specified in the regulation. According to our Chemical Management procedure all chemicals to be used within EU must be registered in REACH system by the manufacturers or importers, similarly chemicals to be used in UK must be registered in REACH UK. All chemicals are kept within proper, closed industrial facilities. The solvent is produced by a chemical supplier. We have assessed that we are compliant with the relevant regulations applicable where the activities take place. We are not aware of any deviations from the regulations set out in Appendix C to Annex I to the Screening Regulation. Based on our assessments we consider that our activities do no significant harm to pollution prevention and control.

- Protection and restoration of biodiversity and ecosystems: We have a systematic approach to this environmental objective as part of ISO14001 certification, and we have assessed to be compliant with the Directive 2011/92/EU as the provisions have already been incorporated into Norwegian law and we have not identified any deviations in any of our in-scope activities. Deployment of carbon capture facilities are taking place in regulated areas for industrial purposes. Activities in 2022 are related to retrofit solutions and hence located in regulated areas. In addition, we have assessed that the sites that have been moved into project execution phase are not located in biodiversity-sensitive areas, considering Natura 2000, UNESCO World Heritage, and Key Biodiversity Areas. Based on this approach, we consider that our activities do no significant harm to the protection and restoration of biodiversity and ecosystems.

Given the result of each of the five DNSH assessments, we consider the DNSH criteria to be fulfilled for activities related to the “Manufacture of other low carbon technologies”.

Activity 9.1 - Close to market research, development, and innovation Substantial contribution

For the activity “Close to market research, development, and innovation” the Screening Regulation sets out a number of specific criteria to be fulfilled in order to be considered to make a substantial contribution to climate change mitigation.

The first criterion is that the economic activity must be dedicated to one or more economic activities which are set out in the Screening Regulation Annex I. Our activities under section 9.1 are dedicated to activity 3.6 which is set out in Annex I. The second criterion is that the results of the activity must enable the 3.6 activity to meet the criterion for substantial contribution to climate change mitigation, while respecting the relevant criteria for doing no significant harm to other environmental objectives. As set out above, our activity under 9.1 aims at developing and, in particular, ameliorating our carbon capture technology which aims at and demonstrate substantial GHG emission savings and thus contributes to climate change mitigation. Please refer to section 3.4.1 above for more information on the substantial contribution and do no significant harm assessment of our 3.6 activities.

For our activities, the third, fourth and fifth criteria are inter-related. The third criterion requires that the “economic activity aims at bringing to market a solution that is not yet in the market and is expected to have a better performance in terms of lifecycle GHG emissions than best commercially available technologies based on public or market information. The implementation of the technologies, products or other solutions being researched results in overall net GHG emissions reductions over their life cycle.” The fourth criterion requires that the “activity focuses on the development of equally low- or lower-emission technologies, products or other solutions with new significant advantages, such as lower cost.” And lastly the fifth criterion which applies for enabling activities, such as manufacturing other low carbon technologies (section 3.6), states that the activity “allow those enabling activities and the activities that they ultimately enable to substantially reduce their GHG emissions or substantially improve their technological and economic feasibility in order to facilitate their scaling up.” Our research and development activities aim at finding better solutions for climate change mitigation by way of enabling other economic activities to reduce their CO₂ emissions. This involves both making our solutions better and more effective and enabling activities which not yet e.g. can use our Just Catch™ and Big Catch™ plants or other abatement technologies.

The sixth and seventh substantial contribution criteria are not applicable for our economic activities.

The substantial contribution criteria are thus met.

Do no significant harm

The assessment is made on the basis of the DNSH criterion set out in technical screening criteria for “Close to market research, development and innovation”. Our close to market research, development and innovation activities relates exclusively to CCUS and was in 2022 conducted in office or in research labs.

- Climate change adaption: The generic criteria for this assessment is set out in Appendix A to Annex I to the Screening Regulation, which entails an identical assessment as the one carried out above for “manufacture of other low carbon technologies”. Based on this assessment we consider that the activity does no significant harm to climate change adaption.
- Sustainable use and protection of water and marine resources: The activity does not cause any potential risks to the good status or the good ecological potential of bodies of water, or to the good environmental status of marine waters. We consider the activity to do no significant harm to the sustainable use and protection of water and marine resources.
- Transition to a circular economy: After considering the types of potential significant harm set out in the Taxonomy Regulation Article 17(1) point (d) we have concluded that the activity does not lead to any risks to the circular economy objective. We have considered that the activity does no significant harm to the transition to a circular economy.
- Pollution prevention and control: The activity does not include any risk of causing increase in the emissions of pollutants to air, water or land. The activity does not cause any significant harm to this environmental objective.
- Protection and restoration of biodiversity and ecosystems: The activity does not affect the good condition or resilience of ecosystems or the conservation status of habitats and species, including those of Union interest. We consider that the activity does no significant harm to the protection and restoration of biodiversity and ecosystems.

Given the result of each of the five DNSH assessments, we consider the DNSH criteria to be fulfilled for activities related to the “Research, development and innovation activities”.

Minimum safeguards

The Taxonomy Regulation requires companies to have procedures in place to ensure alignment with the OECD Guidelines for Multinational Enterprises (“OECD Guidelines”), United Nations Guiding Principles on Business and Human Rights (“UNGP”), the ILO Core Labor Conventions in relation to the minimum safeguards criterion. Furthermore it is stated that companies must adhere to the principle of “do no significant harm” in the regulation on sustainability-related disclosures in the financial services sector (EU) 2019/2088 (the “SFDR”) when implementing the procedures. In addition to environmental objectives, Article 2 (17) of SFDR includes also social objectives, such as tackling inequality, fostering social cohesion, social integration and labor relations, and requires that no significant harm is done to any of the other objectives, and that the companies follow “good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance”.

The OECD Guidelines contain principles and standards for responsible business conduct. According to the OECD Guidelines, companies should carry out risk-based due diligence and impact assessment in order to identify the likelihood of adverse impacts on people, the environment and society that they cause, contribute to, or to which they are directly linked. The UNGP provides comprehensive guidance for companies to report on how they respect human rights.

Aker Carbon Capture is certified according to the international standards ISO 9001 Quality Management System, ISO 14001 Environmental management system, and ISO 45001 Occupational Health and Safety standard.

In Aker Carbon Capture, responsible business conduct is embedded in both our management system as well as our governing documentation such as policies and procedures that guide our operations in all key areas. Our policies and procedures set out our commitment, expectations and requirements to our employees and business partners within areas such as health, safety, security and environment, project execution, quality, governance and finance. These policies shall amongst others make sure that our business is conducted in accordance with internal and external regulations relating to human rights, labor rights and anti-corruption. In 2022, 100% of our employees attended our annual ethics and integrity training covering selected topics of our Code of Conduct. Our Code of Conduct can be accessed at www.akercarboncapture.com.

Aker Carbon Captures carries out risk assessments and risk-based due diligence on our business partners on a regular basis. We have procedures in place for integrity due diligence as well as country risk assessment related to our involvement in countries with perceived high political, reputational, legal or ethical risks. Please read more about this topic in the Board of Directors [report](#), the sustainability progress - [governance](#) section, and our [principle risk factors and uncertainties](#).

In the [people section](#) of the Annual Integrated Report we describe how we work with equality, diversity, health and safety, human and labor rights, topics that are also addressed in our Code of Conduct.. In our 2022 Transparency Act statement, we have described how we work to reduce negative impacts on human and labor rights in our operations and business relationships.

In order to make sure breaches of laws and regulations, our policies and procedures, and other unethical business conduct are reported, we have a whistleblowing channel that is open for all employees and relevant stakeholders. The channel is available on our webpages and reports can be made anonymously. In 2022, the company received 1 whistleblower case. The company has implemented a Whistleblower Procedure and is committed to ensure that there will be no retaliation against a whistleblower, nor any impact on a whistleblower's professional career, for reporting possible violations in good faith. For more information, please refer to our Code of Conduct.

Transparency is important to us and we will communicate relevant business information in full and on a timely basis to our employees and external stakeholders. All accounting and financial information, as well as other disclosure information, shall be accurately registered and presented in accordance with laws, regulations and relevant accounting standards.

With the above assessment, we consider the minimum safeguards to be fulfilled.

Taxonomy KPIs and accounting policies

The key performance indicators (KPIs) set out in the EU taxonomy regulation and delegated acts include Revenue (Turnover), capital expenditure (CAPEX) and operating expenses (OPEX). Aker Carbon Capture has chosen to report on both eligibility and alignment for each of the three KPIs. We have based the assessment on our best interpretation of the EU taxonomy regulation and Annex I of the Art. 8 Delegated Act. The key assumptions for our interpretation is described below, together with our Taxonomy related accounting policies.

Revenue (Turnover)

The turnover KPI is calculated as the part of turnover derived from Taxonomy eligible/aligned activities divided by the total turnover. The total net turnover equals the external revenue, ref note 3 in the consolidated financial statements.

Capital expenditures (CAPEX)

The capex KPI is defined as the capex related to assets or developments associated with Taxonomy eligible/aligned activities divided by total capex as defined in IFRS standards IAS 16, IAS 36 and IFRS 16, and can be found as "additions" in note 7, 8 and 10 in the consolidated financial statements.

Operating expenses (OPEX)

The opex KPI is defined as operational expenses related to Taxonomy eligible/aligned assets or processes divided by the direct non-capitalized cost related to research and development and any other direct expenses relating to the day-to-day maintenance of fixed assets. Other operating expenses directly linked to activities with turnover and activities related to selling, general, and administration are not considered as applicable for the calculation of the opex KPI.

Below is a reconciliation between operational expenses as reported in the income statement in the consolidated financial statement, and the opex used as the denominator in the opex KPI.

Amounts in NOK thousand	2022
Materials, goods and services	705,807
Salary and other personnel cost	152,140
Other operating expenses	134,663
Total operating expenses	992,610
- Less not applicable for EU taxonomy	848,940
Operating expenses considered according to EU taxonomy	143,669

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