



AKER
OFFSHORE
WIND



Half-year report for 2021

Key Developments

Key Financial developments

Aker Offshore Wind presents its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. All amounts below refer to the consolidated financial statements for the group, unless otherwise stated. The financial statements cover the period from January 1, 2021 to June 30, 2021.

In the period, the company had revenues of NOK 1.7 million representing hours charged to Aker Offshore Wind's project in Korea. The company is currently in growth phase and, as such, operating loss for the period was NOK 120.5 million with key contributing items being salary and personnel costs, business development, and costs associated with M&A activity. Financial items amounted to negative NOK 0.2 million and share of loss from the equity-accounted investees Principle Power Inc and Korea Floating Wind Power Co., Ltd were recognized by NOK 35.8 million. Loss for the period was NOK 156.6 million, resulting in loss per share of NOK 0.23.

Total assets of the group amounted to NOK 797,0 million as of June 30, 2021, of which NOK 389.4 million was cash and cash equivalents. Investments in equity-accounted investees were NOK 384.1 million, mainly representing the shareholdings in Principle Power Inc and Korea Floating Wind Power Co., Ltd. Net current operating assets ended at negative NOK 69.1 million. The company has no interest-bearing borrowings. Total equity amounted to NOK 698.4 million at June 30, 2021, giving an equity ratio of 88 percent.

Cash flows from operating activities ended at negative NOK 82.8 million, significantly lower than operating loss of NOK 120.5 million due to cost accruals in the period. Cash flows from investing activities were negative by NOK 0.8 million, reflecting the increase in interest-bearing receivables. Cash flows from financing activities were negative by NOK 1.5 million due, primarily, to payment of finance lease liabilities.

Key Operational developments

Market interest in floating wind developments have continued to increase notably in 2021 and important policy and regulatory milestones have been reached in several of Aker Offshore Wind's key markets.

The company continued their measures to protect the health and safety of people during the COVID-19 pandemic, which included closing some sites and maintaining home office solutions for its employees. Despite the situation, Aker Offshore Wind has been able to progress at pace and deliver on key milestones during the COVID-19 pandemic.

Aker Offshore Wind has announced several new partnerships and cooperation agreements during the first six months of 2021:

- In January Aker Offshore Wind and Statkraft announced a cooperation agreement to explore the development of offshore wind in Norway.
- In March Aker Offshore Wind entered into a joint development agreement with Hexicon to explore opportunities to realize floating wind projects offshore Sweden.
- In June bp joined Aker Offshore Wind and Statkraft in a consortium bidding to develop offshore wind power in the Sørlige Nordsjø II licence area.

- After the half year, at the beginning of July, Aker Offshore Wind and Ocean Winds announced an agreement to jointly bid for floating sites in the ScotWind leasing round.

In this period Aker Offshore Wind has established new subsidiaries in South Korea, in the USA, and in the UK. The new subsidiaries will be instrumental in developing and maturing projects and prospects in the respective geographies.

In the first half of 2021, Aker Offshore Wind has strengthened its executive management team. Effective August 1, Tom Selwood will onboard as Chief Financial Officer. Tove Røskoft was appointed Chief of Staff and Business Excellence effective March 1. Effective June 1, Birgitte Karlsen has been appointed General Counsel.

On May 27, Aker Offshore Wind announced that Chief Executive Officer (CEO) Astrid Skarheim Onsum had given notice and that she would leave the company to take the role of CEO of a non-competitive Norwegian circular-economy company. Industry veteran Philippe Kavafyan will take on the role of CEO from November 1 this year. Mr Kavafyan brings with him 20 years of offshore wind experience.



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Health, Safety, Security and Environment (HSSE)

Aker Offshore Wind aims to develop and operate deepwater offshore wind farms at industrial scale. For the time being the company's activities is predominantly office based.

In the first half of 2021, the HSSE function focused on managing the global COVID-19 pandemic. A comprehensive series of measures have been implemented, in accordance with national recommendations and Aker group-wide requirements to limit negative effects of the situation. Since the beginning of the year most employees have worked from home, communicating through digital tools. During these working conditions, emphasis has been placed on mental health and physical activity, and the onboarding of new employees. From May a limited number of employees have returned to the office in US and Norway, risk evaluation has been based on national and local regulations.

The current operating environment - office based turned home based with limited travel - results in few safety-related risks to employees. A low-threshold reporting system for notification of safety-related incidents has been introduced. Aker Offshore Wind's global sick leave first half of 2021 was 0.54 percent, which is well below the target of 3 percent. There have been zero work-related injuries or near misses in 2021.

The company's capabilities within crisis management were further developed in the first six months of 2021. An Aker Offshore Wind emergency number has been established, allowing all employees to easily report serious incidents and receive immediate assistance. Aker Offshore Wind also implemented RAYVN, a cloud-based system for managing critical events. The roll-out of the system included introductory training sessions and desktop drills for key members of the company and management.

Aker Offshore Wind is connected to the Aker Global Security Operations Centre. This core team of security professionals operates a 24/7 Centre, servicing all Aker-group companies. No security incidents were reported in 2021.



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Sustainability

Sustainability at Aker Offshore Wind is about making planet positive business decisions that add value to the company, its stakeholders and society. During first half of 2021 focus has been on establishing a sustainability function and start integrating sustainability across the company.

Aker Offshore Wind is building a forceful and capable company culture that thrives on diversity and opportunity for all. In June 22.4 percent of the staff were female, up from 11 percent at the end of 2020. In the executive leadership team 40 percent are female. The number of nationalities has increased from 5 to 15 in the same period.

Aker Offshore Wind is a signatory member of the UN Global Compact and is committed to making science-based decisions and to contribute to the knowledge base for sustainable development of offshore wind. The company has also become a signatory of the Guide Against Greenwashing and has committed to its ten principles of sustainable business practises.

In April Aker Offshore Wind, Aker Horizons and the University of Strathclyde announced plans to recycle and reuse old wind turbine blades. Aker Offshore Wind also participate in several other research projects aimed at understanding and reducing the environmental impact of windfarms on the marine environment and its ecosystems.



Outlook

Regions in which Aker Offshore Wind is developing projects include South Korea, the US (California), UK/Scotland, Norway and Sweden.

Political ambitions and local conditions make South Korea an attractive market for floating offshore wind. The government has set a target of 20 percent renewable power generation by 2030, including 12GW offshore wind. The KFWind consortium of Aker Offshore Wind, Ocean Winds and Wind Power Korea has secured three potential floating sites for development in the Ulsan region, with a potential combined gross capacity up to 1.2GW. In October 2020 LiDARs, or Light Detection and Ranging buoys, were successfully installed offshore Ulsan. The LiDARs have performed wind measurements as planned during H1 and are scheduled to stay in place for at least one year. They will collect data from the area, as part of the process to proceed to the next regulatory step and applying for an Electricity Business License.

The United States is seen as a potentially major market for floating offshore wind. The Biden administration has pledged to reduce emissions by 50-52% by 2030 compared to 2005 and set a national goal of 30 GW of offshore wind by 2030. The most promising opportunities for floating wind are located on the West Coast, in California and Oregon, due to large water depths and limited shallow acreage close to shore. The Redwood Coast Offshore Wind (RCOW) project consortium of Aker Offshore Wind and Ocean Winds aims at developing approximately 150MW of floating offshore wind (currently approximately 75MW net for the Group). The project is sized to fit current local grid capacity. Pursuant to the May 2021 announcement by the Biden Administration, RCOW is preparing for lease auction stated to occur in mid-2022.

As a part of the United Kingdom, Scotland has a mature and well-developed leasing, consenting and application system, managed by the Crown Estate Scotland. The ScotWind leasing round is set to

close July 16, and aims to provide areas suitable for up to 10GW in capacity. A significant proportion of deepwater sites suitable for floating projects have been identified by Marine Scotland in their Sectoral Marine Plan for offshore wind. Aker Offshore Wind and partner Ocean Winds has entered the ScotWind licensing round, with an ambition to develop industrial scale floating wind. The Crown Estate announced in March that it is commencing work to design and deliver a new leasing opportunity for early commercial-scale floating wind in the Celtic Sea as an important step towards the Government's ambition to deliver 1GW of floating wind by 2030.

On January 1, the Norwegian government opened two areas for offshore wind development: Utsira Nord and Sørlige Nordsjø II. The areas were announced to have a combined potential capacity of about 4.5GW. On June 11, the Government published a consultation on a new set of guidelines, outlining the license application process, and presented a White Paper on long term value creation from Norway's energy resources. In the White Paper the Government states offshore wind represent an industrial opportunity for Norway and may form an important part of the next chapter in Norway's history as an energy nation.

Aker Offshore Wind and Hexicon have entered into a joint development agreement to explore opportunities to realize floating wind projects offshore Sweden that could generate several gigawatts of renewable power and support Sweden's goal of reaching net zero emissions. The two companies have agreed to jointly work to mature early-phase prospects in Sweden. The Swedish offshore wind market is expected to grow, as the country implements plans to boost renewable energy generation and reach 'net zero' greenhouse gas emissions by 2045. Sweden aims to phase out nuclear power, which currently accounts for 40 percent of the energy mix, to be replaced by renewables. Aker Offshore Wind and Hexicon will explore a range of opportunities to secure attractive offtake partners for renewable power.

Further prospective markets are identified and could include Japan, France, Ireland, Italy and Vietnam.

Risk Factors

Aker Offshore Wind aims to build a global portfolio and have operations in an emerging market segment. This exposes the company to regulatory changes and immature market conditions which provides both opportunities and risks. These risks may affect the company's operations, performance, finances, reputation and share price. The annual report for 2020 provides more detailed information on inherent risks and uncertainties.

Operational risk: The Covid-19 pandemic has affected the working- and personal life of all Aker Offshore Wind employees. The company has however introduced several measures to mitigate the effects. This has enabled the company to successfully onboard more than 50 new employees and contractors and avoid disruption to the planned progress.

Market and Regulatory Risk: The offshore wind sector is publicly regulated, and regulation and fiscal regimes differ across geographies and may change over time. This could impact timing, frequency and process of acreage award/ licensing rounds, support schemes, timeline and required activities for development, local content and other terms and conditions for offshore wind development. The political position on offshore wind is governed by a number of factors. These factors, and the political parties' assessment of them, may vary over time.

Risk related to taxonomy-alignment: The current and future regulatory framework related to sustainability, and the EU Taxonomy in particular, may have material effect on the company's strategies, market conditions, access to funding and/or cooperation with partners. The EU Taxonomy in its current form qualifies all wind power production as sustainable. The Taxonomy regulation however, on a general level, requires that an activity must not lead to a lock-in of carbon intensive assets for it to be qualified as sustainable. It is therefore unclear whether the supply of wind power to offshore oil production facilities will qualify as sustainable in the taxonomy. Aker Offshore Wind will follow the finalization and related interpretation of the EU taxonomy closely.

Climate Related Risks: The company is exposed to risks and opportunities stemming from climate change and the energy transition to renewables and a lower carbon economy. This includes changes in global demand, energy prices and environmental requirements that could increase demand for the company's offerings and increase growth opportunities. Negative aspects could include increase in commodity prices, reduction of raw material and increased logistics and transportation cost that could potentially negatively impact the company's earnings.

Cyber Risk: Cybercrime can be a major threat to operations. Aker Offshore Wind continually monitors the threat landscape and takes the necessary steps to safeguard employees, systems, information, 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. Aker Offshore Wind receive weekly IT security reports with an overview of the threat vectors and security breaches detected by its IT service provider Aker IT services.

Financial Risks: Aker Offshore Wind is exposed to a variety of financial market risks such as currency risk, interest rate risk, tax risk, price risk, credit and counterparty risk, liquidity risk and capital risk as well as risks associated with access to and terms of financing. The financial risks may affect the group's income and the value of any financial instruments held. Aker Offshore Wind and its subsidiaries will use financial derivative instruments to hedge certain risk exposures and aim to apply hedge accounting whenever possible to reduce the volatility resulting from the periodic market-to-market revaluation of financial instruments in the income statement.

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

Declaration by the Board of Directors and CEO

The board and CEO have today reviewed and approved the condensed, consolidated financial statements for the six months ending June 30, 2021 for Aker Offshore Wind. This declaration is based on information received by the Board through reports and statements from the CEO and CFO as well as other information essential to assess the company's results and financial position.

To the best of our knowledge:

- The half-year 2021 financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting.
- The half-year 2021 financial statements give a true and fair view of the company's assets, liabilities, and financial position in addition to the development and results of the company taken as a whole.
- The half-year 2021 financial statements give a true and fair overview of important events that have occurred during the period and their impact on the financial statements, the most significant risks and uncertainties facing the company and significant related party transactions.

Fornebu, July 12, 2021

Board of Directors and CEO of Aker Offshore Wind AS



Kristian M. Røkke
Chairman



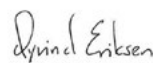
Kjell Inge Røkke
Board Member



Nina Jensen
Board Member



Andrew Garrad
Board Member



Øyvind Eriksen
Deputy Board Member



Astrid S. Onsum
Chief Executive Officer

Condensed consolidated accounts and notes



Aker Offshore Wind Group

Income statement

Condensed consolidated statement for the period Jan 1 to Jun 30

<i>Amounts in NOK thousand</i>	<i>Notes</i>	First half 2021
Revenues		1 690
Salary and other personnel cost		(22 764)
Other operating expenses		(97 327)
Operating profit (loss) before depreciation, amortisation and impairment		(118 402)
Depreciation, amortisation and impairment		(2 139)
Operating profit (loss)		(120 540)
Net financial items	5	(168)
Share of profit (loss) equity accounted investees	4	(35 818)
Profit (loss) before tax		(156 526)
Tax benefit (expense)		(79)
Profit (loss) for the period		(156 605)
Earnings (loss) per share in NOK (basic and diluted)		(0.23)

Aker Offshore Wind Group

Other comprehensive income

Condensed consolidated statement for the period Jan 1 to Jun 30

<i>Amounts in NOK thousand</i>	First half 2021
Profit (loss) for the period	(156 605)
Other comprehensive income:	
<i>Items that may be reclassified subsequently to profit or loss:</i>	
Translation differences - foreign operations	24 625
Other comprehensive income (loss)	24 625
Total comprehensive income (loss) for the period	(131 979)

Aker Offshore Wind Group

Balance sheet

Condensed consolidated balance sheet

<i>Amounts in NOK thousand</i>	<i>Notes</i>	June 30, 2021	December 31, 2020
ASSETS			
Non-current assets			
Right-of-use assets		9 089	11 228
Equity accounted investees	4	384 133	364 281
Total non-current assets		393 222	375 509
Current assets			
Interest bearing receivables	4	-	24 867
Trade and other receivables		14 357	10 385
Cash and cash equivalents		389 388	474 499
Total current assets		403 745	509 751
Total assets		796 968	885 260
EQUITY AND LIABILITIES			
Equity			
Share capital		678 745	678 745
Other paid-in capital		1 222 380	169 498
Reserves		6 949	(17 677)
Retained earnings		(1 209 626)	-
Total equity		698 448	830 567
Non-current liabilities			
Pension liabilities		3 957	2 581
Non-current lease liabilities	6	5 940	8 475
Total non-current liabilities		9 897	11 056
Current liabilities			
Current lease liabilities	6	5 180	3 746
Trade and other payables		83 443	39 891
Total current liabilities		88 623	43 637
Total equity and liabilities		796 968	885 260

Aker Offshore Wind Group

Cash flow

Condensed consolidated statement of cash flow for the period Jan 1 to Jun 30

<i>Amounts in NOK thousand</i>	<i>Notes</i>	First half 2021
Profit (loss) before tax		(156 526)
<i>Adjustment for:</i>		
Depreciation		2 139
Share of profit (loss) equity-accounted investees	4	35 818
Other adjustments for non-cash items and changes in operating assets and liabilities		35 872
Taxes paid		(79)
Cash flow from operating activities		(82 776)
Repayment of interest-bearing receivables		12 228
Increase in interest-bearing receivables		(13 028)
Cash flow from investing activities		(800)
Payment of finance lease liabilities		(1 395)
Share issue, net of transaction cost		(140)
Cash flow from financing activities		(1 535)
Net cash flow in the period		(85 112)
Cash and cash equivalents at the beginning of the period		474 499
Cash and cash equivalents at the end of the period		389 388

Aker Offshore Wind Group

Equity

Condensed consolidated statement of changes in equity

	Share capital	Other paid-in capital	Currency translation reserve	Retained earnings	Total equity
<i>Amounts in NOK thousand</i>					
Equity as of January 1, 2021	678 745	1 222 520	(17 677)	(1 503 022)	830 567
Transaction cost, share issue	-	(140)	-	-	(140)
Total comprehensive income	-	-	24 625	(156 605)	(131 979)
Equity as of June 30, 2021	678 745	1 222 380	6 949	(1 209 626)	698 448

Note 1 - General

Aker Offshore Wind is a Norwegian offshore wind developer with operations in Norway and internationally. The company develops and executes offshore wind projects in Norway and internationally. The current portfolio consists of development projects and prospects located in South Korea, the US, Norway and the UK. Aker Offshore Wind's ambition is to develop into a full-fledged Independent Power Producer. The main office is at Fornebu, Norway. On August 26, 2020 the company was admitted to trading on Euronext Growth under the ticker AOW-ME.

Note 2 - Basis for preparation

The condensed consolidated financial statements of Aker Offshore Wind comprise the group and the group's interests in equity-accounted investees. As a result of rounding differences, numbers or percentages may not add up to the total.

Aker Offshore Wind's condensed financial statements for the six months ended June 30, 2021 are prepared in accordance with International Accounting Standards (IAS) 34 Interim Financial Reporting. The condensed consolidated interim financial statements do not include all of the information and disclosures required for a complete set of annual consolidated financial statements, and should be read in conjunction with Aker Offshore Wind's Annual Report 2020. As Aker Offshore Wind AS was established on 8 July 2020 there are no comparable figures for the first half year of 2020. The accounting policies applied in these financial statements are the same as those applied in the group's consolidated financial statements as for the year ended December 31, 2020.

The condensed consolidated interim financial statements have been reviewed by KPMG.

Note 3 - Judgements, estimates and assumptions

In applying the accounting policies, management makes judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates is recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of uncertainty in the estimates are consistent with those applied to the consolidated financial statements as for the period ended December 31, 2020.

Note 4 - Equity-accounted investees

Joint ventures are those entities where the company has joint control and rights to net assets. Associates are those entities where the company has significant influence, but not control or joint control (usually between twenty and fifty percent of voting power). Interests in associates and joint ventures are accounted for using the equity method.

Interests in joint ventures and associates are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the group's share of the profit and loss and other comprehensive income of the equity-accounted investees. The group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. When the group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to zero, and further losses are not recognized except to the extent that the group incurs legal or constructive obligations or has made payments on behalf of the investee.

Receivables on Korea Floating Wind Power Co., Ltd and Redwood Coast Offshore Wind LLC have been included in carrying amount of the investees during 2021, following amendments in finance agreements for these entities. The change is due to amended and new finance agreements for these entities that Aker Offshore Wind has assessed to be long term investment that in substance form part of the entity's net investment in the investees. As a result of the reclassification, unrecognized share of losses in Korea Floating Wind Power Co., Ltd as of December 31, 2020 of NOK 14 million have been recognized in the period.

<i>Amounts in NOK thousand</i>	Principle Power Inc	Redwood Coast Offshore Wind LLC	Korea Floating Wind Power Co., Ltd	Total
Opening balance January 1, 2021	364 281	-	-	364 281
Reclassification from receivables	-	6 336	24 677	31 013
Share of profit (loss)	(15 559)	-	(20 258)	(35 818)
Currency translation	24 657	-	-	24 657
Closing balance June 30, 2021	373 379	6 336	4 418	384 133
Shareholding	47.1%	50%	30.60%	
Classification	Associate	Joint venture	Associate	

Note 5 - Net Financial Items

<i>Amounts in NOK thousand</i>	First half 2021
Interest expense on lease liabilities	(294)
Net foreign exchange gain (loss) ¹	(916)
Interest expense	(6)
Interest income	1 047
Net financial items	(168)

Note 6 - Related parties

All transactions with related parties have been carried out based on arm's length terms. For detailed description of related party transactions, please refer to note 17 in Aker Offshore Wind's consolidated financial statements for the year ended 2020.

Below is a summary of transactions and balances between Aker Offshore Wind and related parties:

<i>Amounts in NOK thousand</i>	First half 2021
Income statement	
Revenue	1 027
Operating expenses ²	66 369
Interest income	530
Balance sheet - Assets (Liabilities)	
Interest bearing receivables ³	-
Trade and other receivables ³	680
Lease liabilities	(11 119)
Trade and other payables	(25 542)

Note 7 - Subsequent events

There have been no subsequent events since June 30, 2021, at the date of signing these accounts.

1) NOK 888 thousand relates to currency translation of interest-bearing receivable to Korea Floating Wind Power Co., Ltd, see note 4 for more information.

2) Operating expenses from related parties include NOK 49 019 thousand to Aker Solutions.

3) Interest-bearing Receivable on Korea Floating Wind Power Co., Ltd and other receivable on Redwood Coast Offshore Wind LLC have been included in the carrying amount of the equity-accounted investees as of June 30, 2021, see note 4.

Alternative Performance Measures

Aker Offshore Wind discloses alternative performance measures in addition to those normally required by IFRS as such performance measures are frequently used by securities analysts, investors and other interested parties. Alternative performance measures are meant to provide an enhanced insight into the operations, financing and future prospects of the company. These measures are calculated in a consistent and transparent manner and are intended to provide enhanced comparabilities of the performance from period to period. It is Aker Offshore Wind's experience that these measures are frequently used by securities analysts, investors and other interested parties.

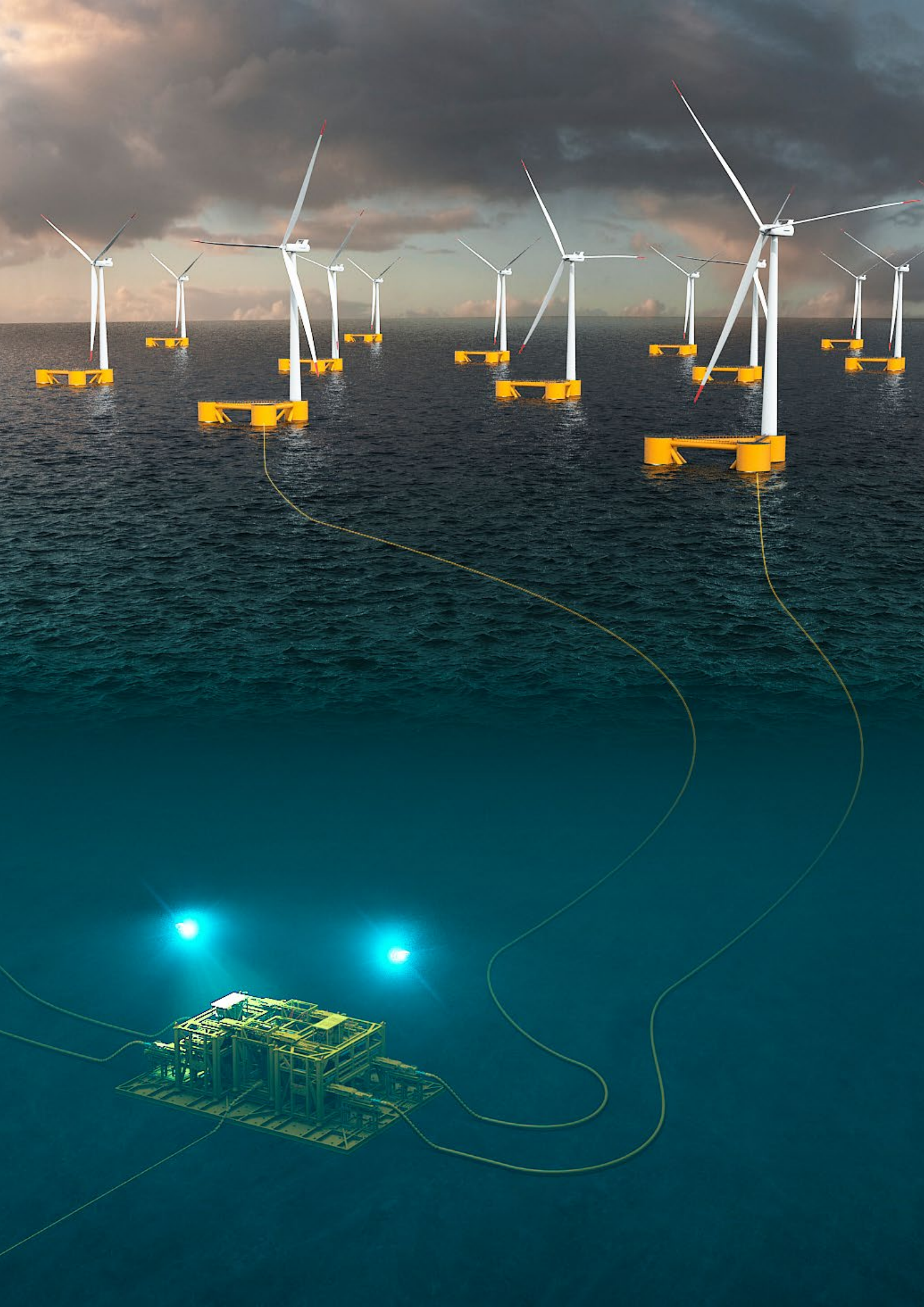
Definitions

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

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

Net current operating assets (NCOA) - a measure of working capital. It is calculated by trade and other receivables minus trade and other payables.

<i>Amounts in NOK thousand</i>	June 30, 2021
Trade and other receivables	14 357
Trade and other payables	(83 443)
Net current operating assets (NCOA)	(69 086)





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