AKER CARBON CAPTURE

2023

Annual and sustainability report

About this report

This is Aker Carbon Capture's 2023 Annual and sustainability report, reporting from 1 January 2023 till 31 December 2023.

The Sustainability 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.

Content

CEO letter

2023 was a milestone year for Aker Carbon Capture. With the award and commencement of the Ørsted Kalundborg CCS project, we are now delivering seven Carbon Capture units, the first of which will be ready to capture CO_2 in 2024.

In addition to our key projects, we are engaged in a number of important front end engineering and design (FEED) studies and process design packages (PDPs) including a FEED for Hafslund Oslo Celsio CCS and PDP for Uniper Grain CCS in the UK.

At Aker Carbon Capture we are really proud to be converting 20 years of research, development and testing into reality, leading the way on a range of first-of-a-kind projects in Europe and building a solid platform for future profitable growth both in Europe and North America.

Leveraging our experience and delivering on our commitments is key to our strategy and central to our journey towards profitable growth. In order to accelerate our growth strategy, we are continuously learning and investing in technology and product development. We are committed to driving down the cost of capture, leveraging our mature and proven carbon capture solution and enabling our customers to reach their net zero goals. Investment in digitalization, energy efficiency, and effective aftermarket support are all pillars in our mission to combat climate change and accelerating our journey to make a positive impact on the planet.

Our unique carbon capture technology, products and solutions continue to position us well in this fast-growing market. In 2023, we strengthened our modular product portfolio with the launch of Just Catch™ 400, and demonstrated with the Mobile Test Unit that our technology is highly effective with flue gas from smelters.

We firmly believe the development of our new Just Catch™ 400 modular solution together with our agile Just Catch™ 100 units will allow us to expand our business across our core sectors and regions and deliver on our growth ambitions.

We see real momentum in carbon capture, and as we embark on 2024 we are benefiting from a strong market position in Europe providing momentum for further growth in Europe and North America. Conclusions from the COP28 meeting highlighted broad agreement around the importance of carbon capture in meeting net zero ambitions. Moreover, the EU, UK, US and Canada as well as local governments increased their focus on funding and incentives for the entire value chain, including new commitments on storage emerging in the EU. It is clear to me that carbon capture is recognized firmly as one of the cornerstone technologies to decarbonize the industrial world.

None of this would be possible without the dedication and passion of our people. Our people are our foundation and our future. Our values are core to our success and I am in no doubt that as a team, we are able to create bold innovation together as well as forge new partnerships across the CCUS value chain. Working together we are able to unlock deployment of carbon capture at scale.

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. Together, we will continue to accelerate the reduction and removal of carbon from the industries we serve. Together, we will contribute to creating a sustainable future for our company, our customers, and our society. This is the purpose of our business and why we are here.

Egil Fagerland
Chief Executive Officer, Aker Carbon Capture

Aker Carbon Capture in brief

Aker Carbon Capture is a pure play carbon capture company with technology, products, solutions and services 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 also new industry segments including refining and process industries as well as pulp and paper.

The company's business model covers the sale of complete modular 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.

Key regions

Prioritized industries

CEMENT

BIO/WASTE-TO-ENERGY

GAS-TO-POWER

BLUE HYDROGEN

...and engagement with new industry segments such as refining and process industries as well as pulp and paper

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

Health, Safety and Environmentally friendly and proprietary patented technology for optimized all-round plant performance

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

Aker Carbon Capture delivers ready-to-use capture plants. The company's core technology has high energy efficiency and a robust patent protection offering a health, safety and environmentally (HSE) friendly solvent portfolio developed with the aim of no harm to workers on site, surrounding communities or the environment. This technology can be applied to both existing and new build plants, and has extensive real-world validation, with over 60,000 hours of operation to date across a wide range of carbon emitting industries. Aker Carbon Capture's technology is available across a range of cost-effective modular and bespoke carbon capture plants.

Research, innovation and technology development are key drivers of competitive advantage, and the company has an active program focused on reducing cost for our customers over the lifetime of our solutions, developing and qualifying new carbon capture technologies and products, and improving carbon capture project economics. This includes capture efficiency, modularization, and the implementation of digital capabilities.

Aker Carbon Capture operates in Scandinavia, Benelux and the United Kingdom, with growth also evident across other areas of Europe, and North America, especially the United States. The company has 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, such as refining and process industries, smelting and pulp and paper.

One of Aker Carbon Capture's strategic ambitions is to secure contracts that capture a total of 10 million tonnes of CO_2 annually by 2025.

Aker Carbon Capture's business therefore has a crucial role in helping carbon-emitting industries transition to a net zero world. Carbon capture and storage must be part of the solution to reach the targets of the Paris Agreement, according to the Intergovernmental Panel on Climate Change (IPCC). Government regulations and policies have strengthened the business case for CCUS-related investment, and as of November 2023, the total global capacity of CCS projects under development was 361 million tonnes of CO_2 per year. This is an increase of 48 percent compared to last year according to the Global CCS Institute.

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.

Key figures	Measure	2023	2022
Secured contracts to capture 10 million tonnes of CO_2 per annum by 2025	Million tonne CO_2 per annum	1.0	0.5
Order backlog	NOK billion	2.6	1.3
Revenue	NOK million	1,605	781
whereof taxonomy aligned	%	100 %	100 %
EBITDA	NOK million	-195	-212
Net Profit	NOK million	-171	-204
Earnings per share	NOK/share	-0.28	-0.34
Total R&D spend	NOK million	139	119
Net Current Operating Assets	NOK million	-671	-334
Cash and cash equivalents	NOK million	1,112	1,093
Equity	NOK million	702	878
Total employees	Headcount	149	133
Net GHG emissions, scope 1+2+3	tCO_2e emitted - tCO_2 removed	17,246	18,238

Our main achievements in 2023

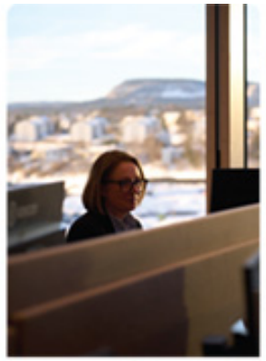
First heavy lift campaign completed at Brevik CCS

Start-up ongoing at Twence CCU

Contract awarded for Ørsted Kalundborg CCS

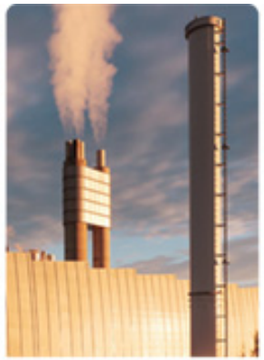
MOU signed with Saudi Aramco

Pre-FEED for several power generation facilities in Europe, emitting 12-14 million tonnes CO_2 per annum



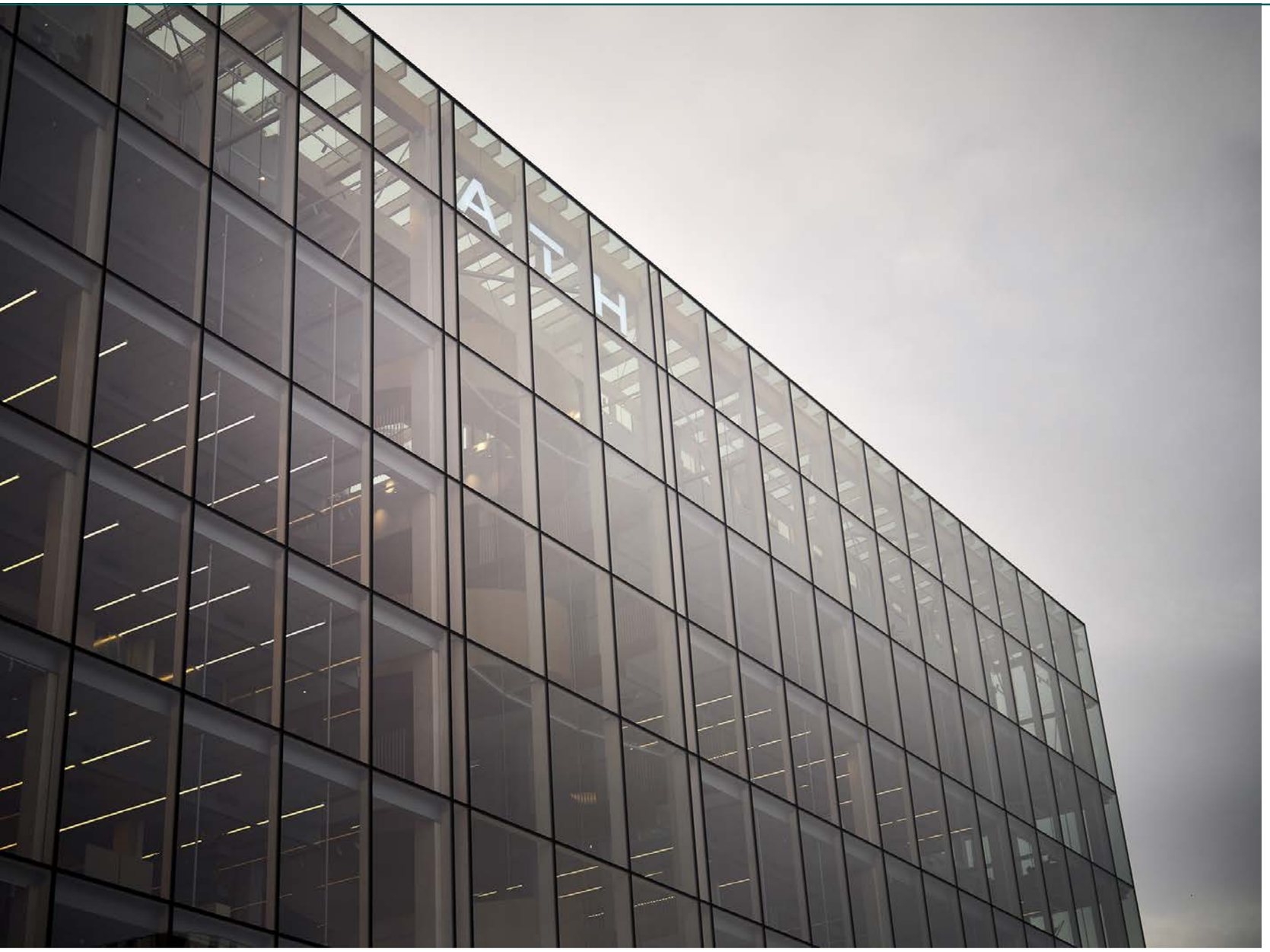
High study and pre-FEED activity including several in the US

Successful technology verification campaign at CO_2 Hub Nordland



Full FEED provider at Hafslund Oslo Celsio CCS

Process Design Package awarded by Uniper



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 CO_2, including capture, compression, liquefaction, and temporary storage at site. These solutions and services, including comprehensive aftermarket support, are provided to industrial plant owners and operators across various industries to reduce and remove CO_2 emissions.

Aker Carbon Capture was established as a stand-alone company in the summer of 2020, following more than two decades 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, process design packages (PDPs), detailed engineering work, front end engineering design (FEED), delivery of complete modular carbon capture facilities across a range of capture capacities, as well as assistance with 'life of asset' operations and aftermarket services, and a carbon capture as a service model that offers customers a full CCUS value chain solution.

As of the end of 2023, Aker Carbon Capture is delivering seven industrial scale carbon capture facilities across Norway, Denmark and the Netherlands, with a total CO_2 capture capacity of some 1 million tonnes per year.

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

Strategic direction

The carbon capture market has continued to accelerate, and as of November 2023, the total global capacity of commercial CCS projects under development reached 361 million tonnes of CO_2 per year. According to the Global CCS Institute, this is an increase of 48 percent compared to last year. The importance of carbon capture in meeting net-zero ambitions was highlighted in the conclusions from COP28. At the same time, government regulations and policies have strengthened the business case for CCUS-related investments. The Inflation Reduction Act (IRA) in the US, is nothing short of a game changer for green industrial growth at scale. In addition to 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.

Through 2023 Aker Carbon Capture has further matured its strategy and priorities, building on its position as one of the leading early movers in the CCUS industry. The company is now delivering seven carbon capture units in Northern Europe. To achieve its strategic ambitions, Aker Carbon Capture will continue to build its market position in Europe and expand into the North American market.

In addition to its geographical focus, Aker Carbon Capture has identified four prioritized market segments that offer particular opportunity: cement, biomass or waste-to-energy, gas- to-power and blue hydrogen. The company has also identified promising opportunities from refining and a range of process industries, including pulp and paper. During 2023, the company secured a high number of studies and technology verification campaigns within these segments. In 2023, Aker Carbon Capture demonstrated with its Mobile Test Unit that its carbon capture technology is highly effective on the flue gas from smelters.

Continued technology and product development and implementation will be a key enabler for the company's long-term competitive advantage. Cost reduction is a core 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.

Aker Carbon Capture's market offering is based around a cost-efficient portfolio of carbon capture products and solutions, including its modular Just Catch™ and mega-scale Big Catch designs. The company has

already identified a number of significant cost-reducing initiatives building on the success of the Just Catch™ 100 product. In early 2024, the first unit of this type was already in its commissioning phase at the Twence energy-from-waste facility in the Netherlands. In 2023, the company strengthened its modular product portfolio with launch of the Just Catch™ 400. This larger modular facility matches a clear need in the market, as evidenced by a number of studies and FEED work already secured in the months since its launch.

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

Technology development is key to reducing operating costs during the operational phase of carbon capture facilities. A key example 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 has developed its core execution capabilities, in terms of project management, procurement, engineering and subcontracting, to act as a solid player in the market, leveraging the competence and capacity of the Aker Group to ensure the highest levels of project execution. During 2023, the company also continued to develop its strategy to work with complementary partners beyond the Aker group. This broader network of execution partners is critical for Aker Carbon Capture's ability to expand further internationally, particularly into North America.

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 CO_2 capture technologies. The company also sees its partnership model as an important enabling step to expanding its business into new geographies.

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 CO_2 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 2023 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, covering all offices in Norway, UK and Denmark.

Market

For the last three years, the global CCUS market has followed a clear and accelerating growth curve. This is supported by recognition across policy, industrial strategy and research that carbon capture technology is a central element in enabling the world to meet its greenhouse gas reduction targets in the Paris Agreement. With continued growth, the International Energy Agency (IEA) sees 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, October 2023), the IEA estimates the need for 1 gigatonne CO_2 capture per year by 2030, and 6 gigatonnes CO_2 per year by 2050. This represents a very substantial increase from the current operational CCUS capacity of 49 million tonnes per year.

Europe

In Europe, the EU Commission has been consistent in its efforts to drive decarbonization and has recognized explicitly the important contribution CCUS technology brings to reach its climate reduction goals, despite market volatility resulting from turbulent geopolitics in recent years. The EUA carbon price, which is the price of emission allowances that emitters have to surrender as they emit CO_2 in the EU, traded between EUR 80 and EUR 90 per tonne through the majority of 2023.

In July, the European Commission announced the results of its Innovation Fund's (IF) third call for large-scale projects. In total, 41 projects shared a total budget of EUR 3.6 billion, out of which 10 projects included CCUS. The selected projects spanned across the cement, refineries and chemicals industries, with five including storage (CCS) in their scope and the remaining five utilizing the CO_2 (CCU). Geographically, the awarded projects are located in Croatia, Greece, Spain, France, Belgium and Germany, where the three first countries represent new and promising regions for CCUS development in the European market.

The Innovation Fund 23 call for projects in the EU was launched in November, with a total budget of EUR 4 billion. The significant increase in budget results from the emphasis on the EU Commission-proposed Net Zero Industry Act and the overarching European Green Deal.

As of June 2023, the EU-ETS (Emissions Trading System) elements of the Fit for 55 policy package officially became law and was recorded in the Journal of the European Union. This legislation makes reaching the EU's climate goal of reducing EU emissions by at least 55 percent by 2030 a legal obligation. The regulations included plans to phase into the EU ETS industries such as shipping and potentially waste-to-energy and introduce the carbon border adjustment mechanism (CBAM) with a simultaneous phase-out of EU ETS free allocations for several sectors. The combined effect of these regulations means the decarbonization of the European continent is set to accelerate further. Furthermore, in March, the European Commission proposed the Net Zero Industry Act, arguably the EU's response to the US Inflation Reduction Act, which set an annual storage injection capacity target of 50 million tonnes of CO_2 per annum from 2030, and aimed to shorten permitting timelines.

For Europe, it is also important to note that in addition to EU policy, national-level policies and funding are also contributing to CCUS deployment. In the Nordics, the Danish government is investing DKK 27 billion through two funding rounds in June 2024 and June 2025 to ensure annual CO_2 reductions of 2.3 million from 2029. And in Sweden, 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 CO_2 sources. The Swedish incentive is currently awaiting approval by the European Commission.

The Netherlands' SDE++ funding mechanism had a budget of EUR 8 billion for decarbonization projects in 2023, which will remain available for 2024 as well. Regions such as France and Germany plan to make an important policy shift, exemplified by the French CCUS Strategy consultation launched in June 2023, and the German funding for Climate Protection Contracts also launched in the summer of 2023.

United Kingdom

The UK further matured its industrial CCUS cluster strategy in 2023 to select candidates for final negotiations for government funding as part

of the Track 1 process. Earlier in the year, the government selected 8 projects within the first phase of Track 1, and these are expected to begin to move forward towards final investment decision later in 2024.

The UK also named the proposed Track-2 clusters as Acorn, in Scotland, and Viking on the UK's East Coast, and also outlined the start of the Track-1 Expansion process. The UK has an overall target to store between 20-30 million tonnes of CO_2 per year by 2030, and has set up a GBP 20 billion fund to support this initiative.

North America

Through 2023, the North American CCUS market saw strong growth, driven by the enactment of the Inflation Reduction Act and the Bipartisan Infrastructure Law.

In the US, the strengthened 45Q tax credit now provides some of the largest and most certain incentives for CCUS projects in the world. The 45Q credit was raised from a level of USD 50/tonne to USD 85/tonne for CO_2 which is permanently stored, as well as lowering the threshold for the capture volume needed to qualify for the credit. The strengthened 45Q legislation comes in addition to the Bipartisan Infrastructure Law (BIL) passed in November 2021. In total BIL provides roughly $12 billion in funding for high-potential projects across the CCUS value chain, including funding for demonstration and pilot projects.

In Canada, the government will rely on enabling federal programs, policies, and regulations such as progressive carbon pricing and a federal CCUS Investment Tax Credit. This is aimed at providing investment support for capital expenditures, giving 60 percent support for direct air capture (DAC), 50 percent for all other industrial CO_2 capture, and 37.5 percent for projects related to transport, storage and utilization of CO_2.

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.

This overall significant market expansion in 2023 reflects broad policy support, several new CCUS legislative proposals 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 sections 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 mature. 2023 marked an important year for the company as it implemented and delivered on a strategic plan to enter the North American market.

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 market development expected in the coming years, the company will actively target regions and opportunities that will support the realization of this ambition, in addition to further growth longer term.

Launch of new product - Just Catch™ 400

Building on the progress from Heidelberg Materials Brevik CCS, and experience with Just Catch™ 100 in the Twence CCU and Ørsted Kalundborg CCS projects, Aker Carbon Capture has launched a new product, the Just Catch™ 400.

Just Catch™ 400 will have a capture capacity of up to 400 000 tons per annum, capture rate up to 95 percent and a footprint of 30m x 55m. The Just Catch™ 400 can be combined with the Energy Saver™ or the heat integrated compressor solution to optimize the energy efficiency of the capture process.

Projects

2023 saw a continued high level of project execution activities at Aker Carbon Capture, with three execution projects running in parallel at different stages.

In Denmark Aker Carbon Capture is progressing in a BECCS project for Ørsted with the delivery of 5 Just Catch™ 100 units at Asnæsværket and Avedøreværket. The power stations run on biomass and will capture up to 500,000 tonnes CO_2, creating negative emissions from 2026 onwards.

In Norway the Heidelberg Materials Brevik CCS project for Heidelberg Materials reached key milestones with the erection of the absorber column and other main equipment including the tanks for immediate storage. The Heidelberg Materials Brevik CCS will be the first industrial scale carbon capture plant at a cement factory anywhere in the world, and will at completion capture 400,000 tonnes CO_2 per year. A FEED for Hafslund Oslo's Celsio CCS was also signed.

In the Netherlands, Aker Carbon Capture has completed the installation of the modular Just Catch™ 100 unit to Twence, the Dutch operator of waste-to-energy plants. The plant will have a rated capacity of 100,000 tonnes CO_2 per year and will commence operations early 2024. The captured CO_2 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, Aker Carbon Capture was awarded a Process Design Package for Uniper's Grain power station to potentially capture over 2 million tonnes of CO_2 per year. Continued support was provided to the consortium of Aker Solutions, Siemens Energy and Altrad Babcock for bp's Net Zero Teesside Power and SSE's Keadby 3 projects, both with an annual capture capacity of up to 2 million tonnes CO_2.

Aker Carbon Capture see continued high demand for feasibility studies for the implementation of carbon capture across Europe and the United States, supported by governments relying on carbon capture as a key to the energy transition and net zero targets.

portfolio of carbon capture and liquefaction products as modularized solutions for faster

		Just Catch™	Just Catch Offshore™	Big Catch™	TOTAL
SUPPLY AGREEMENT/ LICENCE KEY EQUIPMENT	No. of units	6 units	0	1 unit	7 units
	CO_2 volume	600,000 TPA	0	400,000	1,000,000 TPA
FEEDs/ PDP/ pre-FEED/MTU	No. of units	5 units	0	10 units	15 units
	CO_2 volume	900,000 TPA	0	21,500,000 TPA	22,400,000 TPA
STUDIES	No. of units	37 units	19 units	13 units	69 units
	CO_2 volume	5,890,000 TPA	2,840,000 TPA	8,100,000 TPA	16,830,000 TPA
	TOTAL	48 units 7,390,000 TPA	19 units 2,840,000 TPA	24 units 30,000,000 TPA	91 units **40,230,000 TPA**

Products

Aker Carbon Capture continues to develop 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 2023, strategic product development initiatives focused on the Just Catch™ portfolio with additional variants for different capacities and markets. The Just Connect™ modularization of the carbon capture product is being refined to target the market-specific needs of different industries. Experience from the Heidelberg Materials Brevik CCS project and the Twence CCU project has been used to develop the Just Catch™ delivery and installation. Key products like the energy saver and reclaimer have also been developed to serve a wide range of capture capacity.

The Big Catch™ product offering is designed for mega-scale facilities and offers a highly customized capture equipment design. This is an overall bespoke offering that is delivered as a license and key equipment package together with an EPC alliance partner.

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 client-specific needs. The products incorporate the latest technological developments and

enhancements generated through Aker Carbon Capture's continuous research and from ongoing projects.

Investment in 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 dataOps[1] 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 broadened its engagement with the scientific community through the projects DemoBECCS which is a research project in collaboration with DTU related to solvent development, and FuNITR which is a research project in collaboration with University of Oslo related to emissions to air from carbon capture processes.

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.

Together with partners (SINTEF, Elkem, Norcem, Mo Industripark, SMA minerals, Celsa Armeringsstål, Ferroglobe Mangan Norge, Norfrakalk, Alcoa) Aker Carbon Capture qualified its technology for the smelter industry in the world's first pilot campaign in that industry.

To meet the interest and demand from the market, Aker Carbon Capture is investing in a second MTU, which will be deployed in the US market in 2024.

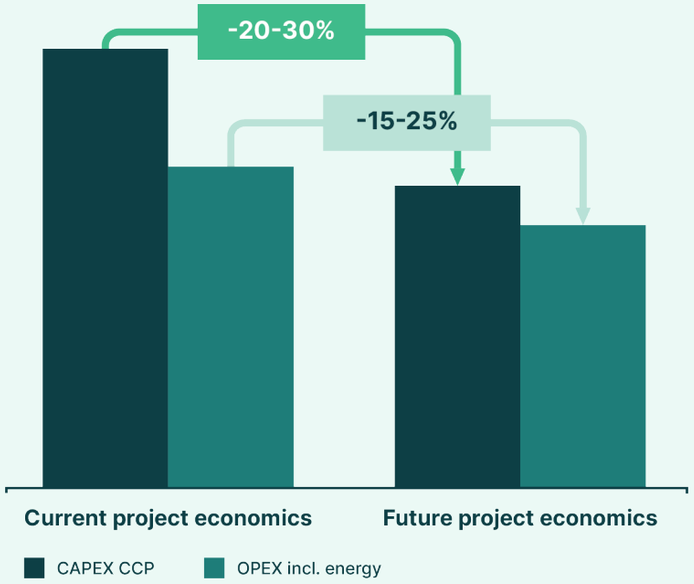
Cost and CAPEX reduction

Significant cost reductions have already been achieved on the Just Catch™ offering. Since 2012, the cost and footprint of Just Cath™ has been reduced by 90 percent when comparing to the delivery of Technology Center Mongstad, which can capture comparable amounts of CO_2 per year.

During 2023, strong progress in cost reduction continued through focus on the high cost drivers in fabrication and construction. The Just Connect™ principles were developed to leverage modularization strength and reduce the time spent in construction at site. The 3rd generation Just Catch™ products show significant improvement in this regard. With the Heidelberg Materials Brevik CCS in construction, the Just Catch™ delivery to Twence CCU near completion, together with five Just Catch™ units to be delivered to Ørsted Kalundborg CCS, benefits from learning by doing and the potential from economies of scale are becoming evident.

Energy efficiency

Energy efficiency remains an important element in carbon capture. In 2023 we have continued to 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.



Cost efficiencies and reductions

CAPEX

- Investing in maturing our Just Catch™ and delivery based on our philosophy of standardization and modularization
- Learning effects from delivery of first projects
- Economies of scale

OPEX

- Efficiencies in OPEX mainly driven by innovating solutions within energy efficiency
- Optimal heat recovery and integration with host facility will enable cost savings

[1] 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.

Industries and geographies

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 CO_2 emissions across these segments, supporting industries in establishing sustainable business models for the future. In addition to these industries, Aker Carbon Capture is actively expanding its experience within new industry segments, such as refining, process industries and pulp & paper. 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.

Partnerships

In 2023, Aker Carbon Capture strategically prioritized the developing of partnerships with Engineering, Procurement, and Construction (EPC) firms to target large scale capture capture plants, including our Big Catch™ offering. These collaborations are crucial as they provide the necessary execution capacity and expertise, which are vital for supporting the company's growth ambitions.

Throughout the year, several Memorandums of Understanding (MoUs) with EPC contractors were entered. The objective is to collaboratively target large-scale carbon capture opportunities, leveraging Aker Carbon Capture's proprietary technology.

The partnerships with entities sharing a common interest in accelerating the industry continue to yield benefits. A notable instance was in May when Aker Carbon Capture's alliance with Ørsted, Microsoft, and Northern-Lights played a pivotal role in securing the Ørsted Kalundborg CCS project in Denmark. The initiative, aiming to capture 430,000 tonnes of biogenic CO_2 annually, exemplifies the advantages of bringing together technology providers, emitters, and offtakers of carbon removals towards a shared goal.

In July, a Memorandum of Understanding (MoU) was signed with Saudi Aramco to explore the deployment of carbon capture solutions in Saudi Arabia. This two-year MoU focuses on reducing carbon emissions through modular carbon capture plants, aligning with Saudi Arabia's Vision 2030 and Net Zero 2060 goals. This partnership underscores the company's commitment to global sustainability and carbon reduction.

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. In 2023 the company performed a preliminary dual materiality assessment to prepare for future European Sustainability Reporting Standards (ESRS). The continuous stakeholder engagement and feedback served as key input for the assessment. The company has selected three material topics, reflecting the most significant impacts to the company, and has also defined topics supporting the strategic direction of the company. More information is available in the sustainability section of the Annual and sustainability report. The disclosures have 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 further matured together with a first assessment of the Task Force on Nature-related Financial Disclosures (TNFD), available in the appendix. The taxonomy assessment of the company's activities is also available in the appendix.

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 2023, the company conducted supplier audits, deployed sustainability dialogues with its critical suppliers, to further support the transition required by the supply chains towards net zero, and continued its effort to meet the obligations in the Norwegian Transparency Act. The company also continued its systematical approach to ensure diversity and inclusion, avoiding discrimination and reporting according to the Norwegian Diversity Reporting.

More information can be found in the sustainability section of this report and the Transparency Act progress report 2023.

Environment

Aker Carbon Capture protects the environment through products, solutions and services that reduce the CO_2 emissions of both its customers' and its own operations. 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 operations 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 employs an environmental impact and lifecycle assessment from extraction of raw materials to operating capture plants. The company enables the carbon reduction and removal through the carbon capture plants delivered by the company. Improving energy efficiency of the carbon capture plants can further reduce the carbon footprint of the solutions in operation. The design has been continuously improved, such as developing the advanced emission control systems including the patented AntiMist™ technology, solutions to minimize net energy use, as well as the development of an Health, Safety and Environmentally friendly solvent portfolio, with the aim of no harm to workers on site, surrounding communities or the environment.

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

People

Organization

The long term goal for the company is to create a flexible international organization with a collaborative and innovative culture.

As per 2023 Aker Carbon Capture has established legal entities in Denmark, the United Kingdom, the Netherlands, Sweden and India to further serve the growing CCUS market and secure execution capacity. In 2023 a presence was established in the US with the view of expanding our operations in North America going forward.

By the end of 2023, Aker Carbon Capture employed a total of 149 employees including contractors. This compared to a total of 133 employees, including contractors, at the end of the previous year.

Egil Fagerland was appointed CEO in July 2023, following Valborg Lundegaard. He was an internal successor, previously holding the position as CFO. Julie Berg was appointed new CFO in December, bringing over 26 years of experience within finance and internal control, and extensive international experience within the energy and industrial sectors.

Following the appointment of the new CEO, a new structure was set for the organization. It is designed to deliver on strategic priorities, with a strengthened capability to deliver on projects and win new work. The organizational structure is designed to maintain and strengthen the core functional competence areas; sales, innovation and technology and product development and project execution as well as corporate staff functions.

Transparent and purpose-driven company culture

The company devotions are central elements in the established ways of working as well as in formal, informal, external, and internal communication. These processes aim to inform, include, involve, and engage the employees.

The working environment has been a priority throughout 2023. Several initiatives has been conducted, such as designated working groups, executive management involvement in prioritized issues, department workshops and the involvement of Working Environment Committee (AMU). The company conducts employee surveys at least twice a year and a digital proposal box is an integrated part of the management system where all employees are encouraged to contribute with improvement suggestions. The survey is used to monitor the level of engagement and loyalty to the company and how well the values are understood. The employee survey includes questions to monitor whether employees have experienced discrimination, harassment, or any other sort of misconduct. The results from the last employee survey conducted indicates improvements on the prioritized areas. Following the new organization the company's ambition is to further strengthen the empowerment of the employees, and provide clear insight to the strategic direction and priorities of the company.

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. Being a company headquartered in Norway 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.

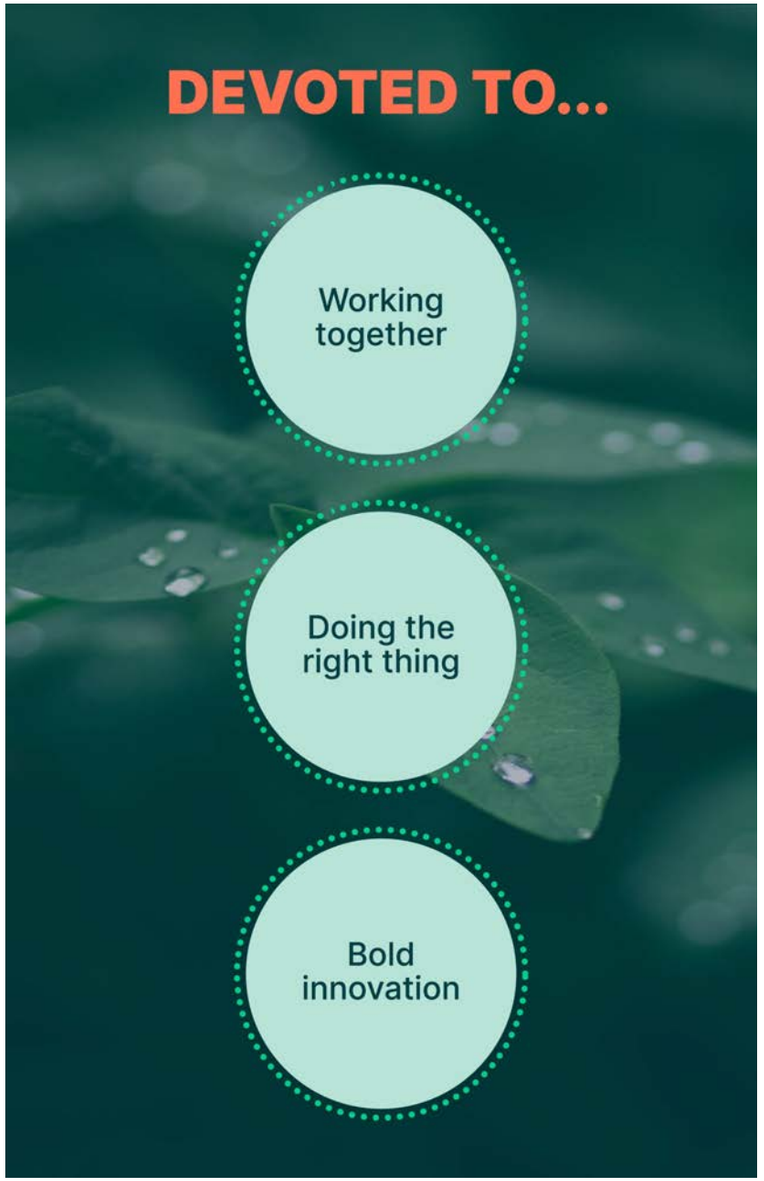
Health, Safety, Security and Environment

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 2023 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, covering all offices in Norway, UK and Denmark.

Health and working environment

Aker Carbon Capture is committed to accident prevention, but also 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.



In 2023, construction work was ongoing at the Heidelberg Materials Brevik CCS and the Twence CCU sites, as well as preparations for Ørsted Kalundborg CCS sites, and follow up of local sub-contractors.

The working environment committee (AMU) in 2023 focused on various topics to enhance the physical and psychosocial work environment including resolving identified challenges. A safety delegate was elected at the UK office in 2023, aiming to enhance workplace safety and compliance, thereby contributing to a safer and healthier work environment for the employees. The broader Aker group provides various support including health webinars and free consultancy by medical professionals.

Aker Carbon Capture's global sick leave for 2023 was 2.03 percent.

Safety

Aker Carbon Capture operates with a zero harm mindset and the belief that all incidents can be prevented. In 2023 no serious incidents were reported. As ongoing construction work continued in 2023 for the Heidelberg Materials Brevik CCS and Twence CCU projects in addition to the start-up of the Ørsted Kalundborg CCS project, continuous improvements of the operational safety-related procedures and measures were done.

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.

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 2023.

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 2023 have shown that the company's emergency preparedness organization is agile, adaptive, and successful in responding to crises.

Safeguarding diversity, equal opportunity and inclusion

Aker Carbon Capture had a total of 149 employees at the end of 2023. 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 33 percent percent of the employees are women. The representation of women in executive management roles was 50 percent in 2023. Aker Carbon Capture's workforce represented 19 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 equity and diversity is available in the sustainability section of this report and in the Equality and anti-discrimination report 2023.

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 2023 no such cases had been reported.

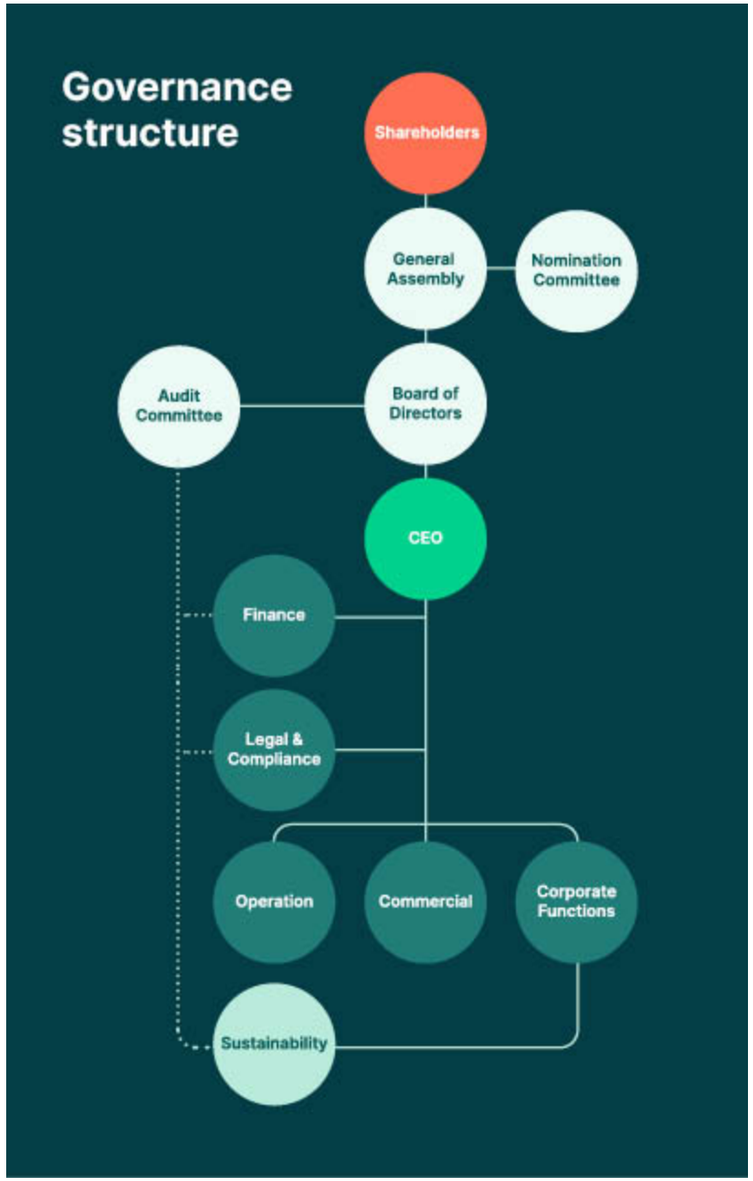
Leadership, talent and performance

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 company has a digitally-connected, collaborative and hybrid 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 tool set.

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 2023 the company reinforced the focus on leadership cultural awareness. The company conducted speak up training, openness culture training, and workshops on Aker Carbon Capture behaviors to create true ambassadors for the Aker Carbon Capture culture. In addition, the company established new operational processes to engage and create ownership to the company deliverables.

Aker Carbon Capture is committed to creating an inclusive environment where diversity is valued and equality is embedded in our business processes. The representation of women in executive management was 50% in 2023.



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.

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

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 the highest authority that oversees the sustainability work in the company. The sustainability policy, material aspects, sustainability targets and key priorities, as defined in the corporate strategy, are approved by the Board of Directors. Climate risks and other sustainability related risks are discussed with the board as part of the company's Enterprise Risk Process.

The Chief Executive Officer is accountable for setting the direction for the sustainability work and for establishing the 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.

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 anti-corruption, human rights, working conditions and employee matters, sustainability and environmental matters, third party management and business partner conduct. The Code of Conduct is available at the company's webpage. 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 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 the sustainability ambitions and ensures that the company's material aspects are at all times updated and relevant.

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.

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. An updated enterprise risk assessment is presented to and discussed with the Audit Committee and Board of Directors on a quarterly basis.

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.

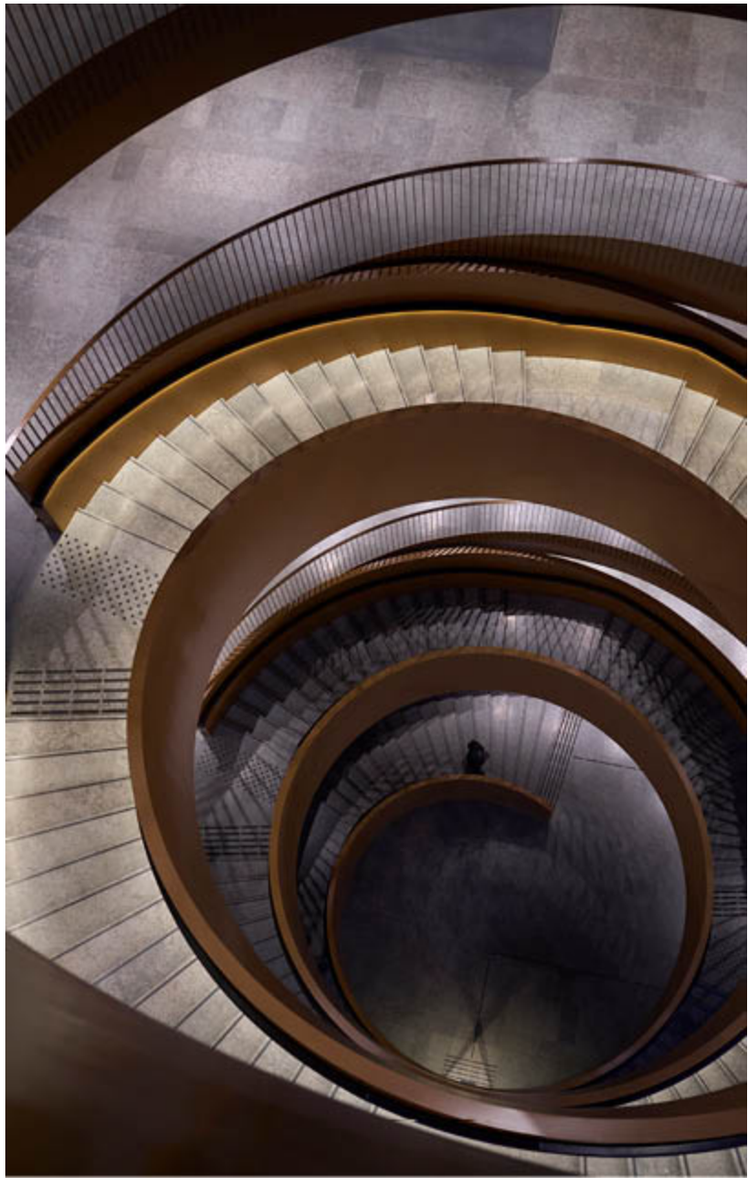
The ICFR process is based on the Committee of Sponsoring Organizations of the Treadway Commission framework and is an integrated part of Aker Carbon Capture's governance model. The ICFR process is risk-based and an important part of the financial reporting process which is carried out throughout the business activities of Aker Carbon Capture's subsidiaries and projects. The main priority through 2023 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 CO_2 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 war, pandemics, market risk, CO_2 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 such as liquidity risk arising from fluctuations in working capital. Principal risk factors and uncertainties are further described below.

Principal risk factors and uncertainties

Market risk

The market outlook for CO_2 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 relies heavily on government subsidies, CO_2 markets such as EU ETS, and further



development of CO_2 transportation and permanent CO_2 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 CO_2 per annum by 2025, resulting in lower revenue and profit potential for the company in the near-term
- 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 represent a significant element of the business case
- Long-term low carbon prices, taxes and/or credits could limit the commercial attractiveness of carbon capture and storage, and could result in limited attractiveness for the carbon capture as a service business model
- 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
- The war in Ukraine and the strong European and American sanctions against Russia, the war in Gaza and new global pandemics 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 Heidelberg Materials Brevik CCS, Twence CCU, Ørsted Kalundborg CCS and ongoing FEEDs, 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, in particular in new markets such as North America
- 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 or customers
- 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 risk of supply chain delay or cost inflation due to unforeseen external circumstances such as:
  - Social unrest on the back of the war in Ukraine, sanctions against Russia, the war in Gaza, unrest in the Middle East and democratic decline and influx of migrants in already strained areas
  - 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

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 non-compliance and works systematically to avoid such behavior. To ensure compliance with laws and regulations and international 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.

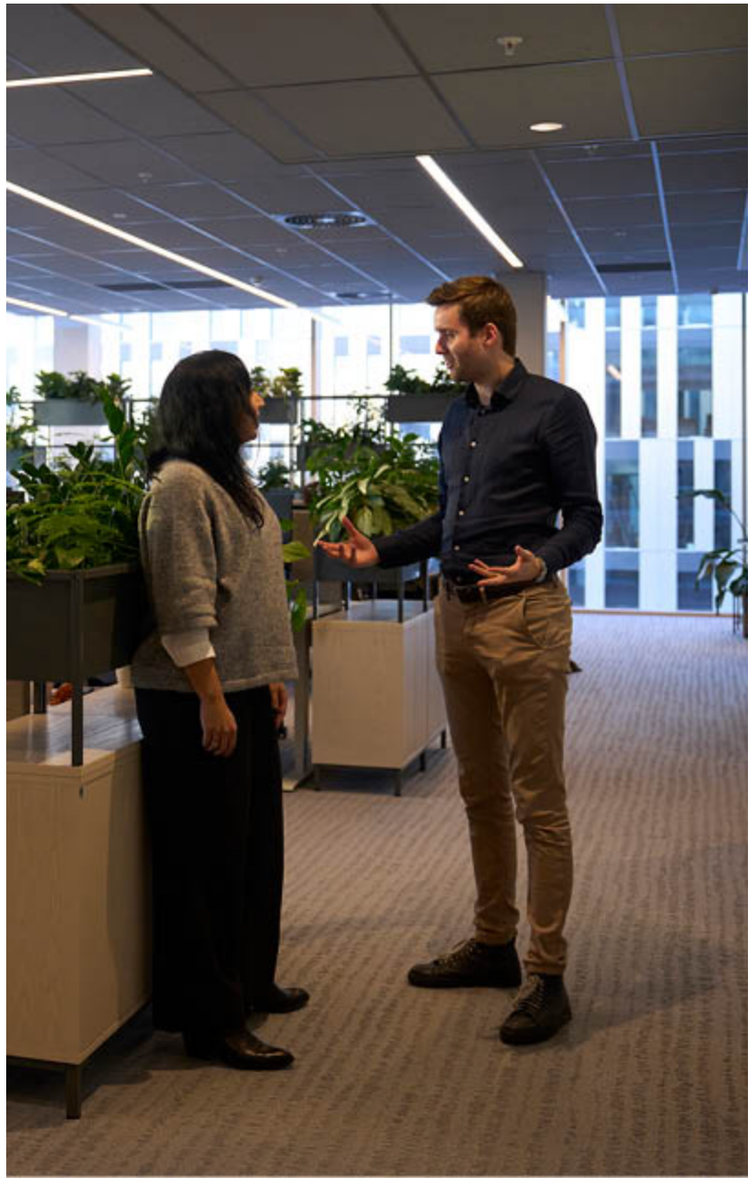
Aker Carbon Capture is exposed to legal, regulatory, and political risks, decisions on environmental regulation and international sanctions that impact supply and demand, as well as risks associated with unethical and criminal behavior.

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), and an early assessment of Nature-Related Financial Disclosures (TNFD), 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, available in the appendix.

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 including the management of working capital fluctuations which is primarily linked to project execution and project milestones on lump sum projects.

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.

Financial performance

Aker Carbon Capture presents its consolidated financial statements in accordance with the IFRS® Accounting Standards as adopted by the EU. All amounts below refer to the consolidated financial statements for the group, unless otherwise stated. The financial statements cover the period from 1 January 2023 to 31 December 2023.

In the period, the company's revenues increased from NOK 781 million in 2022 to NOK 1,605 million in 2023, primarily driven by increased activity on the Heidelberg Materials Brevik CCS, Twence CCU and Ørsted Kalundborg CCS projects. Operating loss ended at negative NOK 211 million, compared to negative NOK 223 million in 2022. 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. While revenue has been recognized on the Ørsted Kalundborg CCS project, no margins have been recognized in 2023 due to the project being in the early stages. Loss for the period was negative by NOK 171 million, compared to NOK 204 million in 2022. Loss per share was negative NOK 0.28, versus a loss of NOK 0.34 per share in 2022.

Total assets of the group amounted to NOK 1,688 million as of 31 December 2023, compared to NOK 1,297 million in 2022. The group had a cash position of NOK 1,112 million and negative net current operating assets at NOK 671 million, respectively 1,093 million and 334

million in 2022. The company has no interest-bearing debt. Total equity amounted to NOK 702 million at year-end 2023, resulting in an equity ratio of 42 percent, compared to 878, and an equity ratio of 68 percent as of year-end 2022.

Cash flows from operating activities ended 2023 at a positive NOK 171 million compared to negative NOK 118 million in 2022. This was significantly higher than the operating loss of NOK 211 million due to a positive cash effect from changes in net current operating assets. Cash flows from investing activities were negative by NOK 147 million, compared to negative NOK 105 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 in 2023 and NOK 9 million in 2022 mainly due to payment of finance lease liabilities.

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. 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., Aker Carbon Capture Sweden AB 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 profit of NOK 17 million in the period from 1 January 2023 to 31 December 2023, compared to a net loss in 2022 of NOK 2 million. The net profit in 2023 mainly stems from interest income on the net deposit in the cash pool arrangement. The company is currently in a growth phase and no dividend has been proposed. 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 in the future.

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

Dividends:	—
To retained earnings:	17
Total allocated:	17

Going concern

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. In addition, the war in Gaza and unrest in the Middle East is also impacting supply chains and the global economy. 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.

Since the establishment of Aker Carbon Capture in 2020 the world has been hit by a global pandemic. In 2023 the impacts of the Covid-19 virus continued to impact the supply chain in some areas.There is a risk that new pandemics and outbreaks, or other unforeseen external circumstances, may have substantial negative effects.

Aker Carbon Capture has no external debt and a solid liquidity reserve as of 31 December 2023. 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, 17 March 2024
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

Egil Fagerland
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

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 HMH 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 2023:
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 CEO of REV Ocean and is a tireless champion for promoting environmentally responsible solutions for the world's ocean. She started this position in 2018 after 15 years of positive impact in WWF-Norway (as Secretary-General since 2012).

Key external assignments:
Ms. Jensen is a board member of KR Foundation, The Business for Peace Foundation, Project Energy Reimagined, Ocean Wise, HUB Ocean, Polyteknisk Forening 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:
2023-2025

Shares owned at year-end 2023:
0

Audit Committee member:
No

Board meeting attendance
6/8

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 CO_2 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:
2023-2025

Shares owned at year-end 2023:
10.000

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, Silex Gas Norway AS and as director of the board of Gigante Salmon ASA, Vår Energy AS, Mjölnir Invest AS, Andrevind AS, Aquaship AS and SINTEF Energi AS.

First elected:
2021

Term of office:
2023-2025

Shares owned at year-end 2023:
0

Audit Committee member:
Yes (Chair of Audit Committee)

Board meeting attendance
7/8

Linda Litlekalsøy Aase
Director (independent)

Year of birth:
1966

Citizenship:
Norwegian

Position:
Chief Executive Officer of Bremnes Seashore AS.

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 Ms. Aase has 20 years of industry experience and has held a variety of leadership positions, most recently as CEO 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 and Eksfin (Export Finance Norway)

First elected:
2021

Term of office:
2023-2025

Shares owned at year-end 2023:
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 Board Education, CBS Executive Fonden.

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; and Owner and CEO of Christensen Management Consulting ApS.

First elected:
2022

Term of office:
2022-2024

Shares owned at year end 2023:
0

Audit Committee member:
No

Board meeting attendance
8/8

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

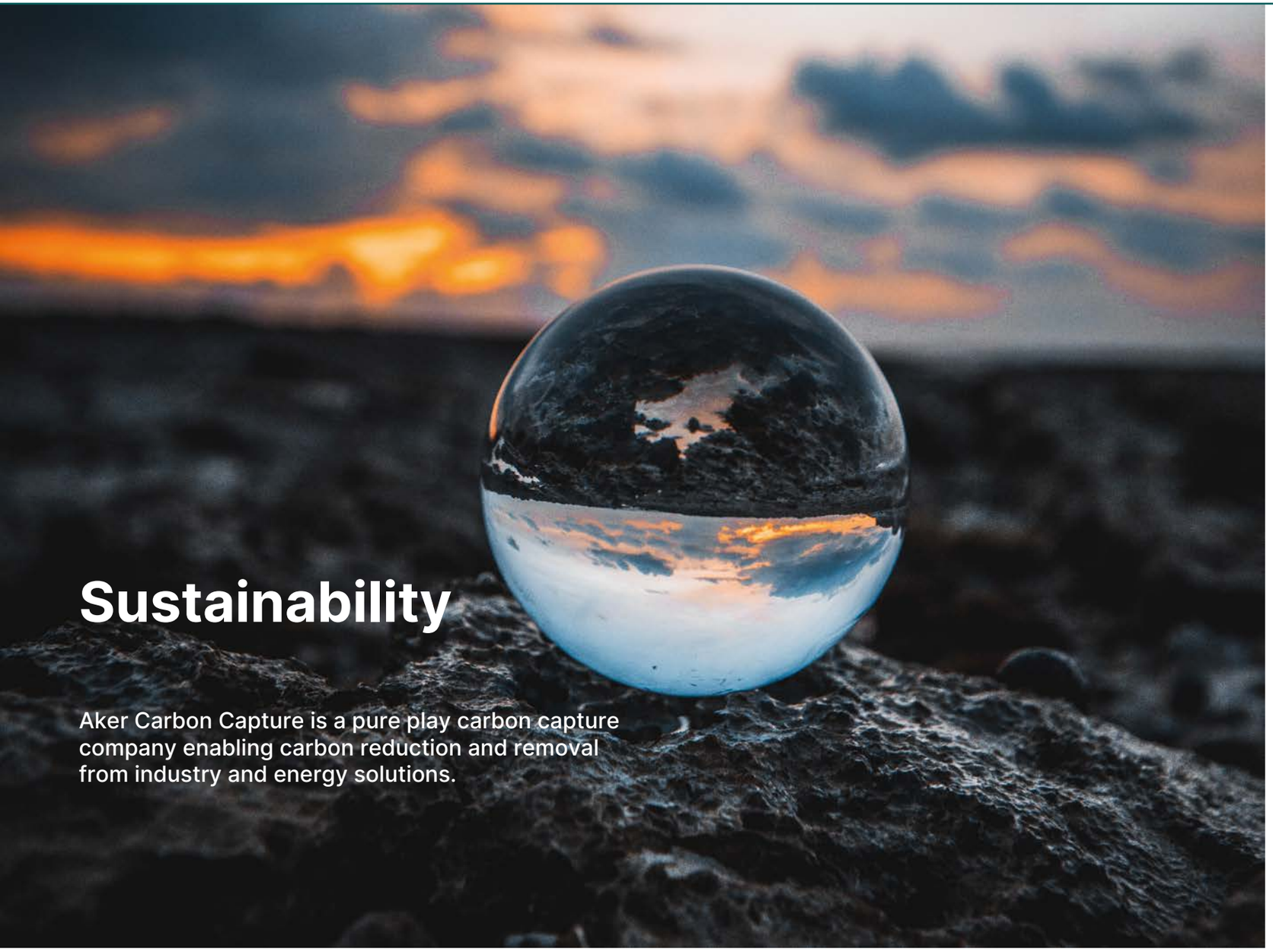
First elected:
2022

Term of office:
2022-2024

Shares owned at year end 2023:
0

Audit Committee member:
No

Board meeting attendance
8/8



Sustainability

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 2023, 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. For us, this direction is underpinned by the materialization of multiple plants across Heidelberg Materials Brevik CCS, Twence CCU and Ørsted Kalundborg CCS, an important step forward to realize our contribution to climate change mitigation through our solutions.

In various arenas where we have participated such as COP28, 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 there is an increased attention both from a supplier as well as from a demand perspective on ensuring access to high quality carbon credits as part of the net zero targets. Aker Carbon Capture are already enabling the creation of carbon removal through our Ørsted Kalundborg CCS project, with the capture of biogenic emissions. The creation of carbon removal is relevant in all sectors with biogenic emissions.

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

This section outlines the company's material topics as well as other topics relevant to support our strategic direction, some early accomplishments, and how the company intends to operate in the future with sustainability as a natural and integrated element across all activities. We have also started our preparations for the implementation of Corporate Sustainability Reporting Directive (CSRD). All entities of Aker Carbon Capture, including Norway, Denmark, UK, the Netherlands, Sweden and India are covered.

Further data is provided in the ESG performance metrics in the appendix.

Sustainability targets and priorities

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. Each material topic is described with its impacts, actions and progress so far, as well as targets, key performance indicators and priorities for the upcoming period. 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.

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 priorities are externally communicated on various occasions.

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. More information is available in the appendix.

Our selected strategic targets and priorities across 'planet', 'people', 'prosperity' and 'governance' are linked to the impacts toward the selected Sustainable Development Goals.

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. Further details on the nature of our engagement and stakeholders' key priorities are available in the appendix. This engagement serves as key input to our materiality assessment.

ESG ratings

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 are currently assessed by MSCI, Sustainalytics and ESG100 by Position Green.

Ratings	2023	2022	2021
MSCI	A 6.3	BBB 5.4	BBB 5.5
Sustainalytics	Low 18.8	Medium 21.8	n.a.
ESG100 by Position Green	A+	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

Double materiality assessment

Impact materiality
Company impact on people and planet

Financial materiality
Sustainability and climate impact on your company

In 2023 we made an iteration of previous work on the materiality assessment for Aker Carbon Capture, to further prepare for ESRS implementation when becoming relevant to us. Basing the assessment on the stakeholder dialogues and the first topics covered by the ESRS framework, we made a cross-functional and management level dual assessment based on 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.

Material topics to us are deemed as those being assessed as 'high' impact on either one or both of the dimensions of impact materiality. For the remaining aspect we are providing metrics as deemed relevant for selected stakeholder groups of Aker Carbon Capture.

Material ESG topics selected for Aker Carbon Capture

The following topics are assessed to have the most significant impacts:

Carbon reduction and removal

Environmentally friendly technology

Health and safety of our people

Other topics that are deemed relevant for our strategic direction:

Environment:
- Reducing own carbon footprint
- Climate change adaption
- Circular economy
- Water and marine resources
- Biodiversity and ecosystems

Social:
- Transparent and purpose-driven company culture
- Diversity, equity and inclusion
- Affected communities

Governance:
- Responsible supply chain management

MATERIAL TOPIC

Carbon reduction and removal

- **Impact on surroundings**
  Our business leads to significant emission reduction and removals where our solutions are deployed. With a continuous RD&I effort to improve solutions, particular on energy efficiency, carbon footprint, and cost reduction we make the solutions accessible to more emitters

- **Impact on our business**
  Increased deployment of CCUS is a direct financial impact on Aker Carbon Capture as more solutions are delivered, generating revenues. Likewise, a delayed response to climate change has a delayed income stream for Aker Carbon Capture. Indirect impacts of climate change may lead to disruptions to our supply chains

- **Our response**
  Enabling carbon reduction and removal is the very reason why we are in business, and as such our company strategy is set to support our growth and impact

Related strategic targets:

- Securing contracts to capture 10 million tonnes of CO2 by 2025
- Improve carbon intensity of products with 50 percent by 2030
- Renewable energy consumption 80 percent by 2025, 100 percent by 2030
- Taxonomy aligned RD&I, 100 percent of OPEX and CAPEX by 2025

MATERIAL TOPIC

Environmentally friendly technology

- **Impact on surroundings**
  As we are enabling decarbonization we are set to do so without introducing harm to the environment. On this notion we have developed, matured and tested our proprietary solvent for capturing carbon over decades and continue to invest to deliver a best in class solvent

- **Impact on our business**
  Continuous efforts to further minimize environmental impact and meeting potentially new requirements as we are expanding into new regions - securing a continuous development aligned with growth strategy

- **Our response**
  Continuous technology and innovation efforts to support the deployment and acceleration of carbon capture

Related strategic targets:

- ISO certified management system

MATERIAL TOPIC

Health and safety of our people

- **Impact on surroundings**
  Ability to secure working conditions in own workforce & workers in the value chain, enabling a positive, safe and healthy work environment.

- **Impact on our business**
  By not ensuring health and safety and wellbeing, we risk regulatory and reputational damage to our business, potential supply chain disruptions and increased turnover

- **Our response**
  Enhance our well established processes within our health and safety and people and organization functions, and by proactively learning from the experience and knowledge of others, both within and outside the Aker network.

Related strategic targets:

- Zero Accidents
- Well-being factor >35

Environment

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. We are committed to continuously improve our solutions and offerings, making carbon capture available to a wider range of emitters.

MATERIAL TOPIC

Carbon reduction and removal

Carbon capture to mitigate climate change

Mitigating climate change requires swift action from emitters across industries, and continuous development, innovative solutions and scaling of carbon capture deployment. Aker Carbon Capture believes in bold innovation, both in terms of technology and business models to achieve the required scaling of carbon capture.

Progress

- Important progress made on Heidelberg Materials Brevik CCS (Norway), Twence CCU (Netherlands), and Ørsted Kalundborg CCS (Denmark), all of which are under construction, with a combined carbon capture capacity of 1 million tonnes of CO_2 per annum
- Our pipeline when including opportunities where we are involved in feasibility studies, pre-FEED, FEED, or tendering aggregate to approximately 40 million tonnes of CO_2 per annum.
- Continued active involvement in maturing the carbon removal framework through NL+, applying CCS+ methodology to the Ørsted Kalundborg CCS project.
- Successfully completed a Mobile Test Unit campaign at CO_2 Hub Nord in Rana, Norway. Aker Carbon Capture's proprietary capture technology shown to be highly effective with flue gas from smelter and calciner
- Introduced Just Catch™ 400, offering the modular approach for mid-size emitters

Priorities

- Further enable Aker Carbon Capture to harvest operational data, to contextualize this data in a digital twin for further analysis and enrichment, and for near future aftermarket business development
- Together with partners and networks, work to further mature the carbon removal framework for high quality credits
- Aker Carbon Capture will prioritize RD&I activities that reduce the cost and improve the efficiency of CO_2 abatement and secure the growth of the company, including
  - reduce the energy demand of our products and solutions,
  - qualify the technology for new industry segments
  - improve carbon capture HSE performance

International frameworks for reference

- Paris Agreement
- Science-Based Targets initiative (SBTi)
- Greenhouse Gas Protocol (GHG protocol)
- IPCC Special report
- ISO 14001
- DNV-RP-A203
- DNV-RP-J201

Policies

- Sustainability policy
- Technology & Innovation policy

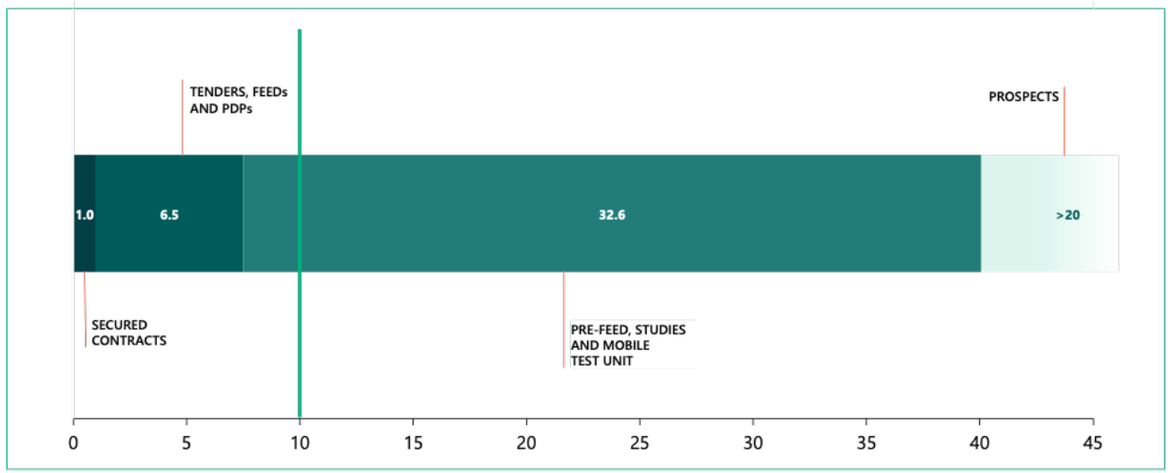
Key partnerships and collaborations

- Microsoft
- SINTEF
- CCS Research Centre
- Carbfix
- MAN
- Siemens Energy
- Ørsted and Microsoft
- DTU

Accelerating the scaling of carbon capture deployment

Securing contracts to capture 10 million tonnes CO_2 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 CO_2 per annum by 2025. Per year-end 2023, we have secured contracts to capture 1 million tonnes of CO_2 per year. Tenders and FEEDs amounted to opportunities worth 6.5 million tonnes of CO_2 per annum. This reflects bp's Net Zero Teesside Power FEED, SSE Keadby 3 FEED, Uniper Grain PDP and Hafslund Oslo Celsio 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 2023 this group totaled 32.6 million tonnes of CO_2 per annum. Our pipeline of prospects beyond the aforementioned groups aggregate approximately to over 20 million tonnes of CO_2 per annum, reflecting the increased activity in the CCUS market.



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 CO_2. We are also delivering a Process Design Package for Uniper's Grain power station in the UK, to potentially capture more than 2 million tonnes of CO_2 per year. In addition, we working with Aker Solutions on a FEED for Hafslund Oslo Celsio to develop carbon capture at the waste-to-energy facility at Klemetsrud in Oslo, Norway.

INSIGHT

Carbon capture being delivered

In 2023 we had site works at four locations, a proof of carbon capture being beyond the PowerPoints. and marking an important step forward for realizing climate change mitigation.

We are proud to have been selected by Heidelberg Materials for the Heidelberg Materials Brevik CCS delivery, the world's first carbon capture at industrial scale at a cement facility, enabling the capture of 400.000 tonnes CO_2 per annum. This followed the government's funding support and launch of the Longship CCS project in 2020, which Heidelberg Materials 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.

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 early 2024, it will be the world's first of a kind modular carbon capture plant at a waste-to-energy facility, 100.000 tonnes of CO_2 per annum. The captured CO_2 will be utilized in greenhouses in the region to yield growth, displacing the need for natural gas.

Ørsted Kalundborg CCS was initiated in 2023, with the delivery of large scale carbon removal already by the end of 2025. The five Just Catch™ plants will be deployed at Ørsted's bioenergy facilities at Asnæs and Avedøre, with a total design capacity of 500.000 tonnes of CO_2 per annum. This marks the first Financial Investment Decision for a full scale CCS project within the European Union.

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 2023, Aker Carbon Capture spent gross NOK 139 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 and Aker Carbon Capture have established several technology related partnerships and collaborations.

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 2023 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 2023.

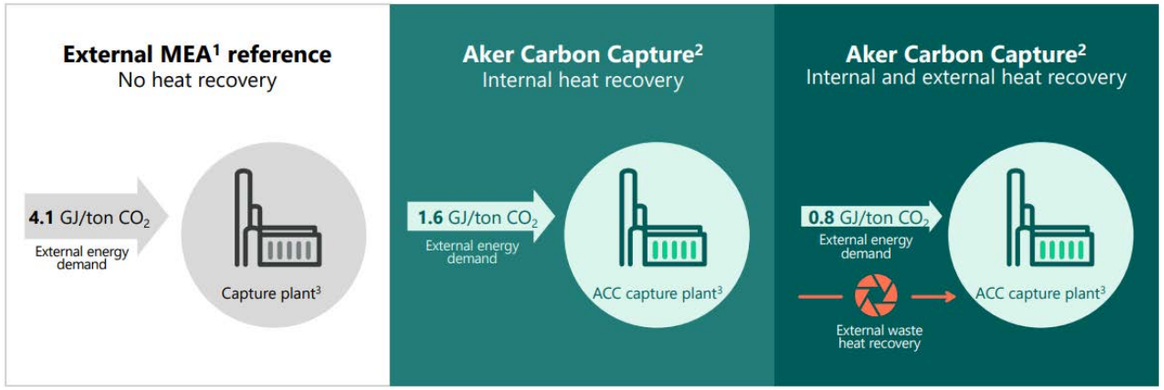
Amounts in NOK million	Total	Proportion of Taxonomy-eligible economic activities (in %)	Proportion of Taxonomy-aligned economic activities (in %)
Revenue (Turnover)	1,605	100 %	100 %
Capital expenditure (CAPEX)	180	100 %	100 %
Operating expenses (OPEX)	96	100 %	100 %

Energy efficiency

Aker Carbon Capture has a continuous focus on delivering environmentally friendly technology and has set bold carbon intensity ambitions for our solutions further described in this 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 CO_2 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 percent. 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/tonneCO_2 – 1.6 GJ/tonneCO_2, 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.

Reducing own 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 outweighs the footprint of construction and operation, 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 intensity of our products by 50 percent 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-integrity carbon removals are key to reach net zero and net negative.

We are aiming at more ambitious targets than currently outlined by Science-Based Targets initiative by targeting carbon net 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 CO_2 with fossil origin is captured and stored, while carbon removal is when CO_2 with biogenic origin is captured and stored. Deploying CCS with for example bioenergy or waste-to-energy plants leads to carbon removal. 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. For own offices and our MTU we aim for 80 percent electricity consumption to be renewable by 2025, and 100 percent by 2030. This approach is aligned with Greenhouse Gas Protocol on scope 2 guidance. And similarly, for our customers, choosing renewable energy would be an important additional step for decarbonization. Considering the full CCUS value chain, transport of CO_2 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. The greatest challenge to us in the SBTi process is how to be able to track progress on the carbon intensity for our solutions that are strongly influenced by the site they are deployed at, both in terms of comparing like for like across segments with varying CO_2 concentration in the flue gas, access to internal heat from host, as well as the impact by the electricity grid where the solutions are deployed.

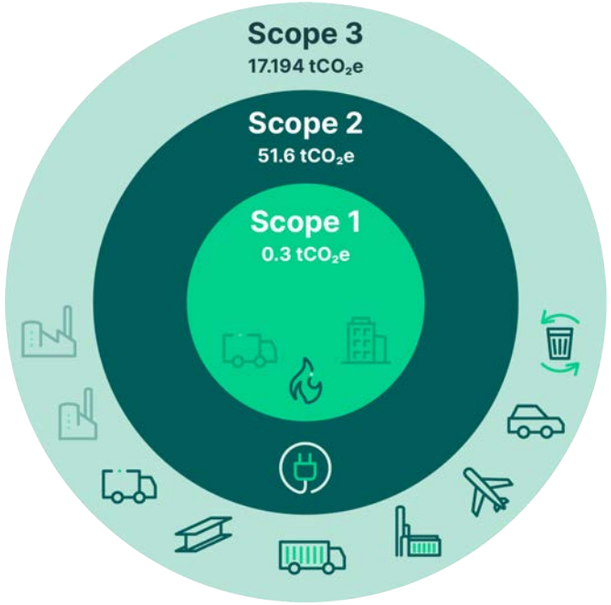
Green supply chain

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 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.

In 2023 we conducted sustainability dialogues with our critical suppliers. Our experience was that there are positive initiatives across the various sites in terms of installing renewable energy and reduce water consumption, as well as an eagerness to collaborate to improve and prepare towards the ESRS regulations coming into operation.

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.



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.

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.

Our GHG emissions in 2023 was 17,246 tonne CO_2 equivalents (tCO_2e), using financial control approach and marked based electricity. Location based electricity results in 17,236 tCO_2e, further breakdown is provided in the ESG Performance metrics in the appendix.

The inclusion of construction activities of both Heidelberg Materials Brevik CCS and Twence CCU projects in our scope 3 is the main contributor to the company's overall emissions. The delivery of Ørsted Kalundborg CCS will be reflected from 2024 onwards.

Scope 3 emissions from purchase of goods and services account for about 96 percent of the total GHG emissions. These goods and services are mainly linked to production of the capture plants. Our attention is to further improve the foundation for climate reporting in terms of data collection. Currently, the data available is limited, thus we typically use generic emission factors and estimates on volumes of material inputs. While we have a sound GHG emission baseline for our projects, we will continue mature the link between the current progress of the project and the related emissions in order to facilitate external assurance. This is a challenge imposed by the project duration of our deliveries, typically spanning over more than one calendar year

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 January and parts of February due to lack of electrical heating capacity during the test campaign under significant cold circumstances in northern Norway, resulting in emissions of 0.34 tCO_2e.

INSIGHT

Net-zero materials to reduce scope 3 emissions

The construction and civil engineering sector accounts for a significant part of greenhouse gas emissions, both globally and locally. Concrete is the world's most produced commodity, and the production of cement, the glue in concrete, is one of the largest sources of emissions. It is challenging to decarbonize cement production as most of the emissions come from the process part where limestone is burned. The industry has already taken reducing measures such as using alternative fuels and alternative raw materials in production.

The emissions associated with concrete become largely visible as Scope 3 emissions for everyone who builds. Often, concrete will represent half of the emissions of a building. Carbon capture and storage will be a necessary measure for the industries that cannot be decarbonized through choice of electricity and fuel. By capturing CO_2 directly from the flue gas in the cement plant, one may make the production carbon neutral. Implementation of CCS in the cement industry will be a crucial step to produce critical materials with net zero emissions.

When the carbon capture plant is operational, Heidelberg Materials will be able to offer unique CCS reduced cement products that enable concrete with net zero CO_2 emissions, called evoZero. The carbon capture plant will remove 400,000 tons of CO_2 per year, which corresponds to almost 1 percent of Norway's total emissions. Net zero or low-emission concretes will enable actors in the construction industry to reduce their Scope 3 emissions significantly.

MATERIAL TOPIC

Environmentally friendly technology

The dual perspective of climate and environmental impact
The company adheres to the practice that while solving one problem another shall not be introduced, thus developing climate solutions with the aim of no harm to workers on site, surrounding communities or the environment. Substantial efforts have been made over two decades in order to mature and develop our proprietary amine solvent.

Progress
- Certified ISO 14001 Environmental Management System and ISO 9001 Quality Management System
- Optimization of energy efficiency of carbon capture units in operation is standard in our project development, substantial efforts made with regards to technology and innovation in this area
- Initiated Funitr, a research program lead by UiO focusing of impact of emissions to air from carbon capture processes
- Partner in the SINTEF led research project SCOPE, funded through ACT, aiming to accelerate the development of emission monitoring systems and control guidelines, and the utilization of knowledge of environmental hazards in risk assessments for amine-based carbon capture plants

Priorities
- Expand on our application of the framework Task Force on Nature-related Financial Disclosures to gain a better understanding of nature-related impacts, in particular the indirect impacts of our supply chain.
- Developing more advanced emission control systems to further minimize the environmental impact from the carbon capture process
- As our solutions are deployed, we will further develop data gathering and analytics from the operations, as a basis for further improvements of our technology

International frameworks for reference
- ISO 14001 Environmental Management System
- WBCSD Circular Transition Indicators
- Ellen MacArthur Foundation

Policies
- Sustainability policy
- Environmental policy
- Technology & Innovation policy

Key partnerships and collaborations
- Collaboration with SINTEF
- Funitr research program
- SCOPE research project
- Member of Nordic Circular Hotspot

No negative impact on environment was detected in 2023

ISO certified management system

Environmentally friendly technology

Aker Carbon Capture's technology has been developed to mitigate climate change with the aim of no 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 only 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 the Norwegian authorities and academia with expertise in CCUS. Our response has been both to continuously improve our design, such as developing the advanced emission control systems including the patented AntiMist™ technology, as well as the development of an Health, Safety and Environmentally friendly solvent portfolio, with the aim of no harm to workers on site, surrounding communities or the environment.

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.

Aker Carbon Capture has extensive testing experience of our technology with more than 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 our carbon capture plants generally doesn't require water after the initial first fill, resulting in a very low water consumption. 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 return water temperature as the water is 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.

About our carbon capture technology and amine solvent portfolio

- Health, Safety and Environmentally friendly
- Low degradation and waste
- Minimum corrosion
- Very low water consumption
- CO_2 capture rate of up to 95 percent
- Minimum emission to air
- More than 99 percent CO_2 purity
- Minimum liquid waste
- Less energy requirement
- Improved energy consumption
- Optimized material selection with a lifetime of more than 25 years
- Easy operation and monitoring
- Efficient reclamation

Other environmental topics relevant for our strategic direction

Biodiversity

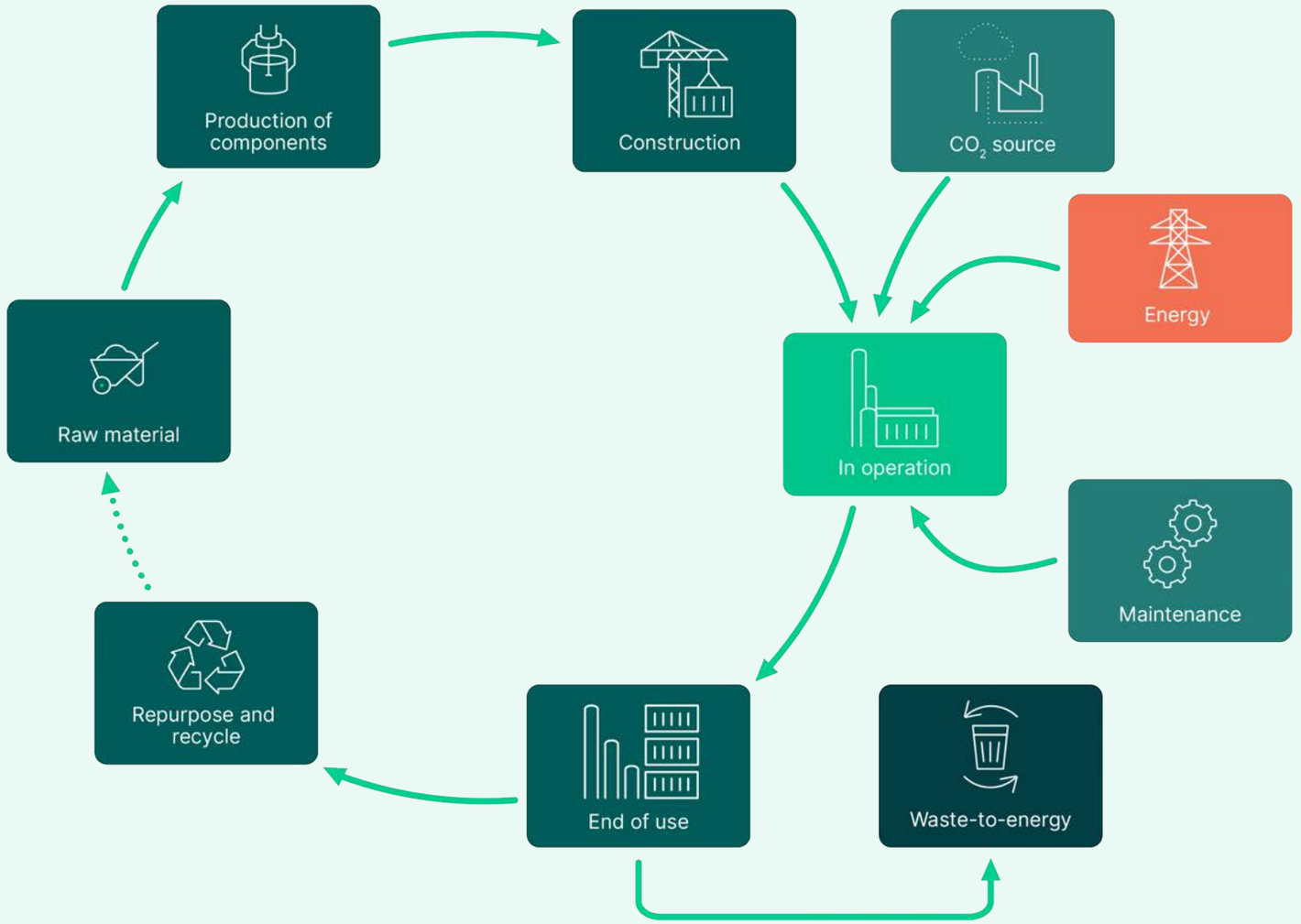
Land usage and impact on biodiversity are seen as limited as the deployment of carbon capture plants has a relatively small land footprint. The plants are mainly placed in areas already targeted for industrial purposes, but the local impact needs to be assessed on a case-by-case basis.

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, and 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 expand on our application of the Task Force on Nature-related Financial Disclosures in this respect. By conducting lifecycle assessments of our solutions we have already gained a better understanding of material inputs, serving as a foundation for further information and data gathering.

Circularity

Circularity is an aspect that is managed when designing our solutions as it has impacts both to the carbon footprint of our solutions, and to nature through resource utilization. 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. 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. Residual waste should be directed to waste incineration or waste-to-energy facilities rather than landfills as a measure to limit the environmental impact. A natural next step as carbon capture is being deployed is to ensure that residual waste is directed to waste-to-energy facilities with carbon capture, to further reduce emissions from the process.



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.

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 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 CO_2 captured may be reused in e.g. greenhouses to yield growth such as in the case of the Twence CCU 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

Social

Aker Carbon Capture's values are part of day to day operations and the key drivers for our culture. They work as the foundation for collaboration internally and externally and serve as guiding principles. We are truly a purpose driven and value based company[2] on our mission to enable carbon reduction and removal from industries and energy solutions.

2023 has been a year with 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, personal development and well-being for all our people as the most important building block for maintaining a healthy business and reaching our ambitious targets.

[2] 92% of the employees answered that they can identify with our values in the employee survey

MATERIAL TOPIC

Health and safety of our people

Decent working conditions as the foundation for growth

Safeguarding health and safety and wellbeing in our own operations and throughout the value chain. Aker Carbon Capture believes that employee safety, competence, and well-being is the foundation for continued growth and priority areas for the company.

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 and UK
- Obtained the ISO 45001 certification for Occupational health and safety
- Conducted mandatory HSSE and Code of Conduct training
- Completed training in the SAI social audit framework
- Conducted social audits of suppliers
- Established working processes a local union group in Norway (2022)

Priorities

- Maintain internal awareness about health and safety and continuously improve the health and safety sections in the management system
- Increase internal human rights due diligence competence, participating in UN Global Compact's Business & Human Rights Accelerator
- Conduct supplier audits with focus on human rights, HSSE, quality and anti-corruption obligations in the Code of Conduct for Business Partners

Further details are provided in the ESG performance metrics in the appendix.

International frameworks for reference

- ISO 45001, Occupational health and safety
- UN Global Compact Guiding Principles
- OECD Guidelines for Multinational Enterprises
- ILO Core conventions
- Norwegian Transparency Act

Policies

- Code of Conduct
- Sustainability policy
- People policy
- HSSE policy
- Business integrity policy

Key partnerships and collaborations

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

Health and safety

We believe that our employee's safety, competence, and well-being, is the foundation for continued growth and for successful operations. 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 have conducted an onboarding program for all new employees and all employees are invited to bi-weekly Lunch & Learn. 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.

To further strengthen and systemize our work related to occupational health we also obtained ISO 45001 certification for Occupational health and safety. In 2023, the UK joined the Working Environment Committee (AMU), following the incorporation of the Danish Working Environment Committee in 2022. The AMU's mission is to secure employee health and well-being and is an integral part of employee dialogue.

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 2023, Aker has through its medical partners set up a vaccination scheme where flu vaccination has been offered. The sick leave for 2023 was 2.03 percent. This is well below the 2.5 percent target for the company.

To continue ensuring that everyone can maximize their talents, we remain committed to welcoming, listening to, and respecting the ideas of all our employees. In 2023, we had a strong focus on establishing processes, structures, and tools to facilitate involvement and engagement at all levels of the organization. This commitment will remain unchanged in 2024, with a particular focus on securing and advancing our core competencies. We firmly believe that retention and succession planning are fundamental in achieving this goal.

INSIGHT

Transforming industries, supporting local communities

As industries increasingly meet expectations and regulatory requirements to drive decarbonization, they are better equipped to participate in a low-carbon economy.

Carbon Capture, Utilization, and Storage provides an opportunity for industries to transform as they each undertake their decarbonization journey. Transitioning to a low-carbon economy can safeguard an industry's place in the community, preserving jobs and supporting local economies. This is particularly important where the industry is the cornerstone employer of the region.

However, there is no one-size-fits-all decarbonization strategy – not amongst industries, or across regions. Even within the same industry segment, the location of individual plants dictates their short-term access to resources such as renewable energy, low-carbon hydrogen, and CO_2 storage. As a dedicated carbon capture company, we believe that we have an important role to play in further demystifying and educating about carbon capture. We are committed to collaborating with our partners and customers to achieve this goal.

Other social topics relevant for our strategic direction

Safeguarding human rights and decent working conditions

We are committed to safeguarding human rights and decent working conditions by providing a positive, safe and healthy working environment for our employees and workers involved in our operations. We are guided by applicable laws, regulations and standard on workers rights, and work proactively with business partners to safeguard human and labor rights in our business operations.

We aspire to provide decent working conditions for our employees and hired-ins where they can have a healthy work-life balance, a fair income, freedom to express their opinions and organize, and opportunities for personal development. Although formal requirements are in place, we are an organization in growth and are aware that growth pains such as high workload and short deadlines may exist. Hence we measure and obtain feedback from the organization on these topics on a regular basis and let the results guide our focus and efforts for improvement.

Our commitment to safeguard human rights and decent working conditions is anchored in the company's Code of Conduct, HSSE and People policies and accompanying sub-procedures in the Management System. These documents provide guidelines and establish routines on how to ensure that our operations are executed in compliance with applicable laws and regulations. We also work proactively towards suppliers and customers and conduct due diligence, risk assessments and dialogues to ensure that human rights and decent working conditions are safeguarded in the supply chain.

The majority of Aker Carbon Capture's operations are limited to countries with low risks of negative impacts on human and labor rights. 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, including the supply chain. Identified risks of potential adverse impacts are followed up with due diligence and targeted mitigating actions. More information about the subject is available in the company's Transparency Act progress report 2023.

Freedom of association and collective bargaining

Besides our internal policies and procedures, we uphold the freedom of association and the right to bargain collectively. The company has for example established a local union group in Norway and has one employee-elected representative on the Board of Directors. 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.

All employees in Norway, 83 percent 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.

Employment and wealth generation

Long-term value creation is critical for business performance, competitive advantage, mitigating risk and strengthening stakeholder relationships. 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 149 employees including hired-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 Heidelberg Materials 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, In 2023, the employee share purchase program was conducted, with a subscriptions of a gross amount of NOK 3.9 million.

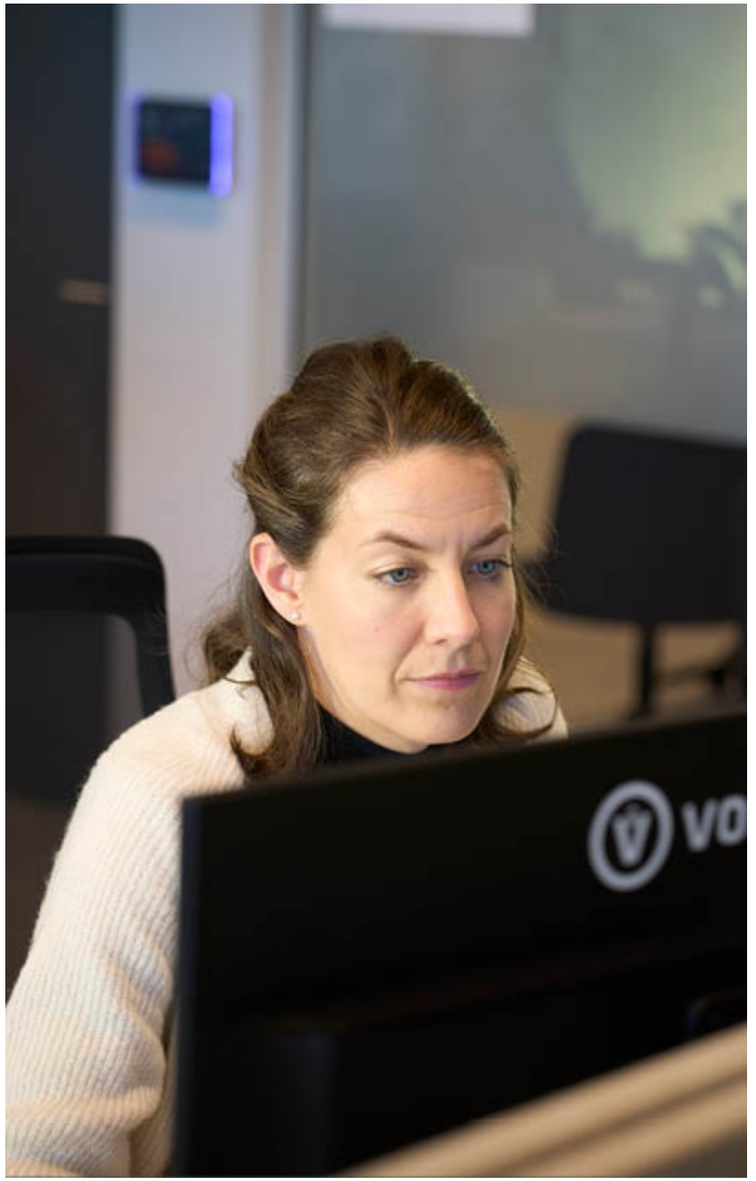
Diversity

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 annual 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 we have been able to uphold the gender diversity ratio, with a small improvement to a ratio of 33/67. In addition we have a 19 nationalities represented 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 3 students working part-time in our company, delivering alongside the rest of the organization and providing important perspectives and reflections.



Equity

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 2023 five employees were entitled to take parental leave, where four men are back to work and the remaining woman is 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 assessment shows that there are no significant pay-gaps between comparable roles, and that on sub-levels of the organization there are examples of variations in favor and disfavor for both male and female. Overall for the organization we observe an improvement in 2024 compared to 2023 with a pay-gap women to men of 4.4 percent.

Reporting concerns and grievances

The company has established a communication channel where concerns can be reported. Grievances related to human and labor rights can be reported to the company's integrity channel, and is also open for external stakeholders. The company did not identify any incidents or received grievance reports involving negative impacts on human and labor rights in 2023.

INSIGHT

Aker's CXO program

The Aker CXO Executive leadership program is sponsored by all the Aker companies, aiming to grow leaders who will develop people and organizations for the future, build strong relationships and leadership culture across Aker, prepare leaders for new opportunities within Aker and as such strengthen Aker as a top executive learning and career path.

Leaders from Aker Carbon Capture has participated in this program since its inauguration in 2022, including our CEO Egil Fagerland, our CTO Jim Stian Olsen and for the 2024 program our Chief of Staff Nina Westgaard and COO Erik Langholm will take part. The program consists of gatherings, online workshops and self-study with executive mentors from the various Aker companies.

According to our Chief of Staff Nina Westgaard; "The CXO program has proven to be a valuable contribution to the development of our leaders, enhancing the knowledge and expertise of the Aker heritage"

Governance

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

We believe the success of our products and projects rests on achieving success by doing business responsibly, ensuring good governance through all aspects of our operations and business activities.

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

Aker Carbon Capture has 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, sanctions violations, and ethical misconduct. The program consists of various elements, including risk assessments, topic-based procedures, tools, controls, training and awareness.

During 2023, the company continued to strengthen its compliance program. Focus and improvement areas were selected and adjusted based on feedback from the organization and results from risk assessments conducted on a regular basis throughout the year. Feedback was also obtained through an annual company wide business integrity survey. Overall, the work involved updates and introduction of compliance policies and procedures, training and awareness initiatives, and third party risk management, including due diligence. Controlling efforts, such as internal and external reviews and audits, were also introduced.

The company detected 0 instances of non-compliance, i.e. failure to comply with applicable laws and regulations, in 2023.

Tone at the top

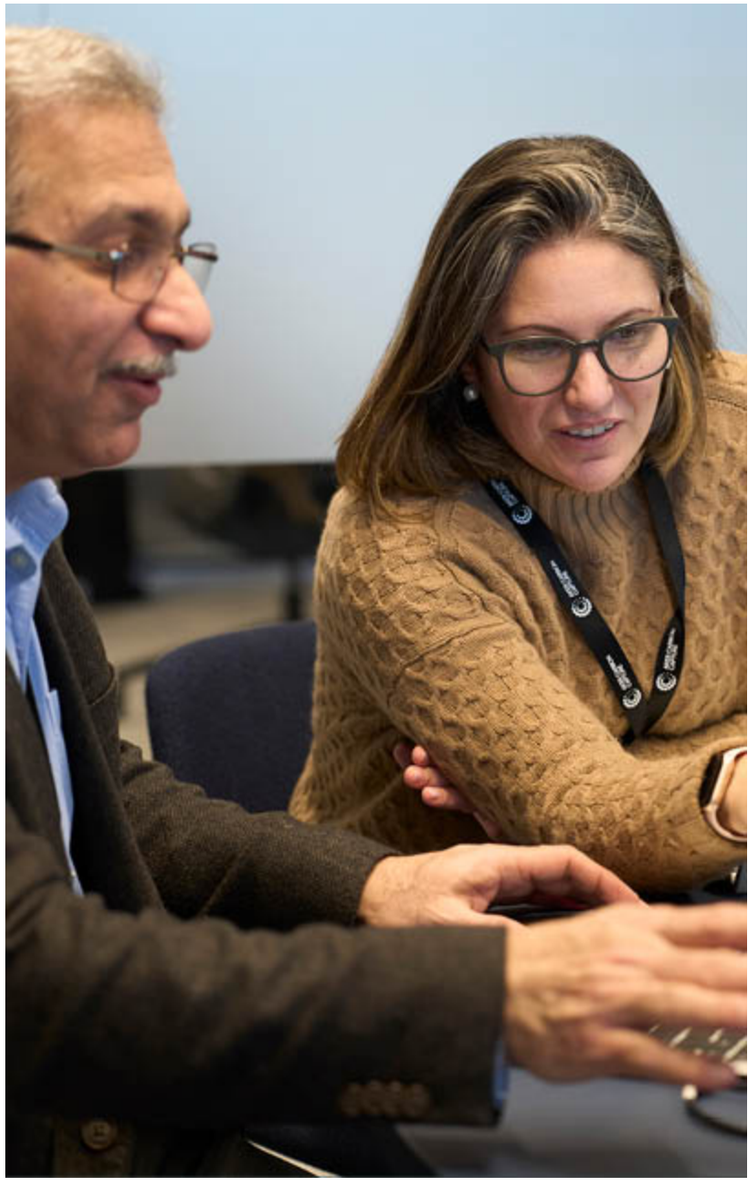
When establishing a culture of compliance and integrity, we believe it is is important that the top level of the company sets the right tone, acts as role models, and has clear expectations to acceptable behavior. We also believe that it is similarly important through all management levels due to the higher frequency of interaction with the employees. Therefore, responsible business conduct is addressed in management meetings on a regular basis.

To gain insights into the perceived compliance culture, an annual business integrity survey is issued to all employees. In the 2023 survey, and similar to the 2022 results, 90 percent of the respondents answered that they believe the Executive Management Team and the middle management have clear and explicit focus on compliance and ethical business conduct. The survey results also indicated that the organization has good knowledge and awareness about compliance related topics.

Training and awareness

Training and awareness is an important tool to maintain and uphold a responsible and transparent company culture. Therefore, compliance awareness for employees is addressed on a regular basis through tailored and risk-based training.

In 2023, the company maintained its focus on training and awareness. Compliance moments and lunch and learn sessions were held on several occasions throughout the year. Further, compliance onboarding training for new employees was introduced, tailored training was held for selected teams, and all employees participated in a one hour Code of Conduct training at the end of the year. GDPR, human rights and speak up were key topics that were put on the agenda in 2023.



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.

The company has 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.

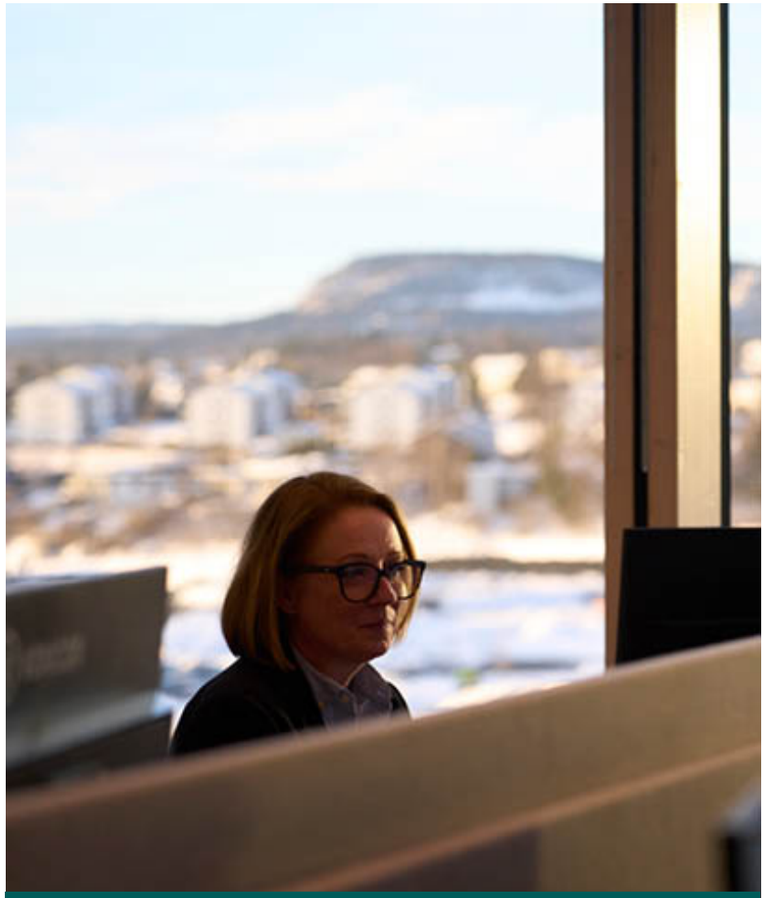
In 2023, the company had consistent focus on integrity due diligence and company screening of third parties. Internal routines were adjusted to allow for better cooperation and transparency between teams, and a new digital system for documenting findings were implemented.

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.

In 2023, the company implemented a new Conflict of Interest Procedure with guidance on how to handle and report conflict of interest situations.



INSIGHT

Compliance with international sanctions

In 2023, we continued to monitor the developments in international sanctions and worked consistently to ensure compliance through various measures such as third party screening and monitoring, compliance clauses and company-wide awareness.

Controls and monitoring

Controls, reviews and monitoring are important tools to test the effectiveness of a compliance program, and also to check and control compliance with internal routines or third party obligations.

Aker Carbon Capture is in the process of enhancing its controls and monitoring activities. The company monitors its third party relationships in an external company screening system, and track registrations of conflicts of interest situations and gifts and hospitality activities. In 2023, the company also conducted internal and external audits, also with focus on compliance obligations in the Code of Conduct.

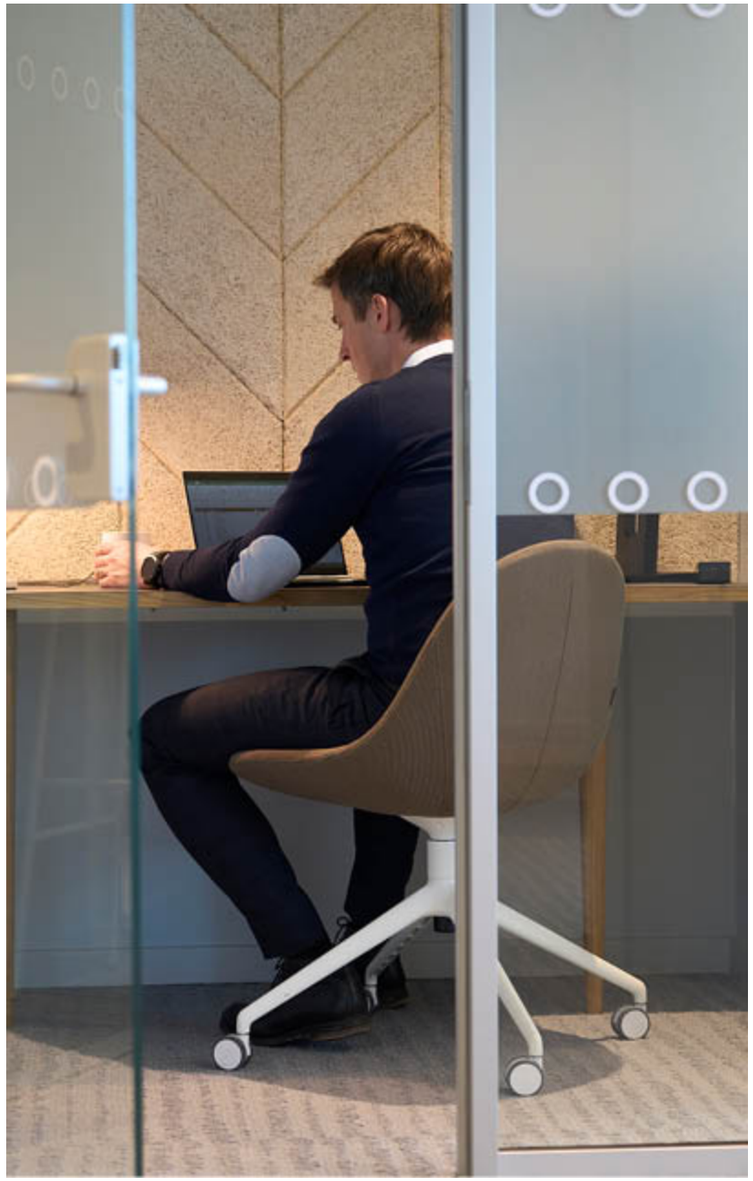
Reporting concerns

Aker Carbon Capture encourages 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 the company's 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. Anonymous reports can be sent to the whistleblowing channel available on the company website.

In 2023, the company received 0 whistleblowing reports. Information about the company's whistleblowing routines and reporting channels was given to all employees at various occasions throughout the year, including in the annual Code of Conduct training.



Responsible supply chain management

Aker Carbon Capture's procurement function sits in the Technology, Execution and Operations team of Aker Carbon Capture. The Head of Supply Chain reports to the Chief Operating Officer. The function's key focus is to ensure quality, cost efficiency, and responsible business practices in all of its procurement activities.

To ensure responsible procurement, the procurement function has established a number of internal routines, formalized in procedures in the Management System. The company's procurement processes are also ISO certified.

Sustainable procurement

Aker Carbon Capture's commitment to sustainability also includes our external operations, such as those related to our suppliers and partners. Suppliers are for example 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 Code of Conduct for Business Partners, implemented in 2022, includes minimum requirements to ethical business conduct that all business partners must adhere to. It also includes ambitions on central ESG topics that the company and its business partners should jointly aim to achieve. The Code of Conduct for Business Partners is available on the company website.

The company engages with its suppliers on a regular basis. Suppliers on major purchase orders must report on sustainability indicators on a regular basis, and the company conducts audits on critical suppliers in ongoing projects

Due diligence routines for suppliers

Aker Carbon Capture 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 2023, the company trained a group of employees in the SAI framework and how to conduct social audits. Subsequently, two supplier audits were held where the audit scope covered compliance with the Business Partner Code of Conduct, including human rights, anti-corruption, quality and health and safety. The company also held sustainability dialogues and collected information about human rights compliance from critical suppliers. The purpose of these efforts was to share knowledge and experience about potential risks and opportunities.

Throughout 2023, Aker Carbon Capture has worked consistently to comply with the obligations in the Transparency Act by, among others, maintaining awareness in the organization through training and due diligence. More about the company's efforts is described in the Transparency Act progress report 2023.

Consolidated financial statements

Income statement

Consolidated statement for the year ended 31 December

Amounts in NOK thousand	Note	2023	2022
Revenues	3, 15	1,605,101	780,863
Materials, goods and services	15	(1,491,850)	(704,786)
Currency hedge effects	15	12,996	(1,020)
Salary and other personnel costs	11	(216,812)	(152,140)
Other operating expenses	4, 15	(104,168)	(134,663)
Operating profit (loss) before depreciation, amortization and impairment		**(194,733)**	**(211,746)**
Depreciation and amortization	7, 8, 10	(16,029)	(11,008)
Operating profit (loss)		**(210,763)**	**(222,754)**
Financial income		41,475	18,377
Financial expenses		(1,517)	(793)
Foreign exchange gain (loss)	15	(7)	1,097
Net financial items		**39,950**	**18,682**
Profit (loss) before tax		(170,813)	(204,072)
Tax benefit (expense)	5	—	—
Profit (loss) for the period		(170,813)	(204,072)
Earnings (loss) per share in NOK (basic and diluted)	6	(0.28)	(0.34)

Other comprehensive income

Consolidated statement for the year ended 31 December

Amounts in NOK thousand	Note	2023	2022
Profit (loss) for the period		**(170,813)**	**(204,072)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges - effective portion of changes in fair value	15	(2,470)	5,529
Translation differences - foreign operations		(1,610)	114
Other comprehensive income (loss)		(4,080)	5,642
Total comprehensive income (loss)		**(174,892)**	**(198,430)**

Balance sheet

Consolidated statement for the year ended 31 December

Amounts in NOK thousand	Note	2023	2022
Assets			
Non-current assets			
Property, plant and equipment	7	73,198	48,892
Right-of-use assets	10	41,221	5,530
Intangible assets	8	178,688	73,152
Total non-current assets		**293,107**	**127,573**
Current assets			
Trade and other receivables	9	129,714	67,005
Customer contract assets	3, 15	140,001	8,663
Derivative financial assets		12,913	677
Cash and cash equivalents		1,111,853	1,092,669
Total current assets		**1,394,481**	**1,169,013**
Total assets		**1,687,588**	**1,296,587**

Equity and liabilities	Note	2023	2022
Equity			
Share capital		604,242	604,242
Other equity and reserves		97,714	273,597
Total equity	**12**	**701,956**	**877,839**
Non-current liabilities			
Pension liabilities	11	3,167	3,112
Non-current lease liabilities	10	36,844	—
Total non-current liabilities		**40,011**	**3,112**
Current liabilities			
Current lease liabilities	10	4,515	6,356
Trade and other payables	9	573,349	317,936
Customer contract liabilities	3, 15	367,757	91,343
Total current liabilities		**945,621**	**415,635**
Total equity and liabilities		**1,687,588**	**1,296,587**

Fornebu, 17 March 2024
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

Egil Fagerland
Chief Executive Officer

Statement of change in equity

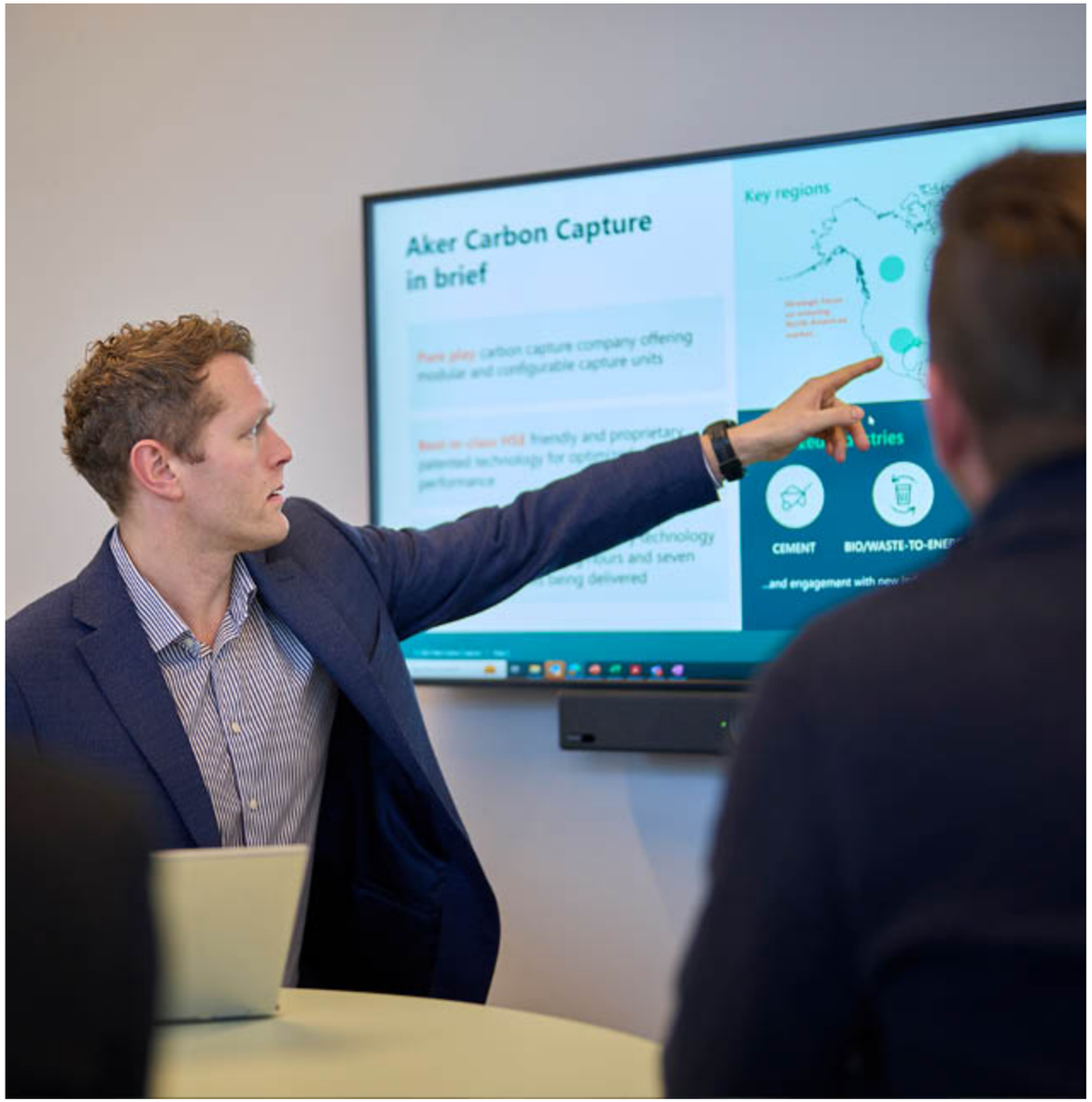
Consolidated statement of changes in equity

Amounts in NOK thousand	Note	Share capital	Other paid-in capital	Other equity	Retained earnings	Hedging reserve	Currency translation reserve	Total equity
2022								
Equity as of 1 January 2022		604,242	1,211,420	(502,633)	(236,761)	—	8	**1,076,276**
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)**
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**
2023								
Profit (loss) for the period		—	—	—	(170,813)	—	—	**(170,813)**
Other comprehensive income		—	—	—	—	(2,470)	(1,610)	**(4,080)**
Total comprehensive income		**—**	**—**	**—**	**(170,813)**	**(2,470)**	**(1,610)**	**(174,892)**
Loss on sale of treasury shares		—	(991)	—	—	—	—	**(991)**
Equity as of 31 December 2023		**604,242**	**1,210,421**	**(502,633)**	**(611,646)**	**3,059**	**(1,488)**	**701,956**

Cash flow statement

Consolidated statement for the year ended 31 December

Amounts in NOK thousand	Note	2023	2022
Profit (loss) before tax		(170,813)	(204,072)
Adjustment for:			
Depreciation		16,029	11,008
Accrued interest and foreign exchange		(40,887)	(16,911)
Hedge adjustment, no cash effect	15	(6,601)	1,020
Net income after adjustments		**(202,271)**	**(208,955)**
Changes in current operating assets and liabilities		333,180	73,589
Cash generated from operating activities		**130,908**	**(135,367)**
Interest received		41,450	18,377
Interest paid		(1,124)	(745)
Cash flow from operating activities		**171,234**	**(117,734)**
Acquisition of property, plant and equipment		(32,369)	(42,573)
Payments for capitalized development		(114,451)	(62,741)
Cash flow from investing activities		**(146,820)**	**(105,314)**
Payment of lease liability	10	(8,097)	(9,448)
Net purchase of treasury shares		(991)	—
Cash flow from financing activities		**(9,088)**	**(9,448)**
Net cash flow in the period		**15,327**	**(232,497)**
Effect of exchange rate changes on cash and bank deposits		3,858	3,896
Cash and cash equivalent at the beginning of the period		1,092,669	1,321,270
Cash and cash equivalent at the end of the period		**1,111,853**	**1,092,669**



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 John Strandrudsvei 10, Lysaker, 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 to as Aker Carbon Capture or the group, and separately as group companies) for the year ended 31 December 2023 were approved by the Board of Directors and Chief Executive Officer on 17 March 2024. The consolidated financial statements will be authorized by the annual general meeting on 16 April 2024.

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 IFRS® Accounting Standards as adopted by the EU, their interpretations adopted by the International Accounting Standards Board (IASB) and the additional requirements of the Norwegian Accounting Act as of 31 December 2023.

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.

Segment information
Aker Carbon Capture's chief operating decision maker, who is responsible for the allocation of resources and assessment of performance, is defined as the CEO. The CEO monitors the operating results of the group as one business unit and thus only one segment is reported. Performance is evaluated based on revenues, operating margin and EBITDA as defined in these financial statements.

Changes in accounting principles and new pronouncements
Aker Carbon Capture has not implemented any new accounting standards or otherwise made any changes to accounting policies during 2023.

None of the issued, not yet effective, accounting standards or amendments to such standards are expected to have significant effects for Aker Carbon Capture's financial reporting. Further, none of the recently issued IFRS Interpretations Committee agenda decisions are expected to significantly change the company's accounting policies or practices.

Judgments and estimates
The preparation of consolidated financial statements in conformity with IFRS Accounting Standards 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 areas where judgements and estimates have been made are related to the recognition of revenue according to IFRS 15 and recognition of deferred tax assets according to IAS 12. For more information, please refer to Note 3 Revenue and Note 5 Tax.

Climate and nature risk
Climate change represents both a risk and an opportunity for Aker Carbon Capture, directly linking to our mission: enabling carbon reduction and removal from industries and energy solutions. CCS can be applied on industrial installations, such as cement or steel plants, and in power plants. It can also be used to produce low-carbon hydrogen, and when combined with biogenic sources of CO_2, such as sustainable biomass, CCS can generate negative emissions. CCU technologies allow reusing captured carbon, increasing its circularity and potentially reducing its emissions to the atmosphere. The adoption of the European Green Deal and proposals to increase energy and climate targets for 2030 have made carbon management technologies an important part of global decarbonization efforts.

Aker Carbon Capture is exposed to the rising climate and nature-related risks due to its sites, supply chain, and technology. The climate and nature-related financial risks for Aker Carbon Capture range from both physical acute and chronic ones such as flood and drought, to regulatory, and technological such as transport and

storage restrictions and disruption. Even though the overall climate and nature-related risk is low, effective assessment and analysis of 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 and nature-related risks and opportunities, Aker Carbon Capture made its first assessment of the Task Force on Climate-Related Financial Disclosures (TCFD) as part of the annual reporting in 2021 with support from a reputable third party. This has been further matured, and expanded with an early assessment of Nature-Related Financial Disclosures (TNFD) in 2023. The results of these assessments inform Aker Carbon Capture's strategy, investments, financial planning, valuations and allow stakeholders to comprehend Aker Carbon Capture's financial ramifications of climate and nature-related exposure. Further details can be found in appendix.

Effects on Aker Carbon Capture's financial statements

Aker Carbon Capture is well positioned to profit from the increased focus on reducing emissions and reaching the net zero target. However, 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.

In the near term Aker Carbon Capture is expected to benefit from national and regional regulatory incentives such as the EU ETS market and the American Inflation Reduction Act, increasing efforts among businesses to achieve net zero emissions, expanding CCUS value chain and reduced cost of carbon capture.

Aker Carbon Capture continues to develop 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 balance sheet includes intangible assets related to these products that are amortized over 5-8 years. If the technology is no longer relevant due to change in policy or change in risk meaning carbon capture is no longer assumed to be a relevant or commercially viable measure against climate change, the group's intangible assets could be impaired.

For the year ended 31 December 2023 climate and nature-related risks have had no material impact on the financial statements of Aker Carbon Capture.

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 CO_2 (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 temporary storage of CO_2.

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, such as front end engineering studies and process design packages. 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.

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 bonuses, 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 the 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 include 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 2023, each of the construction contracts related to the Heidelberg Materials Brevik CCS project and the Ørsted Kalundborg CCS project amounted to 10 percent or more of total revenues.

Types of contracts

The Heidelberg Materials Brevik CCS project consists of a complete plant for capture, intermittent storage and offloading of CO_2, with integrated waste-heat recovery. The plant is scheduled to be delivered in 2024.

On the Ørsted Kalundborg CCS project Aker Carbon Capture will deliver five Just Catch units, additional equipment such as liquefaction systems, and temporary CO_2 storage and on-/offloading facilities, at Ørsted's wood chip-fired Asnæs Power Station and the Avedøre Power Station's straw-fired boiler. All units are expected to be in operation in 2026.

In addition, revenue recognized during 2023 related to various studies, FEEDs and mobile test unit campaigns.

Amounts in NOK thousand	2023	2022
Construction revenue	1,563,344	735,669
Service revenue	41,757	45,194
Total	**1,605,101**	**780,863**

Geographical information

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

Amounts in NOK thousand	2023	2022
Norway	1,576,579	743,641
United Kingdom	26,761	36,208
Other	1,761	1,015
Total	**1,605,101**	**780,863**

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 2023, was NOK 2.6 billion, mainly consisting of the Heidelberg Materials Brevik CCS project, Ørsted Kalundborg Hub CCS project, Celsio FEED, and Uniper FEED. The revenue is expected to be recognized over the years 2024-2025.

Contract balances

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

Amounts in NOK thousand	Note	2023	2022
Trade receivables	9	94,785	25,464
Customer contract assets		140,001	8,663
Customer contract liabilities		367,757	91,343

Customer contract assets relate to consideration for work completed, but not yet invoiced at the reporting date. The contract assets are transferred to trade receivables when the right to payment becomes unconditional, which usually occurs when invoices are issued to the customers. Customer contract liabilities relate to advances from customer for work not yet performed. The change in contract assets and liabilities relates to the natural progression of current projects, and the total amount of contract liabilities at the end of 2022 has been recognized as revenue in 2023.

An increase of customer contract liabilities of NOK 9,464 thousand against cash flow hedging reserve has been recognized after the fourth quarter 2023 results were presented on 25 January 2024. See also Note 9 Current operating assets and liabilities.

NOTE 4 Expenses

Other operating expenses by nature

Amounts in NOK thousand	2023	2022
IT Services	26,721	29,441
External consultants and hired-ins inclusive audit fees[1]	62,847	91,718
Other operating expenses	14,600	13,504
Total	**104,168**	**134,663**

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

Fees to external auditor

PwC is the group auditor of Aker Carbon Capture ASA from the financial year 2022 onwards.

	Aker Carbon Capture ASA		Other group companies		Total	
Amounts in NOK thousand	2023	2022	2023	2022	2023	2022
Audit fee PwC	320	158	787	388	1,108	546
Audit fee KPMG	—	—	—	50	—	50
Audit related services PwC	215	—	67	52	282	52
Audit related services KPMG	—	—	—	20	—	20
Total	**535**	**158**	**855**	**510**	**1,390**	**668**

NOTE 5 Tax

Accounting principles

Income tax in the income statement consists of current tax, effects of changes 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.

Deferred tax assets are recognized for unused tax losses, tax credits and deductible temporary differences only to the extent it is considered probable that future taxable profits will be available to utilize the credits.

Judgements and estimates

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

Pillar 2

The OECD pillar two model rules will be effective for Aker Carbon Capture's financial year starting 1 January 2024. Aker Carbon Capture is in the scope of the enacted legislation and has evaluated its potential exposure to pillar two income taxes. The analysis indicates that the company will be covered by the safe harbor rules.

Aker Carbon Capture has applied the exception from the requirements of IAS 12 which allows not to recognize and disclose information regarding deferred tax assets and liabilities associated with pillar two income taxes.

Effective tax reconciliation

Amounts in NOK thousand	2023		2022	
Profit before tax	(170,813)		(204,072)	
Expected tax rate	37,579	22.0 %	44,896	22.0 %
Tax effects of:				
Permanent differences	842	0.5 %	(168)	(0.1)%
Effect of different tax rates	(378)	(0.2)%	(355)	(0.2)%
Tax effect loss on sale of treasury shares	216	0.1 %	—	0.0 %
Difference due to continuity method [1]	13,262	7.8 %	13,471	6.6 %
No recognition of deferred tax assets	(51,521)	(30.2)%	(57,844)	(28.3)%
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	2023	2022
Projects under construction	96,544	48,792
Property, plant and equipment	(3,647)	(5,322)
Intangible assets	(302,177)	(344,905)
Other liabilities	(25,284)	(6,593)
Tax losses carried forward	(931,984)	(667,737)
Pension	(3,096)	(2,872)
Other	12,693	542
Total deferred tax positions	**(1,156,950)**	**(978,095)**
Not recognized in the balance sheet	1,156,950	978,095
Deferred tax asset (liability)	—	—

Tax losses carried-forward and unrecognized deferred tax assets

Aker Carbon Capture is in a growth phase and group companies have not reported net taxable income since incorporation. Some positions are offset, however, as uncertainty for future taxable income exists no net deferred tax assets have been recognized.

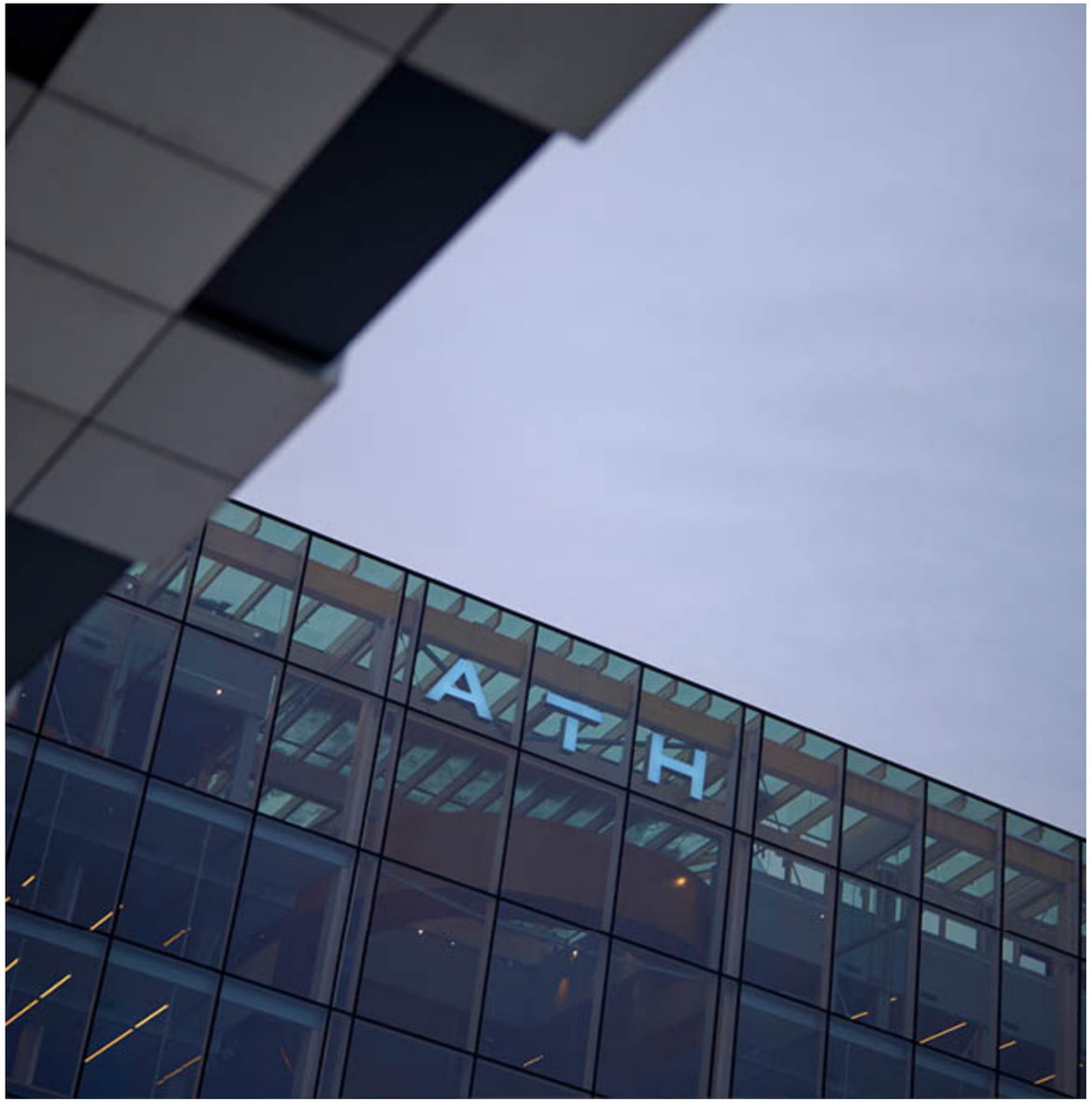
As of 31 December 2023 the group had NOK 932 million of tax losses carried forward. Deferred tax assets from these tax losses amounted to NOK 204 million and were not recognized in the balance sheet. In addition, the group had NOK 71 million in other unrecognized deferred tax assets. See below for specification of tax losses carried forward by jurisdiction and expiry dates.

Amounts in NOK thousand	2023	2022	
Norway	864,087	637,674	No expiry date
Denmark	31,571	14,571	No expiry date
UK	30,539	15,267	No expiry date
Other	5,787	225	No expiry date
Total	**931,984**	**667,737**	

NOTE 6 Earnings per share

Aker Carbon Capture ASA has issued 604,242,218 ordinary shares as of 31 December 2023. The company holds no treasury shares.

Amounts in NOK thousand	2023	2022
Profit (loss) for the period	(170,813)	(204,072)
Basic/ diluted earnings per share (NOK)		
Issued ordinary shares at 1 January	604,242,218	604,242,218
Weighted average number of issued ordinary shares for the year	**604,242,218**	**604,242,218**
Earnings (loss) per share in NOK (basic and diluted)	**(0.28)**	**(0.34)**



NOTE 7 Property, plant and equipment

Property, plant and equipment consists of the Mobile Test Units (MTUs) for carbon capture, furniture and leasehold improvements at the head office in Oslo, and capitalized IT equipment.

Accounting principles

Property, plant and equipment 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
- Furniture and leasehold improvements: 7 years
- IT Equipment: 3 years

Impairment triggers are assessed at the end of the reporting period, and impairment testing is performed if triggers have been identified. In 2023 no impairment 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. The estimated useful lives of property, plant and equipment are reviewed on an annual basis and changes in useful lives are accounted for prospectively. When determining the useful life of the MTU factors such as the expected physical wear and tear, operating conditions, repair and maintenance program, technical or commercial obsolescence, and legal or similar limits on the use are considered.

Amounts in NOK thousand	Machinery and equipment	Under construction	Total
Historical cost			
Balance as of 1 January 2022	7,951	—	7,951
Additions	11,498	31,075	42,573
Balance as of 31 December 2022	**19,449**	**31,075**	**50,524**
Balance as of 1 January 2023	19,449	31,075	50,524
Additions	422	26,282	26,704
Balance as of 31 December 2023	**19,871**	**57,357**	**77,228**
Accumulated depreciation			
Balance as of 1 January 2022	(218)	—	(218)
Depreciation for the year	(1,415)	—	(1,415)
Balance as of 31 December 2022	**(1,633)**	**—**	**(1,633)**
Depreciation for the year	(2,400)	—	(2,400)
Balance as of 31 December 2023	**(4,033)**	**—**	**(4,033)**
Book value as of 31 December 2022	**17,817**	**31,075**	**48,892**
Book value as of 31 December 2023	**15,841**	**57,357**	**73,198**

Assets under construction relate to the new MTU that is expected to be ready for the intended use by mid-2024, and leasehold improvements at the head office in Oslo.

No contractual commitments for the acquisition of property, plant and equipment exist per 31 December 2023.

NOTE 8 Intangible assets

Intangible assets mainly relate to development costs capitalized for the group's carbon capture technologies, product portfolio 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 eight years. For development projects in progress, a full impairment test is performed annually or when impairment indicators are identified. No impairment has been recognized in 2023.

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.

Aker Carbon Capture received public grants for carbon capture technology research activities amounting to NOK 2 million in 2023, which have been recognized as expense reduction. One of the group's research and development projects qualified for the Norwegian SkatteFUNN tax incentive scheme, resulting in an additional expense reduction of NOK 3 million in the year. There are no unfulfilled conditions or other contingencies related to these grants and incentives.

Judgments and estimates

The value in use of some of the intangible assets can be significantly impacted by changes in market conditions. When testing development projects in progress for impairment the valuations are determined by value in use calculations 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 management include discount rate projections for future cash flows and assumptions of future market conditions. Physical climate risks such as severity of rain, wind, flooding, and other events may impact the assessment. No material assets are expected to have a significantly shorter life due to climate-related risks. Please also refer to Note 2 Basis of preparation.

Amounts in NOK thousand	Product portfolio	Digitalization portfolio	Capitalized development costs	Total
Historical cost				
Balance as of 1 January 2022	2,142	3,068	6,351	11,561
Additions	—	—	62,741	62,741
Balance as of 31 December 2022	**2,142**	**3,068**	**69,092**	**74,302**
Balance as of 1 January 2023	2,142	3,068	69,092	74,302
Additions and reclassifications	52,207	7,604	51,861	111,673
Balance as of 31 December 2023	**54,349**	**10,673**	**120,954**	**185,975**
Accumulated depreciation				
Balance as of 1 January 2022	(268)	(2)	—	(269)
Amortization for the year	(268)	(613)	—	(881)
Balance as of 31 December 2022	**(535)**	**(615)**	**—**	**(1,151)**
Amortization for the year	(5,143)	(994)	—	(6,137)
Balance as of 31 December 2023	**(5,678)**	**(1,609)**	**—**	**(7,287)**
Book value as of 31 December 2022	**1,606**	**2,453**	**69,093**	**73,152**
Book value as of 31 December 2023	**48,671**	**9,064**	**120,954**	**178,688**

Capitalized development costs represent product development, standardization and modularization that will continue in 2024.

Research and development costs

Aker Carbon Capture's research and development activities relate to the enhancement of the group's CO_2 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 CO_2. 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 111,673 thousand has been capitalized in 2023 related to development activities. In addition, NOK 27,430 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	2023	2022
Capitalized research and development cost	111,673	62,741
Expensed research and development cost	27,430	55,844
Total research and development spend	**139,103**	**118,585**
External funding of research and development cost	(4,070)	(7,866)

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	2023	2022
Trade receivables	3	94,785	25,464
Public duties and taxes refund		30,642	35,379
Other receivables		1,567	2,719
Prepaid expenses		2,720	3,443
Total		**129,714**	**67,005**

Trade and other payables

Amounts in NOK thousand	Note	2023	2022
Accrued project and operating expenses		455,325	257,256
Public duties and taxes		14,104	20,199
Trade payables		103,920	40,482
Total		**573,349**	**317,936**

A decrease of trade receivables of NOK 3,375 thousand against trade payables has been recognized after the fourth quarter 2023 results were presented on 25 January 2024. See also Note 3 Revenue.

NOTE 10 Leases

Upon expiry of the existing property lease contract in 2023, the group entered into a new property lease contract for its offices at Fornebu, Norway. See note 17 Related parties for more information about the lease contracts.

Accounting principles

Contracts that contain a lease are recognized in the balance sheet as a right-of-use asset and lease liability unless the lease is short-term (less than 12 months duration) or low-value (less than NOK 50,000). 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 cash flow 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, contains no extension or termination options exercisable before the end of the noncancellable period.

Right-of-use assets (ROU)

Amounts in NOK thousand	2023	2022
Historical cost		
Balance 1 January	20,981	20,981
Additions and remeasurement	43,184	—
Total	**64,164**	**20,981**
Accumulated depreciation		
Balance 1 January	(15,451)	(6,740)
Depreciation	(7,492)	(8,712)
Total	**(22,944)**	**(15,451)**
Book value 31 December	**41,221**	**5,530**

Lease liability

Amounts in NOK thousand	2023	2022
Balance 1 January	6,356	15,805
Additions and remeasurement	43,184	—
Payment of lease liability	(8,097)	(9,448)
Payment of interest	(443)	(625)
Interest expense	360	625
Total	**41,359**	**6,356**
Current lease liability	4,515	6,356
Non-current lease liability	36,844	—

Contractual lease payments

Amounts in NOK thousand	2023	2022
Maturity within one year	8,054	6,476
Maturity 1-5 years	32,217	—
Maturity later than 5 years	15,438	—
Total undiscounted lease liability	**55,709**	**6,476**

Expenses related to short-term and low-value assets

Amounts in NOK thousand	2023	2022
Expenses related to short term leases and low value assets	5,881	2,354

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.

Defined contribution plan
All employees are offered participation in a defined contribution plan. The annual contribution expensed for the Norwegian plans in 2023 was NOK 8,397 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 an 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. In 2023, the company launched a share purchase program that allowed the participants to acquire shares in the company for a value of up to 25 percent of their gross annual salary. A price reduction of 25 percent of the share price applies in exchange for the purchased shares being subject to a three-year lock-up period.

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 2023.

Salary and other personnel costs

Amounts in NOK thousand	2023	2022
Salaries and wages	174,280	118,220
Social security costs	23,780	14,405
Pension costs	12,881	10,839
Other employee benefits	5,871	8,675
Total salary and other personnel costs	**216,812**	**152,140**

The company has a total of 149 employees as of 31 December 2023, including contractors.

Total pension liability

Amounts in NOK thousand	2023	2022
Compensation plan	3,167	3,112
Total	**3,167**	**3,112**

NOTE 12 Capital and reserves

Share capital
The total number of outstanding shares in Aker Carbon Capture ASA at 31 December 2023, 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 2023 of NOK 1,112 million in cash and cash equivalents, compared to 1,093 million at 31 December 2022. A total of NOK 6.3 million of outstanding cash and cash equivalents as of 31 December 2023 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.

Market risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk and foreign currency risk. The group's interest rate risk is limited to interest on bank deposits and as such considered not significant.

Currency risk

Aker Carbon Capture is 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.

Aker Carbon Capture manages currency risk during project execution by hedging the net exposure. During the tender period, the risk is mitigated by including a currency clause, purchasing currency options, or adding a contingency in the tender price to cover potential currency fluctuations.

A significant amount of the group's transactions and balances in foreign currencies are linked to hedged projects. The residual currency risk is primarily related to EUR, DKK and GBP and limited to operating bank accounts and non-project related trade receivables and payables. A reasonable increase (decrease) in these currency rates of 10 percent would result in a loss (gain) of NOK 0.8 million in net profit and a gain (loss) of NOK 5.6 million in OCI as of 31 December 2023.

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. Liquidity risk includes the management of working capital fluctuations which is primarily linked to project execution and project milestones on lump sum projects.

Overview of contractual maturities of financial liabilities

Amounts in NOK thousand	Carrying amount	Total contractual cash flows	6 months or less	6-12 months	1-5 years	Over 5 years
Lease liability	41,359	55,709	4	4	32,217	15,438
Trade and other payables	573,349	573,349	573,349	—	—	—
Total liabilities	**614,708**	**629,059**	**573,353**	**4**	**32,217**	**15,438**

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 provided parent company guarantees for project performance on behalf of group companies. As part of the project execution, bank guarantees are commonly provided, and in this case, Aker Carbon Capture Norway AS has entered into two guarantee facilities, totaling NOK 1,150 million. As of 31 December 2023, the outstanding guarantee amount was NOK 972 million. The guarantee facilities have one covenant to ensure that the group has sufficient cash and another to ensure a sufficient equity ratio. The total cash and cash equivalents held by the group must therefore be at least NOK 200 million and the total assets to equity ratio shall not be less than twenty per cent.

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

NOTE 15 Hedge accounting

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 spot rates and the realized currency hedging effects are presented net on a separate line item.

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.

Cash flow hedging instruments and hedging reserve

As of 31 December 2023 the net position of the cash flow hedging arrangements was EUR 1.7 million consisting of foreign exchange forwards of EUR 20 million (sell) against NOK at an average rate of 11.97 maturing in 2024 and a dedicated bank account balance of EUR 21.7 million.

The group's hedging reserve relates to currency derivatives and movements are specified in the table below:

Amounts in NOK thousand	Hedging reserve
Balance as of 1 January 2022	—
Change in fair value of hedging instruments recognized in OCI	4,508
Reclassified from OCI to profit and loss, included in operating profit/loss	1,020
Balance as of 31 December 2022	**5,529**
Balance as of 1 January 2023	5,529
Change in fair value of hedging instruments recognized in OCI	10,526
Reclassified from OCI to profit and loss, included in operating profit/loss	(12,996)
Balance as of 31 December 2023	**3,059**

There were no reclassifications from the cash flow hedging reserve to profit or loss during the period as a result of inefficiencies. Since no deferred tax asset is being recognized, there are no tax effects related to the movements in the cash flow hedging reserve. The hedging reserve closing balance is expected to be reclassified from OCI to profit and loss over the next two years.

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.

			2023	2022
Company	**Location**	**Country**	**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 %	100 %
Aker Carbon Capture Netherlands BV	Amsterdam	Netherlands	100 %	100 %
Aker Carbon Capture Sweden AB	Stockholm	Sweden	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 2023 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.

Remuneration and transactions with directors and executives are summarized in the Remuneration report 2023.

The largest shareholder of Aker Carbon Capture ASA is Aker Horizons Holding 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 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, three global frame agreements with Aker Solutions AS 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 five-year term with an option to renew for three plus three years. The technical services global frame agreement was replaced by an engineering services global frame agreement through Aker Horizons Holding AS on 13 September 2022, subject to a two-year term with an option to renew for one year.

Heidelberg Materials 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 CO_2 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.

Aker Insurance Services AS
Aker Carbon Capture has a service agreement with Aker Insurance Services AS for insurance brokerage.

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
2023			
Income statement			
Revenues	1,413	12,052	13,465
Operating expenses	(63,425)	(278,820)	(342,245)
Net financial items (lease liability)	(443)	—	(443)
Balance sheet			
Trade and other receivables	1,075	4,597	5,672
Trade and other payables	(15,174)	(20,550)	(35,724)
Lease liabilities	(41,359)	—	(41,359)
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)

Parent company financial statements

Parent company income statement

Statement for the period ended 31 December

Amounts in NOK thousand	Note	2023	2022
Revenues		203	710
Operating expenses	3	(12,023)	(14,207)
Operating profit (loss)		**(11,820)**	**(13,497)**
Financial income	6	42,465	17,895
Financial expenses	6	(13,360)	(6,504)
Net financial items		29,105	11,392
Profit (loss) before tax		**17,285**	**(2,106)**
Tax benefit (expense)	4	—	—
Profit (loss) for the period		**17,285**	**(2,106)**

Parent company balance sheet

Statement for the period ended 31 December

Amounts in NOK thousand	Note	2023	2022
Assets			
Non-current assets			
Investment in group companies	5	1,013,073	1,013,073
Total non-current assets		**1,013,073**	**1,013,073**
Current assets			
Current operating assets	6	78,496	3,507
Cash and cash equivalents	6	1,111,853	1,085,602
Total current assets		**1,190,349**	**1,089,109**
Total assets		**2,203,422**	**2,102,182**

Amounts in NOK thousand	Note	2023	2022
Equity and liabilities			
Equity			
Share capital		604,242	604,242
Share premium		1,211,970	1,211,978
Retained earnings		1,337	(15,948)
Total equity	7	**1,817,549**	**1,800,272**
Current liabilities			
Current operating liabilities	6	385,873	301,911
Total current liabilities		**385,873**	**301,911**
Total equity and liabilities		**2,203,422**	**2,102,182**

Fornebu, 17 March 2024
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

Egil Fagerland
Chief Executive Officer

Parent company cash flow statement

Statement for the year ended 31 December

Amounts in NOK thousand	Note	2023	2022
Profit (loss) before tax		17,285	(2,106)
Changes in operating assets and liabilities		931	(4,335)
Cash flow from operating activities		**18,216**	**(6,440)**
Investment in group companies		—	(170)
Cash flow from investing activities		**—**	**(170)**
Changes in borrowings to/from group companies	6	8,043	296,469
Cash flow from financing activities		**8,035**	**296,469**
Net cash flow in the period		**26,251**	**289,860**
Cash and cash equivalent at the beginning of the period		1,085,602	795,743
Cash and cash equivalent at the end of the period		**1,111,853**	**1,085,602**

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 2023.

Amounts in NOK thousand	2023	2022
Audit fee PwC	320	158
Audit related services PwC	215	—
Total	**535**	**158**

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.

Calculation of taxable profit (loss)

Amounts in NOK thousand	2023	2022
Profit (loss) before tax	17,285	(2,106)
Permanent differences	—	25
Taxable income (loss)	**17,285**	**(2,081)**

Reconciliation of effective tax rate

Amounts in NOK thousand	2023	2022
Profit (loss) before tax	17,285	(2,106)
Income tax 22 percent	(3,803)	463
Tax effects of:		
Permanent differences	—	(6)
Utilization of unrecognized losses carried forward	3,803	(458)
Tax benefit (expense)	**—**	**—**

Aker Carbon Capture ASA has tax loss carry forwards of NOK 33,989 thousand. Deferred tax assets related to the tax loss carry forwards are not recognized. The company is part of a Norwegian tax group with a total of NOK 864,087 thousand of tax loss carry forwards which are not recognized as uncertainty for future taxable income exists.

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	36	3,000	100 %	1,013,073
Total					**1,013,073**

Note 6 Cash pool arrangement

Aker Carbon Capture ASA is the owner of the cash pool arrangement with DNB which 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	2023	2022
Group companies' borrowing in the cash pool arrangement	(64,426)	(2,053)
Group companies' deposits in the cash pool arrangement	368,938	298,522
Aker Carbon Capture ASA's net deposits in the cash pool arrangement	807,341	789,133
Cash in the cash pool arrangement	**1,111,853**	**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 2022	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**
Profit (loss) for the period	—	—	17,285	17,285
Loss on sale of treasury shares	—	(8)	—	(8)
Total equity as of 31 December 2023	**604,242**	**1,211,970**	**1,337**	**1,817,549**

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 2023.

Guarantees

Aker Carbon Capture ASA has issued parent company guarantees on behalf of Aker Carbon Capture Norway AS and Aker Carbon Capture UK Ltd. related to the performance of the Heidelberg Materials Brevik CCS project, the Ørsted Kalundborg CCS project and the Uniper PDP design study.

Note 9 Shareholders

Shareholders with more than 1 percent shareholding per 31 December 2023 are listed below.

Company	Nominee	Number of shares held	Ownership
2023			
Aker Horizons Holding AS		261,438,859	43.27 %
State Street Bank And Trust Comp	Nominee	26,369,777	4.36 %
Clearstream Banking S.A.	Nominee	26,061,503	4.31 %
Morgan Stanley & co. Int. Plc.	Nominee	22,393,737	3.71 %
J.P. Morgan Se	Nominee	11,741,205	1.94 %
State Street Bank And Trust Comp	Nominee	10,574,304	1.75 %
BNP Paribas	Nominee	10,268,022	1.70 %
The Bank Of New York Mellon	Nominee	9,968,118	1.65 %
State Street Bank And Trust Comp	Nominee	7,079,481	1.17 %
London N.A. Jpmorgan Chase Bank	Nominee	7,052,834	1.17 %
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 %

Baillie Gifford Overseas Limited (BGO) holds a total of 60,096,179 voting rights in Aker Carbon Capture, corresponding to 9.95 percent of the votes. All voting rights are held under discretionary investment management agreements with clients.

Declaration by the Board of Directors and Chief Executive Officer

The board and Chief Executive Officer have today considered and approved the Annual and sustainability report and financial statements for the Aker Carbon Capture group and its parent company Aker Carbon Capture ASA for the year ended 31 December 2023. 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 2023 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 2023.
- The Annual and sustainability 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, 17 March 2024
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

Egil Fagerland
Chief Executive Officer

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

Independent Auditor's Report

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 parent company balance sheet as at 31 December 2023, parent company income statement and parent company cash flow statement for the year then ended, and notes to the parent company 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 2023, the income statement, other comprehensive income, statement of change in equity and cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

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

Basis for Opinion

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

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

We have been the auditor of the Company for 2 years from the election by the general meeting of the shareholders on 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.

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

The Group's business activities are largely unchanged compared to last year. Revenue from construction contracts has the same characteristics and risks this year as the previous year and consequently has been an area of focus also for this year's audit.

Key Audit Matters	How our audit addressed the Key Audit Matter
Revenue from construction contracts	
In 2023, revenue from construction contracts constituted NOK 1 563 million, equal to approximately 97% of total operating revenues. Revenue from construction contracts is recognized over time based on expected outcome, and stage of completion of the contract. Assessment of total contract cost, revenue and stage of completion is updated on a regular basis. There are several reasons why we consider revenue from construction contracts a key audit matter. At present, there are three construction contracts, but they represent a large part of the Group's operations. The contracts have a long duration, and the assessment of contract costs and stage of completion is subject to Management judgment. Furthermore, the application of Management judgment impacts several areas of the financial statements, including revenue, contract assets and liabilities. Notes 2 and 3 and the accounting principles include additional information on the Group's recognition of revenue from construction contracts.	We assessed the accounting treatment of the company's main ongoing contracts against the Group's accounting principles and IFRS 15 Revenue from contracts with customers. We found that Management's accounting treatment was consistent with the content of the contracts, and the requirements in IFRS 15. We obtained an understanding of management's process and related internal control activities relevant to recognition of revenue from construction contracts. Specifically, Management had implemented internal controls (ICFR) to ensure that accounting for construction contracts reflect Management's best estimates with respect to total contract cost, revenue and stage of completion. Controls were implemented at various levels of the organization and included periodic meetings to review the contracts. Through meetings with Management and project controllers, and review of relevant documentation, we identified relevant controls ensuring that proper assessments were made to total contract cost, revenue and stage of completion, and tested them for operational effectiveness. Estimating project costs and calculating stage of completion requires Management judgment. We performed various procedures to assess whether Management's judgments were reasonable, including: • Interviewed project controllers and Management, where we challenged judgments made with respect to project estimates, • Making comparisons of expenses and hours incurred against budgeted expenses and hours, • Tested a sample of expenses and hours incurred approved and accounted for on the correct project.

- Tested a sample of expenses in project forecast against purchase orders with subcontractors,
- Tested contract revenue for validity by reconciling the customer contracts against the revenue in the project forecasts, and
- Tested whether the estimated stage of completion corresponded to amounts recognized in the financial statements.

Through our procedures we found that assumptions used, and judgments made by Management were reasonable.

We further evaluated the disclosures in notes 2 and 3 and found them to be appropriate and in accordance with relevant requirements.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.
In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

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

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

Opinion

As part of the audit of the financial statements of Aker 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-2023-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

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

Management's Responsibilities

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

Auditor's Responsibilities

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

Oslo, 17 March 2024
PricewaterhouseCoopers AS

Thomas Fraurud
State Authorised Public Accountant

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Alternative performance measures

Aker Carbon Capture discloses alternative performance measures in addition to those normally required by IFRS Accounting Standards 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

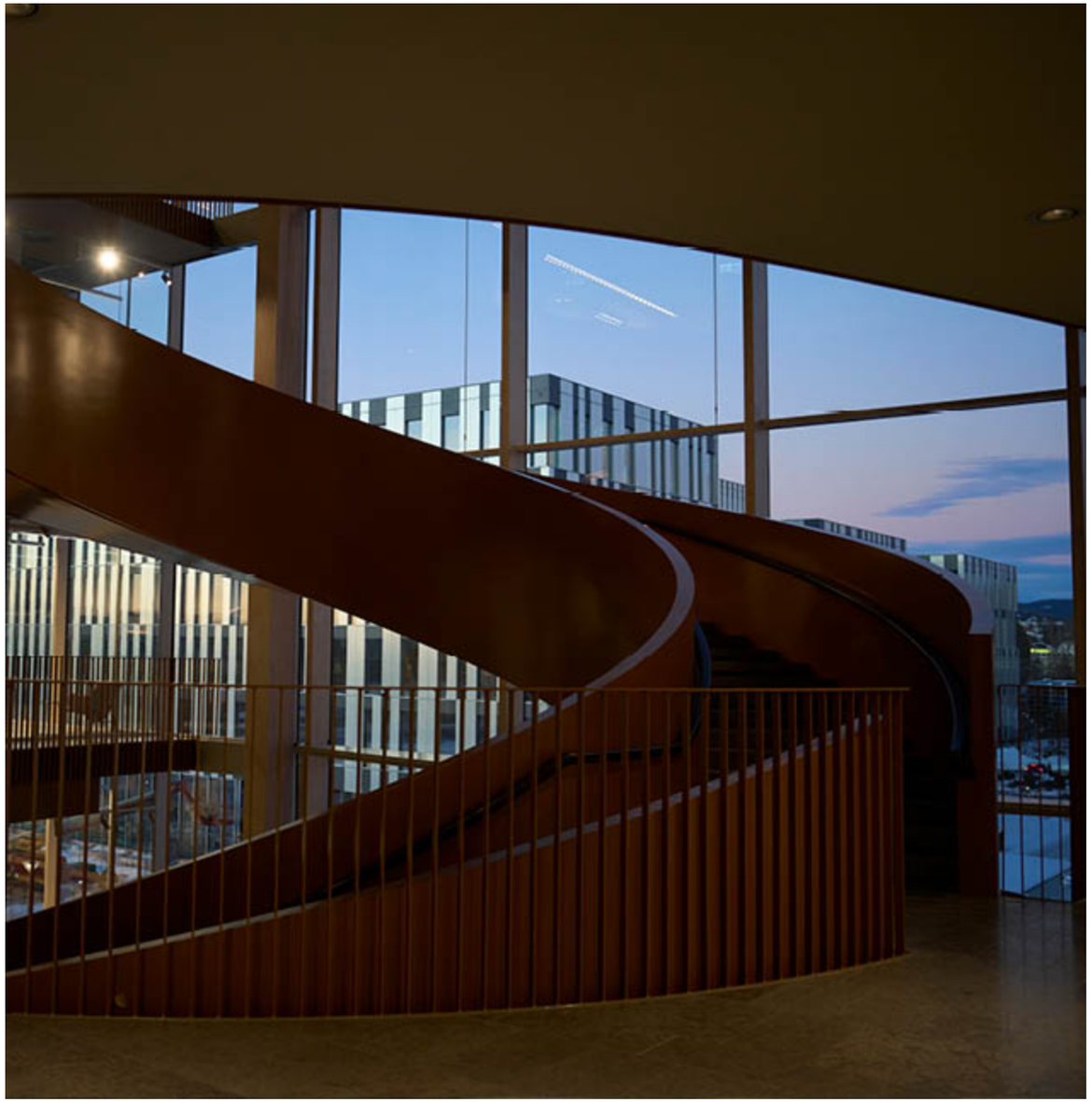
The table below show the reconciliation of alternative performance measures to the line items in the consolidated financial statements according to IFRS Accounting Standards.

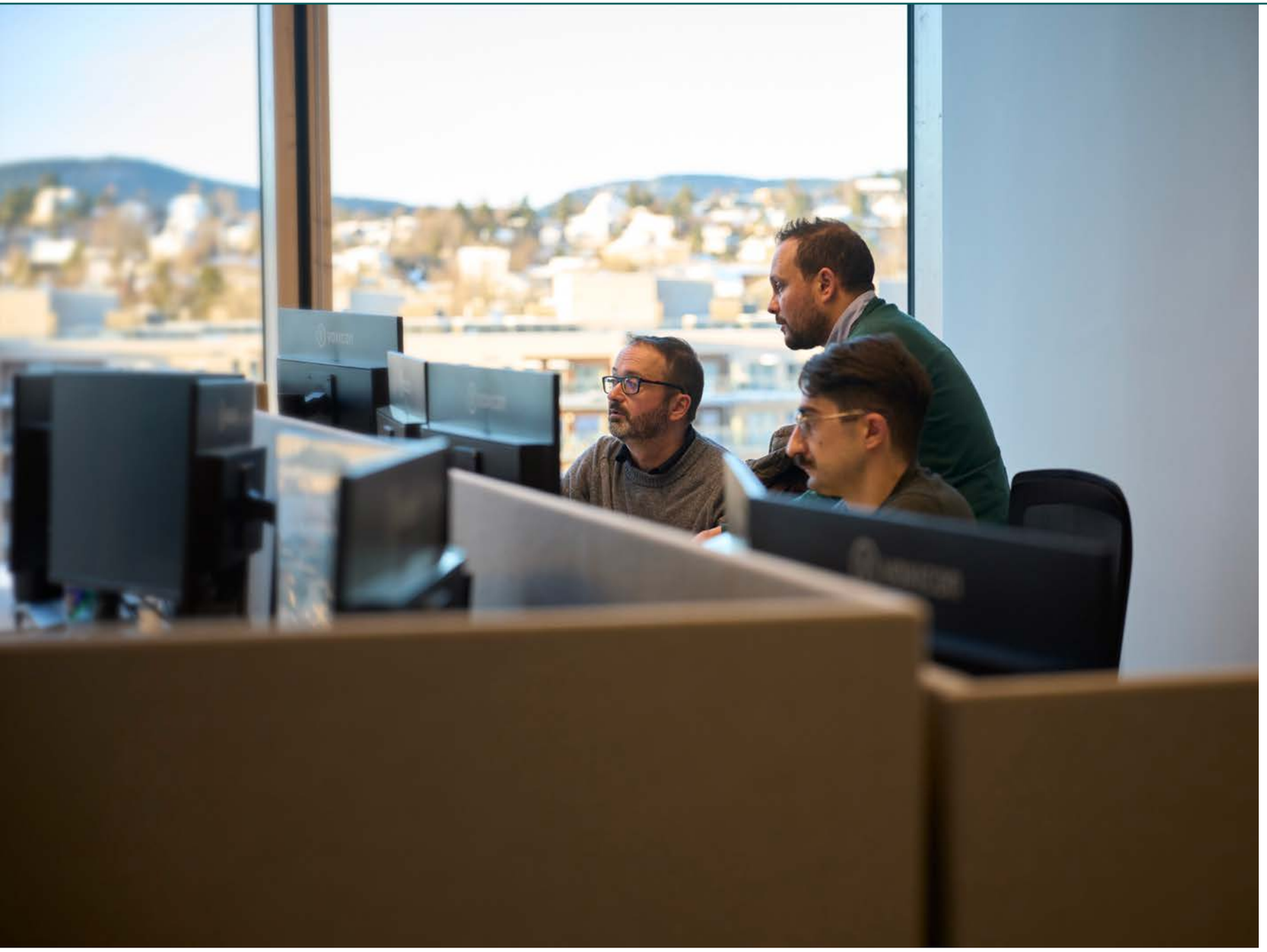
Net current operating assets

Amounts in NOK thousand	2023	2022
Trade and other receivables	129,714	67,005
Customer contract assets	140,001	8,663
Trade and other payables	(573,349)	(317,936)
Customer contract liabilities	(367,757)	(91,343)
Net current operating assets (NCOA)	**(671,392)**	**(333,611)**

Research and development spend

Amounts in NOK thousand	2023	2022
Capitalized research and development cost	111,673	62,741
Expensed research and development cost	27,430	55,844
Total research and development spend	**139,103**	**118,585**





Corporate governance report 2023

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 CO_2, hydrogen, and other related activities."

The board has prepared clear objectives, strategies and a risk profile for the company. As part of this work, sustainability impacts, risks and opportunities are taken into account. The company has guidelines for how it integrates the interests of the society at large into its value creation. A sustainability policy has been established for how it integrates sustainability impacts, risks and opportunities into its value creation. ESG reporting forms an integrated part of the company's Annual and sustainability 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 702 million in total equity as of 31 December 2023, corresponding to an equity ratio of 42 per cent. The parent company's equity amounted to NOK 1,818 million, corresponding to an equity ratio of 82 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, de-mergers or other transactions, (ii) share purchase and incentive program for employees 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 2024 annual general meeting, however, in no circumstances beyond 30 June 2024.

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 2023, 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 2024 will take place as a virtual meeting on 16 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. Charlotte Håkonsen is a deputy member. 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 2023 Annual and sustainability report, as are board members' qualifications and expertise. The board includes 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.

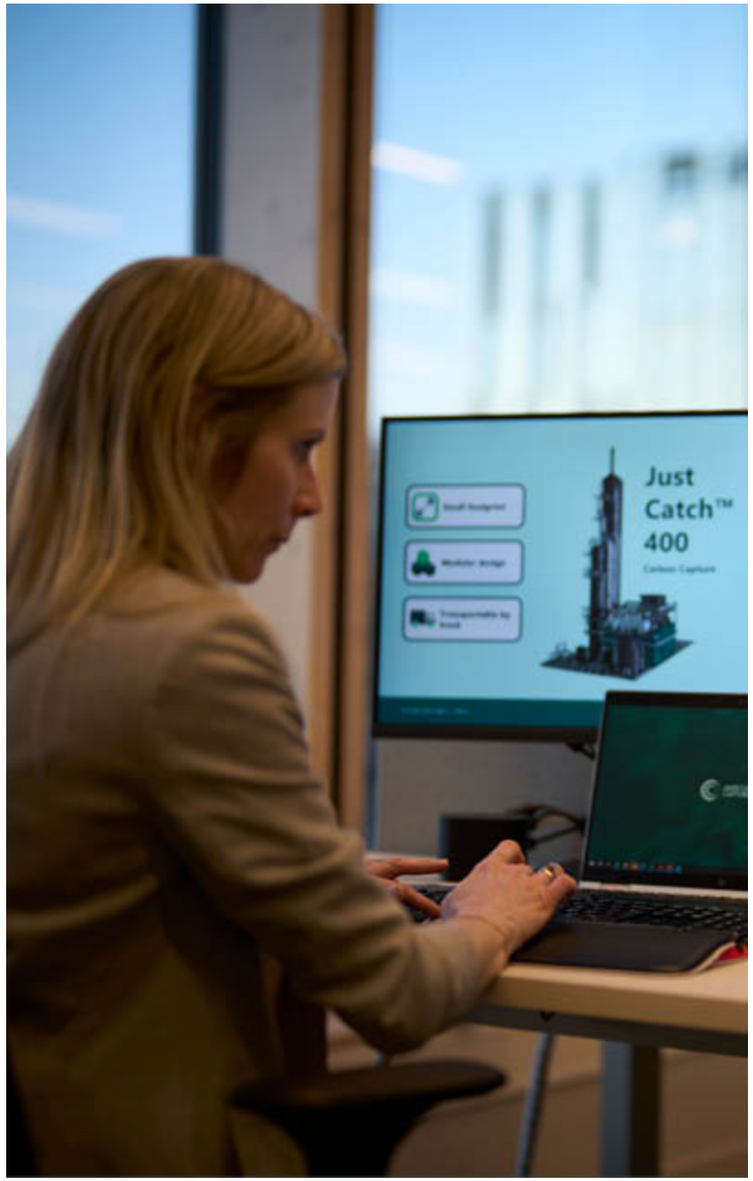
Eight board meetings were held in 2022. In addition, the Board of Directors convened on a need to basis throughout the year.

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

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

A summary of Aker Carbon Capture's human rights due diligence and related efforts pursuant to the Transparency Act is included in the annual reporting.

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 2023 can be found in the Remuneration report 2023.

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 approved by the annual general meeting in 2022. The remuneration to executive management is described in the Remuneration report 2023 prepared in accordance with section 6-16b of the act and presented to shareholders at the annual general meeting for advisory vote.
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 2023 for individual members of Aker Carbon Capture's executive management can be found in the Remuneration report 2023.

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, in addition to at the Oslo Stock Exchange via www.newsweb.no. The company organizes presentations in connection with its financial reporting. These meetings are generally broadcast via the internet (webcast). The company's financial calendar is published on Aker Carbon Capture's website in addition to at the Oslo Stock Exchange via www.newsweb.no.

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 percent 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 non-audit services. The remuneration paid to the auditor in 2023 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 2023

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 2023 to 31 December 2023.

About Aker Carbon Capture

Aker Carbon Capture is a pure play carbon capture company with technology, products, solutions and services 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 also new industry segments like refining and process industries. The company's business model covers the sale of complete modular 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.

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 offices in Norway, Denmark and the United Kingdom. Some employees are also working from the Netherlands, Sweden, the United States and India. The company's operations are primarily office-based, with an increasingly larger scope involving site and construction work at its customers' sites in Norway (Brevik), the Netherlands (Twence) and Denmark (Ørsted) related to test campaigns and ongoing EPC projects. The majority of the customers are located in Europe and a limited number in the United States.

In 2023, Aker Carbon Capture delivered several pre-FEED and FEED studies, which are written engineering reports developed at our offices. The company also made significant progress on its EPC projects and mobile test unit (MTU) campaigns. These projects involve testing of flue gasses and delivering carbon capture plants at the customers' facilities. The company's scope in these projects is project management, including construction and commissioning work.

Procurement

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 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 International Bill of Human Rights, the Norwegian Transparency Act, the UK Modern Slavery Act, the OECD Guidelines for Multinational Enterprises, 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, and the UN Guiding Principles on Business and Human Rights.

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 human rights impact assessments and due diligence of our operations and business partners.

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 commitment is anchored in the Code of Conduct and is further described in the Sustainability Policy. Both documents 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 Sales, Procurement and Integrity Due Diligence (IDD) procedures.

Aker Carbon Capture expects that its business partners adhere to the Code of Conduct for Business Partners, a 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's webpage.

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 ASA and its portfolio companies, including Aker Carbon Capture, to respect and support fundamental human rights and union rights in its operations.

Governance

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

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 2023, the Audit Committee and the executive management received regular updates on the progress with the priorities set for the year as informed in the company's 2022 Transparency Act progress report.

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 risk mitigating measures. E.g. the supply chain and sales functions are responsible for ensuring that human rights due diligence is conducted on potential suppliers and customers, and that any relevant risk mitigating measures are implemented as appropriate.

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

Reporting channels and grievance mechanism

Aker Carbon Capture has several reporting channels where human rights related grievances can be reported, e.g. reports can be made to communications@akercarboncapture.com or via the whistleblowing channel available at the company's webpage. The channels are open for both internal and external stakeholders. 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.

Human rights impact assessment

In 2023, Aker Carbon Capture conducted a comprehensive human rights impact assessment of our own operations and business partners. Risks of negative impacts were also assessed on a regular basis triggered by developments in the business.

Our definition of a business partner is broad and includes suppliers, customers, service providers, joint venture partners or other persons engaging in business with members of the Aker Carbon Capture group. Based on our current company setup and projects, the human rights impact assessment focuses on our own operations, current customers and suppliers as it is via these relationships that potential negative impacts are most relevant.

The responsibility for conducting human rights due diligence on business partners in the projects that we are involved in varies. Typically, we have responsibility for conducting human rights due diligence of our own operations and of the suppliers we engage in the particular projects. If we deliver an EPC project in partnership with another company, the responsibility to conduct human rights due diligence on the suppliers in the projects sits with the company that delivers the procurement scope. In our ongoing EPC projects, Aker Carbon Capture has the procurement scope in the Twence CCU and Ørsted Kalundborg CCS projects.

Own operations

The majority of our operations is office-based and take place in countries known for protecting human and labor rights and which have stringent working environment regulations. However, the risk of negative impacts on human rights is increasingly relevant as we are gradually more involved in construction and commissioning work on our EPC projects. The construction industry is generally known for having inherent risks of negative impacts on human rights, especially for migrant workers and in countries where human rights are not protected. Other risks associated with the construction industry involve forced labor, no freedom of association, and unsafe working conditions. The probability that such risks materialize in our operations is assessed to be low because the operations take place in countries known for protecting human rights, and because we oversee that the operations comply with established routines in line with applicable laws. To ensure that everyone is aware of the routines, employees and subcontractors involved in activities on site are required to complete mandatory HSSE training. As part of such training, information about how to report concerns is also provided.

Deliveries to customers

In 2023, we delivered products, technology and services to customers primarily located in Europe and within various industries of which some are known for having inherent risks of negative impacts on human rights, e.g. waste handling, cement, pulp and paper, biomass, steel and metals, oil and gas, and energy. The scope of our 2023 deliveries included studies and project management services, including construction and commissioning work. No adverse information or actual negative impacts were identified in the company's due diligence process, through our operations, or via our reporting system. Generally, the probability that risks of negative impacts materialize often depends on what is delivered, to whom, and to which geographical location. As such, and based on the above factors, we assess the risk of negative impacts associated with our 2023 deliveries to be low.

Procurement activities

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, IT, technology, communications and logistics 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. Within the **indirect procurement** category, items and services are procured from the services, hospitality, IT, communications, and technology sectors. Due to the limited volumes and low costs associated with our indirect procurement, our ability to influence suppliers within this category is low.

To determine whether the risk of negative impacts on human rights is relevant for our current procurement scope, we looked at known risks associated with the production location and the industries that our suppliers operate within, with main focus on direct suppliers. We combined this knowledge with information obtained directly from our suppliers. Generally, most of our suppliers operate in low-risk locations, but within the general and electronics manufacturing industries, which have inherent risks of e.g. child labor, forced labor, unsafe working conditions, excessive working hours and human trafficking.

In 2023, we conducted 2 supplier audits and 3 supplier dialogues and collected information from an additional number of suppliers. Via these efforts, we did not identify any actual negative impacts on human rights, but we did detect risks involving a limited number of suppliers which were not able to demonstrate compliance with the human rights due diligence obligations in our Code of Conduct for Business Partners. We also detected that some of the same suppliers use migrant workers from abroad, but had not conducted risk assessments or audits. Subsequently, the suppliers were instructed to improve their routines specifically linked to human rights due diligence, impact assessment and awareness. When these measures have been implemented, the suppliers will be better equipped to identify and address potential negative impacts in their own supply chain. We have no indications of actual negative impacts on human rights related to these findings, but consider it a relevant risk that we will follow up in 2024.

Reducing risks of negative impacts

Aker Carbon Capture works proactively to identify and reduce potential negative impacts on human rights associated with its operations through various measures as described in this chapter.

Obligations on business partners

All business partners of the company are expected to comply with the ethical obligations described in the Code of Conduct for Business Partners. The company works systematically and continuously to ensure

that specific obligations related to human rights and ethical business conduct are included in formal contracts.

Human rights due diligence and monitoring

The company has implemented human rights due diligence routines to ensure that proper checks and assessments are conducted on all potential third parties. The third parties are subsequently monitored in a screening system, and the company is alerted if adverse information about the third parties surfaces. The due diligence routines are risk-based to ensure that efforts are prioritized towards the areas with the highest risks. In addition to due diligence of third parties, the company also conducts tailored risk assessments of potential projects if they take place in high-risk locations. In the event that findings reveal risks of negative human rights impacts, dialogue, reviews and/or audits are pursued to clarify the relevance of the information. Aker Carbon Capture seeks to engage stakeholders, suppliers and other business partners to improve conditions and correct weaknesses.

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 in the company's daily operations. In 2023, all employees were reminded about the company's commitment to safeguarding human rights and decent working conditions as part of the annual Code of Conduct training. New employees received onboarding training, including mandatory e-learning specifically about human rights. HSSE training was also provided to workers on site, and tailored training in human due diligence procedural requirements was held for the supply chain team.

Reviews and audits

To understand and check the level of compliance with contractual obligations and the Code of Conduct for Business Partners, the company conducts audits of selected critical suppliers. More informal reviews such as dialogue and self-assessment questionnaires are other measures that the company uses to obtain an understanding of the suppliers' maturity level when it comes to human rights due diligence.

Communication

A communication channel for information requests related to human rights and the Norwegian Transparency Act was established on the company's webpage in 2022. An Information Request Procedure, describing the internal roles and process for handling general information requests from the public, was also implemented in 2022. The company received 0 requests via this channel in 2023.

Priorities for 2024

Aker Carbon Capture will continue to work proactively to identify, assess and prevent potential negative impacts on human rights and decent working conditions in 2024. As the potential risk of negative impacts on human rights remains highest in the supply chain, the company will focus its efforts towards its suppliers. Key priorities involve dialogue and audits of selected critical suppliers and revisiting and adjusting due diligence routines based on learnings from the past two years. Relevant risk areas that we will look specifically into, based on our human rights impact assessment, include occupational health and safety, migrant workers, forced labor and decent working conditions, including adequate contracting for the workers involved in our site operations.

Fornebu, 17 March 2024
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

Egil Fagerland
Chief Executive Officer

Appendix

Planet

KPI	2023 Progress	Strategic target	by Year	Measure
Carbon intensity Just Catch™ and Big Catch™[1]	0.2% and 1.6%	Improve by 50%	2030	(tCO_2e emitted / tCO_2 captured) x100
Net GHG emissions, scope 1+2+3[2]	17,194	Net negative	2030	tCO_2e emitted - tCO_2 removed
Renewable energy consumption	90%	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	2023 Progress	Strategic target	by Year	Measure
Secured contracts to capture 10 million tonnes of CO_2 per annum by 2025	1 million tonnes of CO_2	10 million tonnes of CO_2	2025	Secured contracts to capture 10 million tonnes of CO_2 pear annum by 2025
Taxonomy aligned Turnover	100%	100%	2025	Aligned turnover / total turnover (per taxonomy)

[1] Discontinued the use of MSCI ESG Rating as a key strategic target as it does not provide a strategic guidance for our ESG efforts. We will keep tracking the MSCI assessment and provide response as required.

People

KPI	2023 Progress	Strategic target	by Year	Measure
Zero accidents	0	0	2025	TRIF
Well-being factor	9	>35	2025	Employee net promoter score
Pay equality[1]	4.4	0	2025	% pay gap female to male
Gender diversity in management team	50	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	2023 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	100%	100%	2025	% dialogues performed

ESG performance metrics

Planet

Environment[3]					
Waste	**Unit**	**2023**	**2022**	**2021**	**2020**
Hazardous waste generated	Tonne	2.7	0.051	0.002	0
Total waste	Tonne	318.0	19.6	7.1	1.6
Non-recycled waste[4]	Tonne	181.0	7.4	3.2	0
Non-recycled waste - proportion of all waste generated	%	57	38	45	0
Water consumption	**Unit**		**2022**	**2021**	**2020**
Water consumption, office	m3	2,499	1,698	1,342	347
Water consumption, mobile test unit	m3	24	351	10	0
Sites/operations located in areas of high or extremely high baseline water stress (according to WRI Aqueduct water risk atlas tool)	Number	0	0	0	0
Environmental incidents	**Unit**		**2022**	**2021**	**2020**
Environmental incidents	Number	0	0	0	0
Penal sanctions, environment	**Unit**		**2022**	**2021**	**2020**
Cases where legal or administrative sanctions have been issued for material breaches of environmental legislation	Number	0	0	0	0
Fines or charges for material breaches of environmental legislation	NOK thousand	0	0	0	0

[3] For all environment metrics, the Danish office is included as an estimate based on Fornebu data.
[4] Non-recycled waste in the regions we have site activities normally treat waste at waste to energy facilities, not landfills. A large share of this is wood material from the construction sites.

Climate[5]					
Carbon Capture	**Unit**	**2023**	**2022**	**2021**	**2020**
Carbon capture design capacity (annual) in construction	Million tonnes	1.0	0.5	0.5	0.4
Energy consumption	**Unit**	**2023**	**2022**	**2021**	**2020**
Electricity, offices and mobile test unit	MWh	892	441	311	380
Purchase of Guarantee of Origin renewable electricity	MWh	806	418	302	0
Share renewable consumption (GO) of total	%	90	95	97	0
District heating	MWh	186	221	217	38
District cooling	MWh	120	116	99	23
Greenhouse Gas Emissions[6]	**Unit**	**2023**	**2022**	**2021**	**2020**
Scope 1, Direct emissions	tCO_2e	0.3	0.5	0	0
Scope 2, Indirect emissions, location based	tCO_2e	45	82	3	1
Scope 2, Indirect emissions, marked based	tCO_2e	52	15	2	29
Scope 3, Other indirect emissions, location based	tCO_2e	17,191	18,219	81	19
Scope 3, Other indirect emissions, marked based	tCO_2e	17,194	18,223	35	0
Scope 3, category 1, purchased goods and services, market based	tCO_2e	16,436	17,836		
Scope 3, category 3, fuel- and energy related activities (not included in scope 1 or scope 2), market based	tCO_2e	20	30		
Scope 3, category 4, upstream transport and distribution	tCO_2e	5	18		
Scope 3, category 5, waste generated in operations (upstream)	tCO_2e	7	0		
Scope 3, category 6, business travel	tCO_2e	675	322		
Scope 3, category 7, employee commuting	tCO_2e	51	17		
Total GHG emissions, scope 1,2,3, location based	tCO_2e	17,236	18,302	84	21
Total GHG emissions, scope 1,2,3, marked based	tCO_2e	17,246	18,238	37	0
Purchase of carbon removal	tCO_2e	0	0	0	0
Net GHG emissions, tCO_2e emitted - tCO_2 removed[7]	tCO_2e	17,246	18,238	37	0
Carbon intensity[8]	**Unit**	**2023**	**2022**	**2021**	**2020**
Carbon intensity, Just Catch™	% ((tCO_2e emitted/tCO_2 captured)x100)	0.2	0.2	0.2	0
Carbon intensity, Big Catch™	% ((tCO_2e emitted/tCO_2 captured)x100)	1.6	1.6	1.6	0

[5] For all climate metrics, the Danish and UK office is included as an estimate based on Fornebu data.
[6] 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.
[7] Market based approach.
[8] Reflecting 2021 baseline with designed capture capacity and the use of renewable energy.

People

People					
Employees[9]	**Unit**	**2023**	**2022**	**2021**	**2020**
Permanent employees as per 31.12	Number	125	117	71	26
Norway	Number	101	98	61	26
Denmark	Number	14	12	6	0
Sweden	Number	1	0	NA	NA
UK	Number	8	7	3	0
Netherlands	Number	1	0	NA	NA
Temporary employees as per 31.12	Number	4	0	0	0
Contract staff (hired ins)	Number	20	16	11	0
Norway	Number	17	12	10	0
Denmark	Number	0	0	1	0
Sweden	Number	0	0	0	0
UK	Number	0	0	0	0
India	Number	3	3	NA	NA
Netherlands	Number	0	1	NA	NA
Full-time	Number	146	127	70	26
Part-time	Number	3	6	1	0
Turnover	%	9	10	4	0
Trainees (interns) as per 31.12	Number	1	4	5	0
Total trainees (incl completed internships during 2023)	Number	3	10	7	0
Total employees as per 31.12	Number	149	133	82	26

[9] Headcount. Sweden is included as a new location in 2023.

HSSE and Well-being					
Well-being	**Unit**	**2023**	**2022**	**2021**	**2020**
Employee satisfaction survey	Employee net promoter score	9	16	44	0
Participation in employee satisfaction survey	%	80	72	80	0
Average hours of training[10]	Hours	49	34	48	0
Training expenditure	NOK	7,800	5,600	8,000	0
Health and Safety	**Unit**	**2023**	**2022**	**2021**	**2020**
Sickness absence	%	2.03	1.17	0.35	0.80
Fatalities as a result of work-related injury	Number	0	0	0	0
Employees	Number	0	0	0	0
Non-employees	Number	0	0	0	0
High-consequence work-related injuries (excluding fatalities) - number (LTIF)	Number	0	0	0	0
Employees	Number	0	0	0	0
Non-employees	Number	0	0	0	0
The rate of high-consequence work-related injuries (excluding fatalities) - rate per million hours worked (LTIF)	Rate per million	0	0	0	0
Employees	Rate per million	0	0	0	0
Non-employees	Rate per million	0	0	0	0
The number of recordable work-related injuries (excluding fatalities) - number (TRIF)	Number	0	0	0	0
Employees	Number	0	0	0	0
Non-employees	Number	0	0	0	0
The rate of recordable work-related injuries (excluding fatalities) - rate per million hours worked (TRIF)	Rate per million	0	0	0	0
Employees	Rate per million	0	0	0	0
Non-employees	Rate per million	0	0	0	0

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

Equality, Diversity and Inclusion					
Diversity, Age	**Unit**	**2023**	**2022**	**2021**	**2020**
Employees under 30	%	2	8	12	7
Employees aged 30-50	%	63	58	54	58
Employees over 50	%	35	34	34	35
Average age, all employees	Years	47	45	44	46
Average age, men	Years	48	45	45	48
Average age, female	Years	44	44	42	42
Diversity, Gender	**Unit**	**2023**	**2022**	**2021**	**2020**
Female	Number	42	35	26	7
Norway	Number	34	29	23	7
Denmark	Number	5	4	3	0
Sweden	Number	0	0	0	0
UK	Number	3	2	0	0
Netherlands	Number	0	0	NA	NA
India	Number	0	0	NA	NA
Male	Number	87	81	48	19
Norway	Number	71	67	42	19
Denmark	Number	9	8	3	0
Sweden	Number	1	0	0	0
UK	Number	5	5	3	0
Netherlands	Number	1	1	NA	NA
India	Number	0	0	NA	NA
Other and not disclosed	Number	0	0	0	0
Female representation, across group	%	33	31	34	26
Female representation, executive management	%	50	38	38	38
Female representation, Board of Directors	%	57	57	43	20
Diversity, Nationalities	**Unit**	**2023**	**2022**	**2021**	**2020**
Number of nationalities in group	Number	19	18	12	6
Pay equality	**Unit**	**2023**	**2022**	**2021**	**2020**
Pay equality[11]	%	4.4	7.4	7.4	Not available
Ratio of CEO's compensation to median compensation employees[12]	Ratio	2.7	3.6	3.6	0

[11] Salary gap calculation: average salary men - average salary women / average salary men.
[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**	**2023**	**2022**	**2021**	**2020**
Total CAPEX during the reporting period	NOK thousand	138,377	105,314	18,879	—
Turnover considered according to EU Taxonomy – total	NOK thousand	1,605,101	780,863	363,177	—
CAPEX considered according to EU Taxonomy – total	NOK thousand	180,094	104,078	18,879	—
OPEX considered according to EU Taxonomy – total	NOK thousand	95,977	143,669	109,092	—
EU Taxonomy eligible turnover	NOK thousand	1,605,101	780,863	363,177	—
EU Taxonomy eligible CAPEX	NOK thousand	180,094	104,078	18,879	—
EU Taxonomy eligible OPEX	NOK thousand	95,977	143,669	109,092	—
EU Taxonomy aligned turnover	NOK thousand	1,605,101	780,863	363,177	—
EU Taxonomy aligned CAPEX	NOK thousand	180,094	104,078	18,879	—
EU Taxonomy aligned OPEX	NOK thousand	95,977	143,461	104,024	—
EU Taxonomy eligible turnover	%	100	100	100	—
EU Taxonomy eligible CAPEX	%	100	100	100	—
EU Taxonomy eligible OPEX	%	100	100	100	—
EU Taxonomy aligned turnover	%	100	100	100	—
EU Taxonomy aligned CAPEX	%	100	100	100	—
EU Taxonomy aligned OPEX	%	100	100	95	—
Research, development and innovation	**Unit**	**2023**	**2022**	**2021**	**2020**
Total R&D expenses	NOK thousand	139,103	118,585	81,767	—

Employment					
Job creation	**Unit**	**2023**	**2022**	**2021**	**2020**
Total number of new employee hires (own employees)	Number	25	51	52	26
Rate of new employees / total employees excl new hires	%	23	44	66	100
Norway	Number	21	40	43	26
Denmark	Number	2	6	6	0
Sweden	Number	0	0	0	0
UK	Number	1	5	3	0
Netherlands	Number	1	0	NA	NA
India	Number	0	0	NA	NA
Turnover	**Unit**	**2023**	**2022**	**2021**	**2020**
Total number of employee turnover	Number	10	12	3	0
Total number of employee turnover[13]	Ratio	0.09	0.10	0.04	0
Employee turnover - female	Number	1	5	0	0
Employee turnover - male	Number	9	7	3	0

[13] Turnover / total employees excl. turnover.

Governance

Strong governance and compliance					
Code of conduct training	**Unit**	**2023**	**2022**	**2021**	**2020**
Employees completed training	%	100	100	100	100
Whistleblowing cases	**Unit**	**2023**	**2022**	**2021**	**2020**
Total number of concerns reported	Number	0	1	0	0
Penal sanctions, business ethics	**Unit**	**2023**	**2022**	**2021**	**2020**
Cases where legal or administrative sanctions have been issued for material breaches of business ethics legislation	Number	0	0	0	0
Fines or charges for material breaches of business ethics legislation	NOK thousand	0	0	0	0

Board of Directors					
Board composition	**Unit**	**2023**	**2022**	**2021**	**2020**
Total number of board members	Number	7	7	7	—
Female (or other gender minority) board members	Number	4	4	3	—
Female (or other gender minority) board members	%	57	57	43	—
Board members with executive positions in the company	Number	0	0	0	—
Board members with executive positions in the company	%	0	0	0	—
Independent board members	Number	4	5	2	—
Independent board members	%	57	71	29	—
Employee elected board members	Number	1	1	0	—
Average tenure on the Board of Directors	Years	3.1	2.1	2	—
Board members aged below 50	Number	2	2	2	—
Board members aged below 50	%	29	29	29	—
Board members aged over 50	Number	5	5	5	—
Board members aged over 50	%	71	71	71	—
Number of board meetings held	Number	8	8	7	—
Directors average meeting attendance	%	94	92	96	—

Sustainable Finance Disclosure Regulation (SFDR) indicators

	Unit	2023	2022	2021
Greenhouse gas emissions, total scope 1,2,3[14]	tCO_2e	17,246	18,238	37
Scope 1	tCO_2e	0.3	0.5	0
Scope 2	tCO_2e	52	15	2
Scope 3	tCO_2e	17,194	18,223	35
Carbon footprint		Not relevant for Aker Carbon Capture	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	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	Not relevant for Aker Carbon Capture
Share of non-renewable energy consumption and production[15]	%	12	12	1.4
Energy consumption intensity per high impact climate sector[16]	Ratio	0.121	0.246	0.007
Activities negatively affecting biodiversity-sensitive areas	Number	0	0	0
Emissions to water	Tonne	0	0	0
Hazardous waste	Tonne	2.7	0.051	0.002
Violations of UNGC principles and OECD Guidelines for Multinational Enterprises	Number	0	0	0
Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multinational Enterprises	Number	0	0	0
Unadjusted gender pay gap[17]	%	4.4	7.4	7.4
Board gender diversity, female representation	%	57	57	43
Exposure to controversial weapons		None	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	4
2-2 Entities included in the organization's sustainability reporting	Sustainability	25
2-3 Reporting period, frequency and contact point	About this report, Sustainability	4, 25
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 2023, further preparations done for future external assurance of scope 1,2,3 accounting	
2-6 Activities, value chain and other business relationships	Board of Directors Report	7
2-7 Employees	Sustainability - Social, ESG Performance metrics	38, 93
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	93
2-9 Governance structure and composition	BoD report - Corporate governance, Board of Directors, ESG Performance metrics	16, 21, 93
2-10 Nomination and selection of the highest governance body	Corporate governance report	81
2-11 Chair of the highest governance body	Board of Directors	21
2-12 Role of the highest governance body in overseeing the management of impacts	Board of Directors report - Corporate governance	16
2-13 Delegation of responsibility for managing impacts	Board of Directors report - Corporate governance	16
2-14 Role of the highest governance body in sustainability reporting	Board of Directors report - Corporate governance	16
2-15 Conflicts of interest	Sustainability - Governance	43
2-16 Communication of critical concerns	Sustainability - Governance. 0 whistleblowing case in 2022	43
2-17 Collective knowledge of the highest governance body	Board of Directors report - Corporate governance, Board of Directors.	16, 21
2-18 Evaluation of the performance of the highest governance body	Corporate governance report	81
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.	81
2-20 Process to determine remuneration	Corporate governance report	81
2-21 Annual total compensation ratio	ESG Performance metrics	93
2-22 Statement on sustainable development strategy	CEO letter, Board of Directors report	3, 7
2-23 Policy commitments	Board of Directors report - Corporate governance	16
2-24 Embedding policy commitments	Board of Directors report - Corporate governance	16

DISCLOSURE	LOCATION	PAGE
GRI 2: General Disclosures 2021		
2-25 Processes to remediate negative impacts	Code of Conduct, Sustainability Policy, Sustainability - Social	38
2-26 Mechanisms for seeking advice and raising concerns	Sustainability - Governance	43
2-27 Compliance with laws and regulations	We had zero non-compliance instances in 2023	16
2-28 Membership associations	Memberships and collaborations	107
2-29 Approach to stakeholder engagement	Materiality assessment	27
2-30 Collective bargaining agreements	Sustainability - Social	38

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	25
GRI 201: Economic Performance 2016		
201-1 Direct economic value generated and distributed	Consolidated financial statement	47
201-2 Financial implications and other risks and opportunities due to climate change	TCFD Assessment	108
GRI 203: Indirect Economic Impacts 2016		
203-2 Significant indirect economic impacts	Aker Carbon Capture in brief	4
GRI 205: Anti-corruption 2016		
205-2 Communication and training about anti-corruption policies and procedures	Sustainability - Governance	43
205-3 Confirmed incidents of corruption and actions taken	Zero incidents. ESG Performance metrics	93
GRI 305: Emissions 2016		
305-1 Direct (Scope 1) GHG emissions	Sustainability - Environment, ESG Performance metrics	29, 93
305-2 Energy indirect (Scope 2) GHG emissions	Sustainability - Environment, ESG Performance metrics	29, 93
305-3 Other indirect (Scope 3) GHG emissions	Sustainability - Environment, ESG Performance metrics	29, 93
305-4 GHG emissions intensity	Sustainability - Environment, ESG Performance metrics	29, 93
GRI 306: Waste 2020		
306-3 Waste generated	ESG Performance metrics	93
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 2023	93
GRI 401: Employment 2016		

DISCLOSURE	LOCATION	Page
401-1 New employee hires and employee turnover	ESG Performance metrics	93
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 2023 5 employees (4 male/1 female) were entitled to, and 5 took parental leave. Out of these 5, 4 male returned to work after parental leave ended in the reporting period. 1 female employee is 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 - Social	38
403-4 Worker participation, consultation, and communication on occupational health and safety	Sustainability - Social	38
403-6 Promotion of worker health	Sustainability - Social	38
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 - Social, ESG Performance metrics	38, 93
403-10 Work-related ill health	Sustainability - Social, ESG Performance metrics	38, 93
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	93
404-2 Programs for upgrading employee skills and transition assistance programs	Sustainability - Social	38
404-3 Percentage of employees receiving regular performance and career development reviews	Target for 2023 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	21, 93
405-2 Ratio of basic salary and remuneration of women to men	Sustainability - Social, ESG Performance metrics	38, 93
GRI 406: Non-discrimination 2016		
406-1 Incidents of discrimination and corrective actions taken	No incidents of discrimination and corrective actions taken in 2023	
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 2023	

Our contributions to the Sustainable Development Goals (SDGs)

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

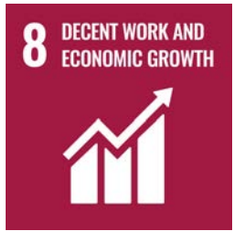
Developing cleantech solutions for hard to abate industries, investing in own technology and bold innovations to further improve and reduce cost of implementation

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

Stakeholder engagement

Stakeholders	Nature of engagement	Frequency	Stakeholders' key ESG priorities
Employees and potential employees	Employee Survey Working Environment Committee (AMU) Local Union meetings Townhalls, Lunch & Learn, team meetings Internal communication channels (Teams) and social media Code of conduct and other trainings Social gatherings	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 and risk management in project execution phase Local content and management of local communities 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 and audits	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

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;

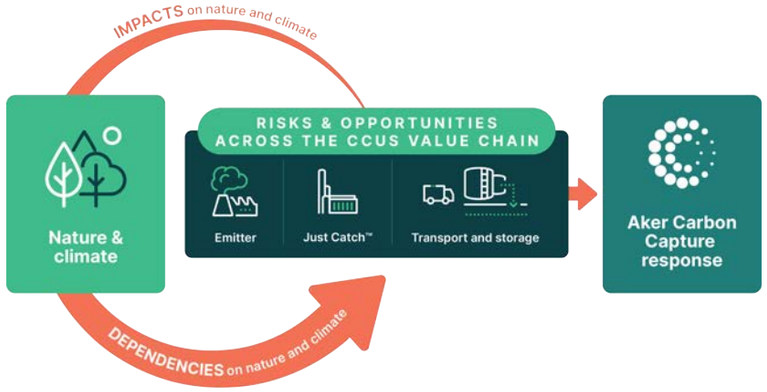
- Participant in UN Global Compact
- Membership in Global CCS Institute
- Founding member through Aker ASA of the First Mover Coalition launched by World Economic Forum
- Member of the Norwegian CCS Research Center, a center for environmental-friendly research (FME) hosted by SINTEF
- Member of The Federation 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
- Member of Coalition for Negative Emissions
- Collaboration with Bellona, a Norwegian environmental NGO
- Collaboration with Zero, a Norwegian environmental NGO
- Member of CCS Europe, European advocacy association
- Member of working groups leading up to CCUS Forum, EU Commission initiative
- 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

Climate and nature risks and opportunities (TCFD and TNFD)

We made a first assessment of the Task Force on Climate-Related Financial Disclosures (TCFD) as part of the annual reporting in 2021 with support from a reputable third party. This has been further matured, and expanded with an early assessment of Nature-Related Financial Disclosures (TNFD).

This disclosure seeks to respond to all core recommendations of the TCFD and the TNFD in an integrated reporting format and describes our approach to manage climate and nature risks and opportunities. For future reporting periods, we intend to refine our process for assessing nature-related dependencies, impacts, risks, and opportunities. Our TCFD and TNFD reporting is expected to be aligned and integrated to our ESRS reporting as it becomes applicable.

Our business model is founded on enabling the carbon reduction and removal from industries and energy solutions, and hence directly aligned with the Paris agreement. We have a systematic and coherent approach to risk management, strategy development and target setting which we will continue to develop as our projects reach different stages of maturity.



In the following a summary of identified risks and opportunities for Aker Carbon Capture is provided.

Physical climate and nature risks identified

Acute risks, such as extreme weather may be causing higher maintenance costs for operations and challenges in logistics and the supply chain during the construction phase of our plants. Chronic risks related to sea-level rise can cause challenges in stability for supply chain, operations, and transport to/from sites near the coast. Site selection is driven by our customers brownfield operations or greenfield developments, and any risks must be addressed on a site by site basis, aligned with the taxonomy framework.

The main input to delivering our carbon capture solutions is steel and stainless steel. The production of these materials are highly dependent on natural resources such as iron, minerals and use of water and energy through the production process of converting iron from iron ore to steel.

The initial impact assessment of our carbon capture activities is that the impact of the activities within our boundaries have a relatively low impact compared to those indirectly imposed by our supply chain and downstream through transport and storage. Whether the transport is by piping by land/sea or by vessel is driven by the site location relative to the storage location, and results in various types of impacts. We have made the assessments across the aspects of land/water/sea use change, resource exploitation, GHG emissions, pollution and disturbances for upstream activities, our operations and downstream activities.

We acknowledge a lack of information and data for these indirectly imposed impacts, and through sustainability dialogues with our supply chain we will seek to obtain a better understanding of their material impacts, and how we can support their improvements moving forward. Insights into steel production will be a key area in this respect.

Regulatory opportunities are substantial, but unpredictable

Policy support for increased pricing or restrictions of GHG emissions is growing in several markets and will increase the demand for carbon capture and storage (CCS) solutions. There are, however, some concerns related to unpredictable regulations, particularly in terms of the roll-out of policy instruments such as government support and subsidies for customers, which may delay project commencement and impact profitability.

Market risk and green finance is favorable

Aker Carbon Capture has identified extensive market opportunities as there is growing market demand for CCUS in all climate-related policy scenarios.

Technology risk is unclear

There are some concerns related to first mover challenges, and the risk of over- or under-investing in technologies and projects, as there are rapid technological developments and several immature technologies involved. However, this is not assessed as a major concern.

Aker Carbon Capture has continuously improved the design, such as developing the advanced emission control systems including the patented AntiMist™ technology, improved energy efficiency, as well as the development of an Health, Safety and Environmentally friendly solvent portfolio, with the aim of no harm to workers on site, surrounding communities or the environment.

Reputational risk is considered low from a climate and nature perspective

Aker Carbon Capture reports positive talent attraction and political goodwill due to its climate-friendly business models. Aker Carbon Capture has chosen to not engage with controversial customer segments such as oil/tar sand in order to avoid the reputational risk associated with these segments. There may be some reputational risk of being associated with the involvement with oil and gas.

Please refer to appendix for nature and climate risk and opportunity disclosures.

Climate-related and nature-related financial disclosures

Table: Risks and opportunities

PHYSICAL **Acute risks related to extreme weather events and chronic risks like rising sea level and ecosystem changes**	**Risks:** Chronic risks include rising sea levels causing challenges on stability for supply chain, operations and transport to/from sites near the coast. Acute risks include increased severity of extreme weather events causing higher maintenance costs for operations and supply chain.
	Opportunities: None identified
REGULATORY **Stricter regulations such as CO_2 taxes cap-and-trade schemes, energy efficiency requirements and reporting requirements**	**Risks:** CCS requires substantial investments, and many customers are dependent on government support/subsidies. The development of policy instruments may take time and their effectiveness is uncertain, which may delay Aker Carbon Capture's start up and operations.
	Opportunities: Policy support for increased pricing/restrictions of GHG emissions is growing in several markets.
MARKET **Changes in market demand, customer requirements and investor behavior**	**Risks:** Some industry segments are more challenged due to the green transition (i.e. O&G), and some industries – and potential markets segments – may not survive. Decreased or low pricing of GHG emissions. Ambiguity on frameworks and regulations for sustainably managed and use of biomass may delay biomass/bioenergy with CCS deployment.
	Opportunities: Increased demand for CCS in several industry segments in order to meet CO_2 regulations, market demands and corporate net-zero targets, as well as biogenic emitters deploying CCS to generate carbon dioxide removals (CDR), meeting the increased market demand for high-quality, permanent carbon removal credits. Being a green company increases access to capital and may reduce cost of capital. Relevant for both Aker Carbon Capture and for customers using CCS technology.
TECHNOLOGY **Step-wise or radical technology shifts leading to increased need for investments or risk of stranded assets**	**Risks:** New technology in the future that may render our products less competitive and hence reduce our return on investment.
	Opportunities: Aker Carbon Capture technology delivers better than customers' current emissions permit. This may create an opportunity if future permit levels get stricter.
REPUTATION **Risk of stigmatization leading to loss of goodwill, brand value and employee attraction**	**Risks:** Doing business with customers in controversial industries could cause reputational risk for Aker Carbon Capture (i.e. coal, production of liquid hydrocarbons and/or industries with high emission/energy intensity such as Enhanced Oil Recovery and oil/tar sands. Aker Carbon Capture does not currently engage with these segments). Solutions chosen by other CCS providers (i.e. lower HSSE quality) may cause a general bad reputation for the industry that may affect Aker Carbon Capture.
	Opportunities: Being a green company has a positive impact on reputation incl. recruitment.

Table: Disclosures overview

Governance		
1	**Describe the board's oversight of climate-related risks and opportunities**	Climate risk is included in Aker Carbon Capture's regular corporate processes. The board's audit committee receives quarterly risk reports and updates the board on key issues. Enterprise risk forms part of CEO updates to the board. The board has an annual strategy meeting and targets are approved by the board in connection with the budget process. The board reviews performance against targets on a quarterly basis.
2	**Describe management's role in assessing and managing climate-related risks and opportunities**	Climate risk is part of Aker Carbon Capture's corporate risk process. The CFO is responsible for managing and facilitating the risk process. The respective leaders in the management team are responsible for identifying and reporting on climate-related risks within their areas.
Strategy		
3	**Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.**	See overview in the table above.
4	**Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.**	The company's business model is founded on meeting the clean energy needs of a low emission society, and a 5-year strategy update process was agreed by the board in June 2023. Regulatory/market risk and impacts on demand/revenue is monitored through scenario analyses of demand/CO_2 price for a 1.5-degree scenario with IEA numbers used for CO_2 pricing. Aker Carbon Capture has also reviewed an alternative scenario for 2-2.5 degrees. Physical climate change assessments inform site location decisions and estimated maintenance costs for all sites. Technology risks are managed through closely monitoring tech developments and collaboration with customers, particularly with regards to energy efficiency. In line with stakeholder expectations, the company has defined carbon reduction targets and has committed to SBTi.
5	**Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.**	The company uses scenario analysis to inform its strategy, including 1.5 degree, 2.0 and 2.5 degree scenarios, which all show robust demand for Aker Carbon Capture's solutions.
Risk management		
6	**Describe the organization's processes for identifying and assessing climate-related risks.**	Climate risk is integrated in the management system of the company and managed by the relevant functional areas. As part of the enterprise risk procedure, material risks from all functional areas are identified and assessed on a quarterly basis, discussed in the management team and then presented to the audit committee and the board. The company assesses and documents climate risks as part of its taxonomy assessment.
7	**Describe the organization's processes for managing climate-related risks.**	Climate risk is included in all investment decisions, primarily for technology investments, as the company is not yet in a position for acquisitions. More detailed climate risk DD templates will be developed if/when M&A activity increases. Aker Carbon Capture has decided not to pursue opportunities in severely risk-exposed industries like coal, as it expects this market to decline. Aker Carbon Capture has introduced liability caps and force majeure clauses to mitigate adverse financial impacts from unexpected events, such as extreme weather. Aker Carbon Capture has clear requirements for which customers it collaborates with to reduce reputational risk. Aker Carbon Capture also expects to benefit from processes/systems in Aker Horizons as its business develops
8	**Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.**	Climate risk is integrated in the overall enterprise risk system, which is made available for both the management and board.
Metrics & targets		
9	**Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.**	Metrics used: • Aker Carbon Capture's carbon emissions, carbon intensity and energy efficiency • Carbon pricing in different IEA scenarios • Carbon emission reduction for customers with Aker Carbon Capture technology • EU taxonomy metrics

10	**Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.**	Aker Carbon Capture reports on scope 1, 2 and 3 GHG emissions according to the GHG protocol and with a separate metric on the carbon capture capacity enabled through our deliveries. The company has been including emissions related to the construction phase of the carbon capture plants, benefiting from the lifecycle assessments performed for the deliveries, but an area that is expected to mature as suppliers are able to provide more exact data in the years to come.
11	**Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.**	• Handprint target for 2025; secure contracts to capture 10 mill tonnes of CO_2 per year by 2025. • Targets for own emission reductions and carbon intensity, with commitment letter sent to the SBTi. • Emissions across scope 1,2,3 accounted for in accordance with GHG protocol. • Targets on EU taxonomy KPIs.

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 2023 reporting period.

	Turnover		CAPEX		OPEX	
Economic activities 2023	**NOK**	**%**	**NOK**	**%**	**NOK**	**%**
Taxonomy eligible activities	**1,605,101**	**100**	**180,094**	**100**	**95,977**	**100**
Manufacture of other low carbon technologies (3.6)	1,605,101	100	180,094	100	92,657	97
Close to market research, development and innovation (9.1)	—	—	—	—	3,320	3
Taxonomy aligned activities	**1,605,101**	**100**	**180,094**	**100**	**95,977**	**100**
Manufacture of other low carbon technologies (3.6)	1,605,101	100	180,094	100	92,657	97
Close to market research, development and innovation (9.1)	—	—	—	—	3,320	3

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 2023.

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:

a. the economic activity contributes substantially to one or more of the environmental objectives;
b. it does not significantly harm any of the environmental objectives;
c. it is carried out in compliance with the minimum safeguards; and
d. 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 CO_2, 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 CO_2 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 the Board of Director's report.

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 CO_2 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 2023. 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 CO_2. 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 (tCO_2 emitted/tCO_2 captured) is 0.2 percent for the standardized Just Catch™ capturing 100,000 tonnes CO_2 annually, and 1.6 percent for a generic Big Catch™ capturing 400,000 tonnes CO_2 annually. Thus our technology leads to substantial GHG emission savings and a significant net reduction of GHG emissions in the sector it is applied. 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 2023 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 risk management process. We have also conducted a third-party TCFD assessment in 2021 and have followed 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 2023. 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 or as part of the customer's environmental impact assessment where applicable. Our environment policy commits us to zero harm and sustainable resource use. Our main activities in 2023 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 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 2023 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 CO_2 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 2023 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 2023, 100 percent 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 the company's webpage.

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 Director's report.

In the sustainability section of the Annual and sustainability 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 2023 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 2023, the company received 0 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 Accounting 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	2023
Materials, goods and services	1,491,850
Salary and other personnel cost	216,812
Other operating expenses	104,168
Total operating expenses	**1,812,830**
- Less not applicable for EU taxonomy	1,716,852
Operating expenses considered according to EU taxonomy	**95,977**

Aker Carbon Capture ASA

John Strandrudsvei 10, 1366 Lysaker, Norway
www.akercarboncapture.com

Media contact
Marianne Stigset
Mob: +47 411 88 482
Email: marianne.stigset@akerhorizons.com

Investor contact
David Phillips
Mob: +44 7710 568279
Email: david.phillips@akercarboncapture.com

Publication
18 March 2024

AKER CARBON CAPTURE