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Aker Offshore Wind: 2021 in Brief

Aker Offshore Wind is a sustainable offshore wind developer focused on assets in deep waters and specialized in floating energy systems. The company seeks to source, develop and operate offshore wind farms. Headquartered in Norway and with global operations, the company's current portfolio consists of development projects and prospects located in Asia, North America and Europe. The company is listed on Euronext Growth Oslo.

As of 18 March, 2022, Aker Offshore Wind's portfolio includes a presence in Japan, Norway, South Korea (Ulsan), Sweden and the USA (California).

Vision

Aker Offshore Wind will create a sustainable future driven by affordable, clean energy.

Mission

Industrializing the global floating offshore wind market. This will be achieved by driving down cost by leveraging technology and pushing boundaries to deliver affordable energy.

Our values

Aker Offshore Wind is committed to powering an energy transition that is aligned with the 1.5C-degree target for climate change and within planetary boundaries, driven by 3 core values:

Enthusiasm

Commitment and dedication to use our ocean legacy to make planet positive choices.

Collaboration

Successful together through teamwork, strong partnerships and community engagement.

Openness

Be transparent, challenge established truths to make bold and innovative decisions.



Deep-Water Wind - An Effective Renewable Energy Source



Virtually Unlimited Potential

About 80 percent of the offshore wind resources are in waters deeper than 60 meters



Superior Wind Conditions

Wind capacity factors:

- 30-40 percent onshore wind
- 45-50 percent offshore bottom-fixed
- 50-60 percent offshore floating



Smaller Footprint

Increased adaptability to ensure sustainable co-existence with fisheries, marine life, shipping routes and more

An Important Source of Energy

Deep-water wind is maturing rapidly and is one of the fastest growing renewable energy sources in Europe. Today, it comprises a small fraction of global energy generation, but will grow substantially in the coming decades and become an indispensable part of the world's energy mix. Wind is clean, free and abundant, and every day across the world, it is captured and transformed into electricity. Harnessing wind creates the potential for states to strengthen the security of their domestic energy supply and alleviate dependence on energy imports and exposure to geopolitical uncertainty.

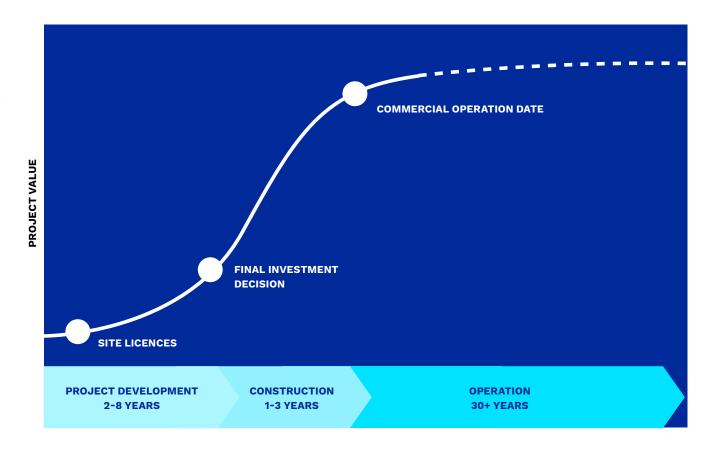
Benefits of Deep-water Wind

Offshore winds are freed from topographical obstacles on land. Far offshore, winds are stronger and more consistent, which provides significantly higher electricity generation. The flexibility of floating installations provides opportunities to reduce environmental impacts while taking advantage of superior wind conditions.

Floating Wind is the Future

Knowing that wind power generation improves the greater the water depth and distance from shore, the industry is moving to capitalize on these favorable conditions. Freeing offshore wind from water depth constraints means that projects can be placed anywhere - sites that access the best wind resources while minimizing the impact on wildlife and other ocean users.

Aker Offshore Wind is an early mover with a portfolio positioned to deliver the first wave of commercial scale floating projects. Value creation grows significantly during the project development and execution phases and is maintained at a high level throughout the operational phase.



From the moment I began as CEO of Aker Offshore Wind in November 2021, I have been inspired by the dedication of our people in building a resilient and innovative company, even as we contend with the evolution of the COVID-19 pandemic. In multiple locations across the globe, the morale of our employees has remained paramount as people continue to find new ways of working, collaborating, and looking out for one another. I would like to express my gratitude to everyone for their flexibility and creativity as we continue to adapt to our world's uncertainties.

The monumental growth of Aker Offshore Wind in the past year is a testament to the values embedded in the culture of the company. In everything we do, our aim is to drive a fair and inclusive energy transition by delivering competitive projects that create jobs and add value to communities where we operate. No matter what the circumstance, I've seen enthusiasm, collaboration, and openness on display – solid cornerstones for our long-term success.

Aker Offshore Wind was established through the visionary support of Aker Horizons to help create a robust green value chain for a zero-emission society as the business world accelerates the energy transition. In this important push towards decarbonization, the vision in the Aker Horizons portfolio provides a solid platform for growth and is very motivating for me personally. This energy vision includes maintaining a strong position across Renewable Power Generation, including wind and solar, energy transmission technologies, energy use, including carbon capture, replacing fossil fuels through

clean hydrogen or green ammonia. Aker Offshore Wind is well positioned within this wider energy vision to play a robust role in the decarbonization agenda and the acceleration of the offshore wind sector. Now more than ever, I believe in the transformative and scalable potential of offshore wind as the world becomes more reliant on green energy solutions.

As you will read in this year's report, our current portfolio now consists of development projects located in Asia, North America and Europe. Throughout 2021, Aker Offshore Wind strengthened the organization and expanded its global footprint to support this growing portfolio. New subsidiaries have been established in South Korea, the USA, the UK, and Germany. These new subsidiaries will be instrumental in identifying, developing and maturing projects in their respective geographies. In addition to geographical expansion, key partnerships with industry-leading players such as bp, Statkraft, Ocean Winds, Mainstream Renewable Power and Hexicon are positioning the company for commercial success.

As we build on our momentum from 2021, Aker Offshore Wind remains deeply committed to driving a sustainable energy transition. Sustainability leadership is a strategic priority when developing a strong portfolio of projects that deliver value to both shareholders and the planet. We will develop our business in accordance with the goals of the Paris Agreement and our planetary boundaries, and will continue to integrate our sustainability agenda across strategy, operations and stakeholder engagement. As evidence of this



commitment, the company adopted a new sustainability policy in 2021 which sets out clear commitments and targets for building sustainable offshore wind projects.

I am both encouraged and inspired by the remarkable progress Aker Offshore Wind has made in such a short time.

As we enter 2022, my top priorities are to ensure that we deliver on our commitments to the industry and to our partners, and continue to foster a dynamic culture of enthusiasm, collaboration and openness as we accelerate the deployment of floating wind at scale.

Philippe Kavafyan

Chief Executive Officer



Company Objectives

In 2021, Aker Offshore Wind set its sights on six clear objectives: aims to provide the necessary strategic direction to the company in the emerging deep-water offshore wind market.

Key objectives such as the effective identification of new projects and the successful progression of initiated projects have laid the groundwork for much of the company's commercial activity.

Targeting an industry-leading levelized cost of energy (LCoE) reduction also provided the company with a clear framework for much of its technology and R&D activity throughout the year. Additionally, the company began the year with two primary financial goals: to build innovative financial portfolio optimization capabilities and to achieve best-in-class Investor Relations. Finally, the company committed to developing a global, differentiated and agile operating model with best-in-class talent.

Throughout 2021, Aker Offshore Wind not only progressed on its own journey towards becoming a global leader in deep-water offshore wind, but also made significant contributions to the industrialization and acceleration of the floating sector.

Strategy and Development

Aker Offshore Wind is guided by the strategic vision to create a sustainable future driven by affordable clean energy.

The history of renewable power generation, including technology development and LCoE reduction, serves as a powerful backdrop and a sign of things to come for deep-water offshore wind. Aker Offshore Wind's ambition is to be a pure-play, independent power producer — an early mover in the burgeoning offshore wind sector.

Throughout 2021, the company focused its commercial efforts on grid-connected projects while also exploring possibilities within oil & gas electrification. From floating to deep-water fixed-bottom offshore wind projects, Aker Offshore Wind, along with its industry-leading partners, pursued the sector's most coveted opportunities in key markets such as South Korea, California, Norway and Scotland.

2021 also proved to be a pivotal year in the establishment of the company's core value proposition as new partnerships were formed and projects on three continents were pursued. With key tenets such as utilizing the full power of the Aker sphere, leveraging technology assets through ownership of industry-leader Principle Power and building world-class partnerships with leading players across the value chain, the company worked to establish a strong position in its respective markets.



Organization

One of the company's key objectives for 2021 was to grow the organization and build leadership capabilities. Over the year, the company grew from 18 employees to 83 employees worldwide. Key competencies have been recruited from the industry, and the capabilities have been strengthened within all disciplines.

The company's leadership capabilities have also been strengthened through the year. Joining current management team members Mr. Leif Holst, Mr. Geir Olav Berg and Mr. Jonah Margulis were Ms. Tove Røskaft on March 1 as Chief Operating Officer, Ms. Birgitte Karlsen on June 1 as General Counsel, and Mr. Tom Selwood on 1 August as Chief Financial Officer.

On 1 November, Mr. Philippe Kavafyan replaced Ms. Astrid Skarheim Onsum as the new Chief Executive Officer (CEO). Mr. Kavafyan is an industry veteran with more than 16 years of experience in the wind energy sector.

During 2021, Aker Offshore Wind has established subsidiaries in Germany, South Korea, the UK and the USA. Ms. Sian Lloyd Rees was appointed Managing Director for the UK from September 1 and Mr. Holger Matthiesen was appointed Managing Director for Europe from 1 December. Mr. Sebastian Bringsværd joined the company on 1 November to lead the global business development function.

This growth has occurred despite COVID-19 restrictions. Throughout the year, the company continued to prioritize measures to protect the health and safety of all employees and stakeholders, closely following national guidelines as communicated by health authorities.

The Management Team



Mr. Philippe Kavafyan Chief Executive Officer



Ms. Tove Røskaft Chief Operating Officer



Mr. Tom Selwood Chief Financial Officer



Mr. Sebastian Bringsværd SVP Business Development



Mr. Leif Holst **SVP Projects**



Ms. Birgitte Karlsen General Counsel



Mr. Geir Olav Berg Chief Technology Officer



Mr. Jonah Margulis **SVP US Operations**



Ms. Sian Lloyd Rees Managing Director, UK



Mr. Holger Matthiesen Managing Director, Europe

Market Outlook

The market for deep-water offshore wind is still at an early phase of development. The market development is quickly gathering pace globally and floating technology is on track for the first commercial scale projects. Growth projections continue to be raised year on year and the potential for deep-water wind is virtually unlimited.

Many countries have launched ambitious targets for deep-water wind including floating. Offshore wind is increasingly being recognized as a key enabler for cutting emissions and achieving climate goals. Nations around the world also see the emerging sector as an opportunity to develop a new, long-term industry and contribute to a just and green transition of their economies.

Regions in which Aker Offshore Wind is developing projects include Japan, Norway, South Korea, Sweden, the UK (Scotland) and the USA. Further prospective markets are identified and could include France, Germany, Ireland, Italy, Spain and Vietnam.

Aker Offshore Wind Portfolio (As of 1 March, 2022)

Country	Project/ Prospect	Estimated Gross Capacity	Region
South Korea	KF Wind	1.2GW	Ulsan
Sweden	Freja Offshore	Up to 3GW	Mareld, Dyning, Kultje
Norway	Utsira Nord	0.5GW	Rogaland
Norway	Sørlige Nordsjø II	1.5GW	Agder
USA	Redwood Offshore Wind	0.2GW	Humboldt, California
Japan	Japan	0.8GW	-

USA

· Government ambition to reduce

offshore wind by 2030, much of

floating wind development: both

states have approved legislation

emissions 50-52% by 2030

• National goal of 30 GW of

it expected to be floating

· California and Oregon hold

promising opportunities for

for the build-out of multiple

GWs of offshore wind

Norway

- Two areas open for development: Utsira Nord (floating) and Sørlige Nordsjø II (fixed bottom); combined potential capacity of 4.5 GW. Lease competitions expected to start in 2022
- · Government ambition to have offshore wind farms in operation before 2030
- · New areas for offshore wind are being explored



Sweden

- Offshore wind market expected to grow as the country plans to boost renewable energy generation and reach net zero greenhouse gas emissions by 2045
- Government announced in October 2021 a plan to expand the grid network to offshore wind areas



- National goal of zero emissions by 2050; strong focus on offshore wind
- Ambitions to expand offshore wind capacity to 10 GW by 2030 and 30-45 GW by 2040
- Project areas will be put to auction for interested companies to submit proposals





- Scotwind leasing auction resulted in 17 new sites for development of nearly 25 GW, with 60% of estimated capacity coming from floating wind
- Scotland's Innovation and Targeted Oil & Gas (INTOG) offshore wind lease auction to be launched in 2022 for offshore wind projects to power oil & gas platforms in the North Sea



South Korea

- Target of 20% renewable power generation by 2030
- Offshore wind target of 12 GW by 2030

Company Activity

With an aim to generate new opportunities and also to mature existing projects, Aker Offshore Wind made substantial progress on both fronts in 2021:

- Net portfolio capacity increased from 1.5 GW to 3.5 GW.
- Electric Business License (EBL) applications submitted for Korea Floating (KF) Wind in South Korea (awarded in Q1 2022).
- New opportunities added in Japan with Mainstream Renewable Power and Progression Energy (transaction closed in Q1 2022) and in Sweden with Hexicon.
- Partnership agreements signed for Sørlige Nordsjø II and Utsira Nord license areas in Norway.

Aker Offshore Wind has access to proven floating foundation technology through its ownership in Principle Power, Inc., Principle Power's semi-submersible solution, the WindFloat®, has been piloted since 2011 and in commercial energy production since 2019. Principle Power, Inc. has 75 MW of installed and producing capacity and, as a result of this, the leading floating concept.

On a gross basis, Aker Offshore Wind now holds a portfolio of projects and prospects of more than 6 GW of potential offshore wind capacity.



USA

· Aker Offshore Wind is part of

the Redwood Coast Offshore

to develop approximately 150

MW of floating offshore wind.

Consortium partners include

and Redwood Coast Energy

the second half of 2022

Authority

Ocean Winds, Principle Power,

The consortium is preparing for

a lease sale auction expected in

Wind consortium that aims

- Sørlige Nordsjø II with global energy major bp and Statkraft, Europe's largest renewable
- Partnership formed with Statkraft and Ocean Winds, a leading global offshore wind independent power producer,

Sweden

- Freja Offshore, a 50-50 joint venture with Hexicon, has been formed to develop floating wind projects that could generate several GWs of renewable power
- The joint venture will explore a range of opportunities to secure attractive offtake partners for upcoming floating offshore wind projects

Aker Offshore Wind and global wind and solar company Mainstream Renewable Power were together selected as the preferred bidder to acquire an initial 50 % stake in Progression Energy's 800 MW floating offshore wind project



- Together with Aker Clean Hydrogen, the company launched the Northern Horizons Project to facilitate up to 10 GW of offshore wind to power the production of hydrogen
- Future opportunities include plans for floating wind in the Celtic Sea and the INTOG leasing process to help decarbonize Scotland's oil and gas sector



South Korea

- Korea Floating Wind (KF Wind) consortium with Ocean Winds secured the first Electric Business License (EBL) for capacity of 870 MW in January 2022
- A second EBL for 450MW was awarded in March 2022
- Both EBLs are significant milestones toward the first financial investment decision (FID) as early as 2024-25

Sustainability

Sustainability at Aker Offshore Wind is about making planet positive business decisions that add value to the company, its stakeholders and society.

During 2021, the main focus has been on establishing a sustainability function and setting ambitious sustainability targets. The sustainability function is responsible for driving the company's climate action strategy, implementing the sustainability policy and embedding sustainability across the company's systems and operations, including reporting on sustainability objectives and environmental, social and governance (ESG) metrics in an open and transparent manner. The Board of Directors approved the company's sustainability policy in October 2021.

Aker Offshore Wind abides by the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights to secure minimum social safeguards. Further, the company recognizes the UN Convention on the Rights of the Child and the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) and its responsibilities under these. Aker Offshore Wind's commitment to human and labor rights is covered by the global framework agreement between Aker ASA and the Norwegian and international trade unions Fellesforbundet, IndustriALL Global Union, NITO and Tekna. Aker Offshore Wind is a signatory member of the UN Global Compact and its principles in the areas of human rights, labor, the environment, and anti-corruption. The company became a signatory of the Norwegian Guide Against Greenwashing and has committed to its ten principles of responsible communication practices.

Aker Offshore Wind is committed to making sciencebased decisions and to contribute to the knowledge base for sustainable development of offshore wind. The company contributes to a wide range of research projects aimed at understanding and reducing the environmental impact of wind farms both on the marine environment and its ecosystems, as well as how to develop inclusive projects for the benefits of society.

More information on Aker Offshore Wind's sustainability performance is included in the sustainability section of this report.

Corporate Governance

Sound corporate governance at Aker Offshore Wind will ensure sustainable operations and value creation over time to the benefit of shareholders and other stakeholders. The Board of Directors is committed to good corporate governance and has used the first year to secure a framework of processes, mechanisms and responsibilities for managing the business.

The board holds exclusive authority under the company's authorization matrix to approve matters of significance. The Board of Directors regularly receives reports from the Chief Executive Officer and Chief Financial Officer on key aspects of the business. These reports reflect underlying reporting to executive management from the business operations.

Aker Offshore Wind's code of conduct outlines the company's commitments and requirements for ethical business practices and personnel conduct. The code of conduct describes what Aker Offshore Wind expects from its employees, subsidiaries, subcontractors, representatives and other partners and explains the company's policies in a number of areas of particular



importance such as corruption, including bribery and facilitation payments, conflict of interest, gifts and hospitality and human rights. The code of conduct is available at www.akeroffshorewind.com.

Aker Offshore Wind operations are subject to a number of policies and procedures providing business practice guidance within several key areas, including the business integrity policy and the sustainability policy implemented in 2021. These policy documents define commitment and express the expected behavior across the company.

More information about the company's policies and governance is available on our website and in the sustainability section of this report.

Investing in Research, Innovation and Technology

a claim or investigation.

To date, floating technologies have been proven in pilot and pre-commercial projects (< 200 MW). Aker Offshore Wind continues to invest in innovation and technology to accelerate industrialization and to drive down cost. The company aims to drive the development towards commercial scale floating projects. As floating wind is a comparably new industry, Aker Offshore Wind observes that the space for innovation and development of new intellectual property (IP) is relatively wide.

As a strategic priority, Aker Offshore Wind remains committed to the reduction of the LCoE for deep-water wind to €50/MWh in 2030. To this end, several key milestones were achieved in 2021, including: the reduction of LCoE on several key products, development of an efficient LCoE operating model, and the addition of vital technical competencies such as coupled analysis and energy storage.

Additionally, a technology roadmap with associated models and processes has been established to drive cost saving activities. The program comprises the entire value chain including supply chain and energy storage. Sustainability considerations are embedded in every step of the technology roadmap.

It is important to note that while progress was made in 2021 on LCoE reduction, not all strategic objectives were fully met, namely initiatives related to mooring systems and wind turbines.

Aker Offshore Wind's Norflowt program is aimed at reducing cost and maturing important technical segments of floating offshore wind. This internal program was initiated in the second half of 2020 after being awarded a grant from Enova and has progressed well during 2021.

Digitalization is a key enabler for both driving down LCoE and improving sustainability throughout the value chain. Aker Offshore Wind is collaborating across the Aker group of companies to develop innovative digital tools and solutions. The company aims to develop and use digital tools to better understand and reduce the environmental impacts from deep-water wind farms. An example is the electron digitalization program which seeks to find optimal commercial and sustainable wind farm setups by utilizing geospatial functionalities combined with commercial models for site selection and optimization including environment impact assessments.

As an active member of the industry body WindEurope, Aker Offshore Wind is part of the digitalization workstream which aims to develop a new wind energy data standard for the industry.

In the USA, the NextWind program has been progressed with the objective to obtain real-time information from deep-water wind assets and the surrounding environment for the purpose of environmental monitoring and condition and integrity management. The NextWind program has received a grant from the California Energy Commission. In addition, Aker Offshore Wind is supporting the International Energy Agency (IEA) Wind Technology Collaboration Program.

In Norway, Aker Offshore Wind is a partner to the Center for Environment-Friendly Energy Research (FME) on wind energy. The Center started the NorthWind program in 2021 and Aker Offshore Wind participates actively in its workstreams as well as being a board member.

Aker Offshore Wind, in a consortium with other leading industry companies, secured a Green Platform grant from the Norwegian Research Council, Innovation Norway and Siva. The Green Platform project aims to establish new technology, knowledge, solutions, and innovation that enables profitable development of deep-water wind. In addition, Aker Offshore Wind joined the Cyberlab program on shared mooring systems for floating structures coordinated by SINTEF Ocean, which has the potential to significantly reduce LCoE. Aker Offshore Wind has also joined a joint-industry program on cable lifetime monitoring and developing methods and technologies to reduce the relatively high cable failure rates in the industry.

Health, Safety, Security and Environment

Aker Offshore Wind's activities were predominantly office-based throughout 2021 and this is likely to continue for the next few years before the first major industrial projects are expected to commence operation. In 2021, priority was given to establishing a management system, setting health, safety, security and environment (HSSE) ambitions across the value chain as well as expectations towards suppliers.

Aker Offshore Wind is committed to keeping people and the environment safe and healthy. The cornerstone of this objective is a strong, structured and companywide HSSE system, setting clear standards for HSSE management and leadership. Regular audits will identify, isolate and address potential shortcomings. At Aker

Offshore Wind, every individual is personally committed to HSSE with a focus on behavior and care for one another.

A fit-for-purpose management system has been implemented to secure effective and sound operation of Aker Offshore Wind and facilitate continuous improvement of the HSSE system.

Aker Offshore Wind is committed to maintaining high HSSE standards in all markets where it operates. The company is providing expert advice to legislators developing HSSE laws and regulations in several countries. Aker Offshore Wind's partnering strategy has provided opportunities to develop and align HSSE efforts and requirements with its partners across geographies.

Health and Working Environment

Aker Offshore Wind is committed to a goal of zero harm to its employees. The company aims to achieve this through accident prevention combined with safeguarding employees' physical and mental health. The sick leave for 2021 was 1.23 percent, which is well below the company goal of 3 percent.

In 2021, the COVID-19 pandemic continued to have an impact on working life at Aker Offshore Wind. The company continued a series of measures, in accordance with national recommendations and Aker group-wide requirements, to reduce the spread of the virus while maintaining productivity. Interactive weekly digital townhalls were implemented to keep each employee well informed of activities and progress across the organization and geographies.

The year has seen a mix of limited office working with restrictions and mandatory home office. During these working conditions, emphasis was placed on HSSE issues among the workforce and, in particular, mental health.

The Aker group implemented various support measures, including anonymous helplines and free consultancy by medical professionals, which also provided support to Aker Offshore Wind employees. A series of initiatives were introduced to ensure employees stayed connected, such as regular digital coffee breaks, workouts and interactive social gatherings.

Aker Offshore Wind decided, along with the Aker group of companies, to offer its employees free flu vaccine and COVID-19 vaccine administered by Aker Care at the company's headquarters.

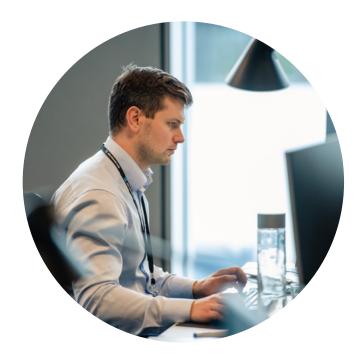
The current operating environment of office-based, turned home-based, resulted in few safety-related risks to employees. A low-threshold reporting system for notification of safety-related incidents was introduced. There have been no work-related injuries in the company in 2021.

Security

Aker Offshore Wind's commitment towards safeguarding employees, assets and reputation is demonstrated by the connection to Aker Global Security Operations Center (GSOC). This core team of security professionals operates a 24/7 center, servicing all Aker group companies. GSOC offers a broad range of security services including services related to security when travelling and security assessments with respect to fire safety, evacuation routines and personnel security across all facilities in the geographies in which the company operates.

Cybercrime

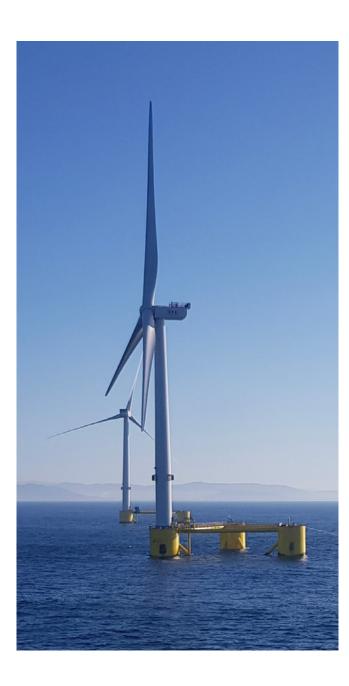
Cybercrime can be a major threat to operations. Aker Offshore Wind continually monitors the threat landscape and takes the necessary steps to safeguard employees, systems, information and products. Phishing emails remain the most important vector for cyber attacks



and further measures have been taken to secure e-mail and improve capabilities to identify ongoing malicious activities. All employees undergo mandatory IT-security training and frequent sessions are held throughout the year to increase employee awareness of cyber threats.

Emergency Preparedness and Response

The company's capabilities within crisis management were set up in 2020 and further matured in 2021. The Aker Offshore Wind emergency number for reporting serious incidents and receiving immediate assistance did not receive any requests from employees in 2021. The company uses a crisis management software called Rayvn to effectively manage its emergency preparedness and response. Regular training and scenario-based exercises were conducted in collaboration with Aker ASA.



Environment

Aker Offshore Wind works systematically to reduce any direct and indirect negative impacts from its operations on the external environment. The company aims to protect, preserve and restore the environment and biodiversity and has set targets for a net positive environmental footprint, zero waste generation and net zero emissions by 2030. Aker Offshore Wind's sustainability policy and code of conduct sets out the principles according to which the company manages its environmental impact.

Aker Offshore Wind adheres to all relevant international and local laws and standards, strives to minimize its environmental impact and takes a sustainable approach to its day-to-day operations. In 2021, the company's travel policy was updated to include a preference for low-carbon options and guidelines on sustainable procurement choices for events and external collaborations have been implemented across the company.

More information about the company's policies is available on its website and in the sustainability section of this report.

Safeguarding Diversity and Equal Opportunity

Aker Offshore Wind remains strongly committed to the principles of non-discrimination and equal opportunity, regardless of gender, nationality or other factors. The company is building a forceful and capable company culture that thrives on diversity and inclusion. Aker Offshore Wind's diverse workforce represents 16 nationalities and offers a wide range of competencies and backgrounds.

The energy industry has traditionally been populated by male employees. This is also the case for Aker Offshore Wind. In 2021, the company saw a positive development in gender diversity with an increase to 25 percent female employees, up from 11 percent in 2020. The percentage of women in leadership roles was 18 percent and 30 percent of the executive management team are women.

Aker Offshore Wind seeks to promote diversity through clear policies and guidelines for recruitment, developing employee competencies and promotions. This includes onboarding programs, diversity and inclusion workshops, leadership training programs and employee engagement. The company has developed a set of guidelines for diversity, equality and inclusion that describe how Aker Offshore Wind works to reach its diversity target of a minimum of 40 percent gender balance by 2030 across the company, management, the Board of Directors and related committees.

Aker Offshore Wind has a procedure for handling whistleblower cases and it is followed with respect to investigating discrimination allegations. It ensures all allegations are independently investigated and feedback is provided to the whistleblowers when they chose to make their identity known. At the end of 2021, zero cases had been reported. Information about the whistleblower channel and how to use it is included in the company's onboarding sessions to ensure all employees know how to report relevant cases and concerns.



Leadership, Culture & Engagement

Aker Offshore Wind's core values are enthusiasm, collaboration and openness. These values, including a set of supporting behaviors, have been determined in a structured process open to all the company's employees during 2021. Building a culture supporting the company's business strategy was a priority during the year. In support of the goal to develop a global, differentiated, and agile operating model with best-in-class talent, the company achieved several landmark milestones during the year, including:

- · Implementation of a vision, mission and values.
- A new organizational structure with leadership team in place.
- Onboarding of the new Chief Executive Office & Chief Financial Officer.
- The establishment of new regional entities.
- Reaching the full time equivalent target (FTE)
- The establishment of a new management system.

A survey on culture in the fourth quarter of 2021, coupled with the milestones achieved during the year, served as a baseline and will guide culturebuilding activities for 2022.

Aker Offshore Wind's ambition is to be the preferred employer in the industry. By offering professional development, worldwide career opportunities, competitive pay and benefits and a healthy work-life balance the company seeks to attract, develop and retain top industry talent.

Aker Offshore Wind runs frequent and systematic performance management processes to assure employee understanding of and alignment with the company's purpose and objectives. This includes setting clear expectations to the conduct and behaviors of leaders at all levels. Being a knowledge-based organization, these processes are supported by employee training and development programs, including leadership development programs. As part of building skills for the future, Aker Offshore Wind remains committed to taking on interns and graduates. The company actively engages with universities in the geographies where it operates. In 2021, Aker Offshore Wind hired four graduates and welcomed three interns.

In the wake of the COVID-19 pandemic, Aker Offshore Wind introduced a flexible remote working scheme that allows employees to decide how and from where to work. This will continue to be part of our future hybrid work-life.

Group Financial Performance

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 full year ending 31 December 2021 whilst numbers pertaining to 2020 cover the period from 8 July 2020, when the group was incorporated, to 31 December 2020.

The group generated revenues of NOK 14 million during 2021 whilst the operating loss during the same period was negative NOK 276 million. Corresponding figures in 2020 were revenues of NOK 2 million and an operating loss of NOK 60 million. Financial items amounted to negative NOK 1 million compared to NOK 4 million in 2020. Share of losses from equity-accounted investees ended at negative NOK 67 million compared to a loss of NOK 6 million in 2020. This ultimately led to loss before tax for the year of NOK 344 million, which equates to a loss per share of NOK 0.51.

Total assets of the group amounted to NOK 608 million as at 31 December 2021, of which NOK 179 million was cash and cash equivalents. Corresponding figures in 2020 were NOK 885 million and NOK 474 million respectively. Investments in equity-accounted investees were NOK 307 million, down from NOK 364 million in 2020. The equity-accounted investees include the 33.3 percent investment in KF Wind Power Co., Ltd and the 36.2 percent in Principle Power Inc. Following the declaration of an option by fellow shareholder EDP Renováveis. Aker Offshore Wind will sell a shareholding of 10.9 percent (not included within the 36.2 percent) in Principle Power Inc. and the book value of these shares, NOK 86 million, has been presented as assets held for sale in the balance sheet as of 31 December 2021.

Net current operating liabilities as at the end of the 2021 financial year were negative NOK 48 million, down from NOK 30 million in 2020. The group has no interestbearing debt. Total equity amounted to NOK 520 million on 31 December 2021, resulting in an equity ratio of 86 percent compared to equity of NOK 831 million at 31 December 2020 giving equity ration of 94 percent.

Cash flows from operating activities during the 2021 financial year were negative NOK 261 million compared to negative NOK 23 million in 2020. Cash flows from investing activities during the same period were negative NOK 29 million, mainly reflecting funding of KF Wind Power Co., Ltd and Redwood Coast Offshore Wind LLC in the period. Cash flows from financing activities ended negative NOK 6 million, mainly representing lease payments.

As indicated earlier in the report, Aker Offshore Wind was guided in 2021 by the strategic objectives to 1) build innovative financial portfolio optimization capabilities and 2) achieve best-in-class investor relations to boost shareholder value. Per these objectives, the company achieved a number of noteworthy milestones throughout the year, including: the appointment of CFO and group controller, development of a financial model with the professional services firm PwC, and the development of an additional capital plan with Aker Horizons.

Parent Company and Allocation of Net Loss

The parent company Aker Offshore Wind AS is the ultimate parent company in the Aker Offshore Wind group and its business is the ownership and management of its subsidiaries. Aker Offshore Wind AS has outsourced all company functions to its subsidiaries, mainly Aker Offshore Wind Operating Company AS.

Aker Offshore Wind AS had a net loss of NOK 9 million in the year, compared to negative NOK 2 million in 2020. The company is currently in a growth phase and not in a position to pay any dividends. The Board of Directors thereby proposes the following allocation of net loss (amounts in NOK million):

Dividends: 0 9 To retained earnings: Total allocated: 9

Risk Factors

Aker Offshore Wind aims to build a global presence and have operations in emerging deep-water market segments. This exposes the company to potential regulatory changes and immature market conditions which provide both opportunities and risks. In 2021, Aker Offshore Wind implemented an enterprise risk management system to identify and address risks and opportunities in a systematic manner. These risks may affect the company's operations, performance, finances, reputation and share price. It is evident that external risk factors such as pandemics, market risk, ethical and political risks, and climate-related risks may have a significant adverse impact on the company, in addition to internal risk factors such as operational risks and financial risks. These risk factors are further described below.

Pandemics

COVID-19 continued to impact companies and markets globally during 2021. Aker Offshore Wind has been able to adopt new ways of working limiting the adverse effect of the ongoing pandemic.

Any future outbreak of new COVID-19 variants or new pandemics is beyond the company's control and there is no assurance that any future outbreak of COVID-19 or

other contagious diseases occurring in areas in which the company or its suppliers or partners operate, or even in areas in which the company does not operate, will not seriously interrupt the industry and hence the company's business.

Future pandemic outbreaks and other natural disasters may impact Aker Offshore Wind in the following manner:

- Personnel not being able to effectively work due to illness, quarantines, travel restrictions and social distancing. Office buildings and suppliers' fabrication yards and locations may as a result be shut down.
- Supplies from vendors may be delayed and lead to delay of project completion. Partners could face delays and losses and may claim reimbursement from Aker Offshore Wind and/or their suppliers.
- Long-term impact on the global economy may result in loss and impairment of the assets.
- Available future market development could slow down if governments postpone projects and/or regulatory steps and deadlines.

Market Risk

The profitability of Aker Offshore Wind will largely depend on the volume and prices of the electricity produced by the offshore wind installations as well as government fiscal schemes. The future performance of the company will depend on entering into power purchase agreements under which prices may vary according to local market conditions, as well as predictability in government schemes. Electricity prices are inter alia dependent on substitute or adjacent commodity prices such as, for example, other renewable and fossil energy prices, but also dependent on meteorological conditions, CO2 pricing and other supply and demand factors going into the clearing of the market price of electricity. Low prices on the produced electricity could have a material adverse

effect on the company. Financial and industrial support schemes and incentives are key factors in the future development of deep-water offshore wind markets. National governments around the world have established such schemes to take leading roles in developing what are expected to be large profitable and subsidy-free businesses over time. However, in its current state, the deep-water wind market and floating wind in particular, relies on the support of national and regional authorities and a shift in such support represents a risk factor for the company.

Some of the principal factors that contribute to market risk are outlined below:

- Instability in the world economy due to pandemics.
- Local requirements, legislative restrictions and/or prohibitions on offshore wind activities in countries of existing or planned operations.
- Uncertainty regarding future contract awards and their impact on future earnings and profitability.
- Climate change and speed of the energy transition to renewables and lower carbon economy, including environmental requirements, could represent both an opportunity and risk.
- Russia's recent military attack on Ukraine and the subsequent strong European and American sanctions against Russia could have significant negative effects on the global economy, energy markets and inflation levels, presenting a risk for Aker Offshore Wind's global activity.

Political Risks

The offshore wind sector is publicly regulated and regulatory and fiscal regimes differ across geographies and may change over time. This could impact timing, frequency and process (for example auctions, qualitative assessment, etc.) of acreage award/licensing rounds,



support schemes, timeline and required activities for development (for example consents, permits and commercial agreements), local content and other terms and conditions for offshore wind development. Failure in one or more of these processes could result in termination or delay of a project.

The prospects for global economic growth remain uncertain and may impact political stability and decision making, availability of credit and terms thereof, liquidity more generally, interest rates and exchange rates, which in turn could have a material adverse effect on the company. In addition, volatility in the global economy may have an adverse impact on the demand for power in general, the demand for renewable energy and the speed of transition from fossil energy to renewable energy.

Without a stable and/or growing global economy, the business of the company may be adversely affected.

Ethical Risks

Aker Offshore Wind has limited direct exposure in countries associated with high political, corruption and human rights risks. The company could, nevertheless, potentially become involved in unethical behavior, either directly or through third parties and partners, and the company may in the future have operations in countries associated with such risks. Key tools to reduce these risks and to ensure compliance with applicable standards domestically and internationally are the company's code of conduct, business integrity policy, supporting policies and compliance program.

Risks are managed through individual country analyses, mandatory annual awareness training, compliance reviews and integrity due diligence. Aker Offshore Wind's compliance program, which includes anti-corruption and human rights, is subject to regular reporting to the Audit Committee and the Board of Directors.

Aker Offshore Wind has zero tolerance for corruption and works vigilantly to prevent such behavior. The company has control systems in place throughout the organization designed to identify and limit the effects of violations of the code of conduct. Employees violating the code face consequences ranging from a warning to dismissal.

Aker Offshore Wind's code of conduct is available on the website at www.akeroffshorewind.com.

Climate Related Risks

Aker Offshore Wind is exposed to climate-related risks and opportunities as the world strives to develop a renewable energy system and a low carbon economy. There are challenges and opportunities associated with reaching ambitious net zero targets, simultaneously reducing cost and carbon footprint, that the company is developing specific tools to understand and manage.

The company conducted a third-party climate risk assessment in 2021 in accordance with the recommendations of the Task Force for Climate-related Financial Disclosures (TCFD). Identified opportunities include increased global renewable energy demand and environmental requirements that could increase growth opportunities for the company. The flexibility of floating assets to adapt to changing climate conditions could also pose an opportunity. Risks include physical risk to the company's assets, reputational risk, production risk due to unpredictable wind pattern changes, increase in commodity prices or reduced access to critical raw materials such as rare earth minerals.

The TCFD assessment underscored that the company's business model is founded on meeting the energy needs of a low emission society and is strongly aligned with the Paris Agreement. Aker Offshore Wind seeks to continually develop its processes for climate risk management as

the portfolio matures and moves into construction and operations.

More information on climate risks is included in the sustainability section of this report.

Operational Risk

The COVID-19 pandemic has affected the working and personal lives of all Aker Offshore Wind employees. The company has, however, introduced several measures to mitigate the effects. This has enabled the company to successfully recruit and onboard more than 60 new employees and contractors during 2021. Any failure to manage growth effectively could have a material adverse effect on the company's business, results of operations, financial condition, cash flows and/or prospects.

To mitigate competence and capacity constraint, Aker Offshore Wind will continue to rely on third parties for resources required for execution of its projects when needed.

Most of Aker Offshore Wind's projects are executed as partnerships. By nature, partnerships, joint ventures and other types of cooperation could potentially expose the company to risks and uncertainties outside its control.

Examples of other risks that may arise from development projects are (but not limited to):

- · Lack of site data prior to award of area.
- Unexpected results from the environmental impact assessment program.
- · Co-habitation with fisheries, military, shipping, ports and local communities (including unions).
- Immature technology.
- Local job creation.
- Supply chain constrains and supplier capacity restrictions.

- Lack of access to a green supply chain at competitive prices.
- Commercial agreements for onshore and offshore cable crossings.
- Timely availability of grid connection and cables.

Financial Risks

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 Offshore Wind's financial performance.

Aker Offshore Wind and its subsidiaries will use financial derivative instruments to hedge certain risks. The management team actively monitors the business to identify instances in which utilization of such instruments may be appropriate to reduce the volatility resulting from the periodic market-to-market revaluation of financial instruments in the income statement. Risk management is integral to every project to identify, evaluate and hedge financial risks under policies approved by the Board of Directors. Aker Offshore Wind has well-established principles for overall

risk management, as well as policies for the use of derivatives and financial instruments.

Financial risk management and exposures are described in detail in note 15 Financial Risk Management and Exposure and capital management is described in note 14 Capital Management.

Subsequent Events

Russia's recent military attack on Ukraine and the subsequent strong European and American sanctions against Russia could have significant negative effects on the global economy, energy markets, and inflation levels going forward.

In March, Aker Offshore Wind and Mainstream Renewable Power closed the transaction to acquire an initial 50 percent stake in Progression Energy's 800 MW floating offshore wind power project in Japan.

Going Concern

The company's free liquidity reserve as of 31 December 2021 amounts to Norwegian Krone ("NOK") 175 million, and, as such, the company needs to secure additional

funding to be able to support planned activities going forward.

Having considered various funding options, and as communicated on 20 January 2022, Aker Offshore Wind has elected to obtain the support of Aker Horizons in the short-term rather than raise additional capital in the equity markets. Aker Horizons Holding AS has issued a financial support letter to Aker Offshore Wind AS for the purpose of enabling the company to maintain sufficient equity and liquidity in relation to the companies' operations. The support will be limited to a period of twelve months from approval of the 2021 annual report and amount is limited to the 2022 budget, with an additional buffer. The support will be provided on arm's lengths principles. Notwithstanding this, Aker Offshore Wind shall actively develop a longer term capital structure which, it is intended, will be communicated later in 2022.

As such, and notwithstanding the liquidity position of Aker Offshore Wind as on 31 December 2021, the Board of Directors confirm, in accordance with the Norwegian Accounting Act, that the going concern assumption, on which the consolidated financial statements have been prepared, is appropriate.

Fornebu, 16 March 2022

Board of Directors and Chief Executive Officer 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 PHILIPPE KAVAFYAN
Chief Executive Officer

Board of Directors



KRISTIAN M. RØKKE Chair

Kristian Røkke is currently CEO of Aker Horizons AS and has extensive experience from offshore oil services, shipbuilding and M&A. Mr. Røkke was Chief Investment Officer of Aker ASA prior to Aker Horizons and CEO of Akastor ASA from August 2015 to December 2017. He is a board member of several companies, including such as TRG Holding AS, American Shipping Company ASA, Philly Shipyard ASA, Aker Offshore Wind AS, Aker Carbon Capture AS and Aker Clean Hydrogen AS. Mr. Røkke holds an MBA from The Wharton School, University of Pennsylvania.



KJELL INGE RØKKE **Board Member**

Kjell Inge Røkke, Aker ASA's main owner, has been a driving force in the development of Aker since the 1990s. Mr. Røkke launched his business career with the purchase of a 69-foot trawler in the United States in 1982, and gradually built a leading worldwide fisheries business. In 1996, the Røkke-controlled company, RGI, purchased enough Aker shares to become Aker's largest shareholder, and later merged RGI with Aker. Mr. Røkke is currently chairman of Aker ASA, The Resource Group TRG AS and TRG Holding AS, as well as director of several companies, including Aker BP ASA, Aker Solutions ASA, Ocean Yield ASA, Aker BioMarine ASA, Aker Property Group AS, Aker Energy AS, Aker Horizons AS, Aker Offshore Wind AS, Aize Holding, Aker Clean Hydrogen AS, Cognite AS, Seetee Topco AS, REV Ocean AS, and Rec Silicon ASA.



NINA JENSEN Board Member

Nina 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 12 years of positive impact in WWF-Norway (as Secretary-General since 2012). Nina has a burning commitment and passion for the ocean, conservation and sustainable solutions. She holds a Master's degree in Marine Biology from the University of Fishery Science in Tromsø and has a background in communications and marketing from Ogilvy&Mather. She sits on a number of boards of directors, advisory boards and highlevel panels.



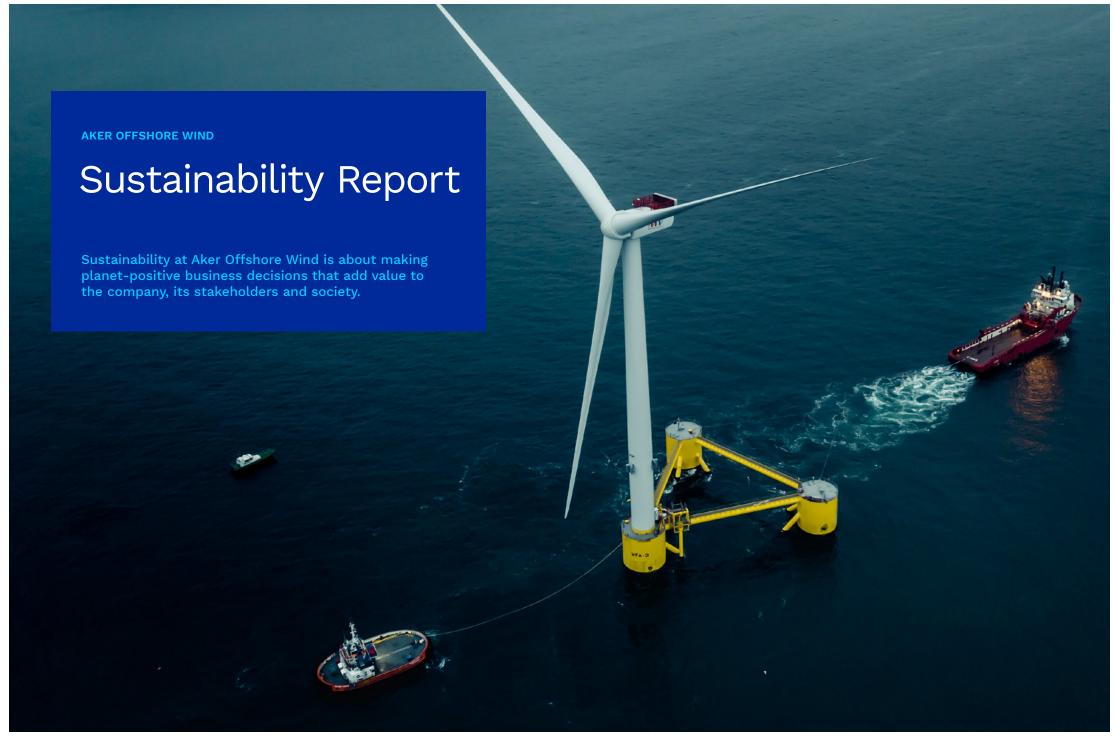
ANDREW GARRAD **Board Member**

Andrew Garrad has a degree in Engineering Science from the University of Oxford and a PhD in Theoretical Fluid Mechanics from the University of Exeter. In 1984 he co-founded the Garrad Hassan Group (GH) which grew to become the world's largest renewable energy consultancy. When he retired, in 2015, it had 1,000 staff in 29 countries. It merged with Germanischer Lloyd in 2009 and he became CEO and Chairman of the combined company: GL Garrad Hassan which is now part of DNV GL. Dr. Garrad has been professionally involved in wind energy for 40 years and built his first wind turbine in 1971. His first floating offshore project was completed in 1993. He was Chairman of the British Wind Energy Association in 1989. From 2013 to 2014 he was President of European Wind Energy Association. Until 2015, he was responsible for the technical due diligence of most of the world's largest project-financed wind farms. He is a Fellow of and the Royal Academy of Engineering and an Honorary Fellow of New College, Oxford. He is now Professor of Renewable Energy at Bristol University in the UK.



ØYVIND ERIKSEN Deputy Board Member

Øyvind Eriksen is President and CEO of Aker ASA and holds a law degree from the University of Oslo. Mr. Eriksen has held several board positions in different industries, including shipping, finance, asset management, offshore drilling, fisheries, media, trade and industry. Mr. Eriksen is currently chairman of the board at Aker BP ASA, Aker Solutions ASA, Cognite AS, Aker Capital AS, Aker Kværner Holding AS, Rev Ocean Inc., and a director of several companies, including Aker Energy AS, Akastor ASA, The Resource Group TRG AS, and TRG Holding AS. In addition, he serves on the board of the nonprofit organizations Aker Scholarship, the WE foundation, and the Norwegian Cancer Society (Kreftforeningen).



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Highlights 2021

25%

Female Employees 2020: 11%

16

Nationalities 2020: 5

Total Employees 2020: 18

H&S LTIR 2020: 0

6 GW

Portfolio Gross Capacity 2020: 1.5 GW

Greenhouse Gases tC02e

14.7 32.9

Scope 1 2020: 0 Scope 2 2020: 1.2 Scope 3 2020: 2.8 Aker Offshore Wind is committed to powering a sustainable energy transition through deep-water wind projects that increase the share of renewable energy in the global energy mix. Through sustainability leadership and innovation, climate and nature-positive solutions will be included in all projects, contributing to a competitive advantage. Environmental, social and governance (ESG) commitments are fully integrated across the company's strategy, operations and stakeholder engagement.

Aker Offshore Wind progressed its work on sustainability significantly during 2021. The Board of Directors approved the company's sustainability policy and a new company objective for sustainability, setting the company's ambition. A sustainability vice-president position was established, and sustainability integrated across company processes and procedures. The company's objective is to demonstrate sustainability leadership through planet-positive impact. The sustainability policy

operationalizes how this objective will be achieved and describes the company's commitments and goals under ESG topics respectively and include the following long-term targets for emissions, waste and biodiversity:

Efforts to achieve these goals include developing new science-based knowledge, commercializing new technologies, leveraging the opportunities of digitalization and forming strategic partnerships to enhance sustainability across the deep-water wind value chain.

As a recently established company, Aker Offshore Wind's sustainability strategy is under development. In 2022, efforts will be directed toward setting specific short and mid-term targets with corresponding roadmaps and actions to reach its commitments.

Reduce more emissions than produced and go beyond net zero in operations and supply chain by 2030

Support Paris
Agreement and
align activities and
investments with the
1.5C-degree target for
climate change

Zero waste
generation through
prevention,
reduction, recycling,
and reuse of
materials throughout
our value chain

Protect, preserve, and restore the environment and biodiversity, and ensure a net positive environmental footprint

Governance of ESG in Aker Offshore Wind

Responsibility for sustainability at Aker Offshore Wind is owned by the Chief Executive Officer, while the Board of Directors is ultimately responsible for overseeing and safeguarding management of the company's sustainability work. The Board approves the sustainability policy and reporting. Sustainability considerations are integrated in internal processes and business operations and are tailored to diverse local contexts and stakeholder expectations. The sustainability function is organized as a global support unit under the Chief Operating Officer and is responsible for driving the company's climate action strategy. The unit will develop, follow up and secure that the company's reporting on progress and performance towards sustainability objectives and ESG-metrics is conducted in an open and transparent manner.

Sustainability as a Core Part of Strategy and **Management Procedures**

The Board of Directors sets the direction of the company by determining the objectives, strategy, and risk profile of the business. The Board of Directors will continuously make assessments to ensure the risk level is within the parameters set, including stress-testing the strategy against climate risk scenarios, and will adopt changes to the company's risk profile accordingly.

During 2021, a new management system for the company was developed and rolled out across the organization. The system will be further developed in 2022. The structure includes a sustainability governance process for ESG-reporting. The process will be reviewed and updated regularly and as necessary. Aker Offshore Wind's policies will be made available publically on the company's website.

Global Sustainability Support Across Aker Offshore Wind's Business Functions

The sustainability unit supports the projects and business units with integration and implementation of the company's sustainability policy and objectives. The unit is responsible for assessing, maintaining and reporting on sustainability topics while the company's business units are responsible for implementing, monitoring and sharing the company's sustainability work. Each of the company's locations are responsible for ensuring compliance with local legal requirements in addition to the corporate requirements.

Topics assessed and followed up with specific activities during 2021 were:

- A climate risk assessment to further identify and prioritize risks and opportunities for Aker Offshore Wind was performed by an independent expert and recommended actions for 2022 were defined.
- · A materiality assessment to further develop the organization's understanding of its real and potential impacts on the environment and society was conducted by an independent expert. The assessment included interviews with internal and external stakeholders.
- A sustainability policy with targets was developed. The policy with ESG commitments was approved by the Board of Directors in October 2021.
- Internal training was conducted to increase knowledge and awareness in the organization on sustainability targets and commitments. A series of departmentspecific workshops were held, as well as a global townhall, to increase knowledge of the company's sustainability commitments and strategy.
- A gap-analysis was conducted as part of the workshop series to identify the challenges to reaching targets of net zero emissions and waste, and to secure



positive impact on biodiversity. The exercise further identified a series of innovations and initiatives where Aker Offshore Wind can make a positive difference. The results will be used to develop a company-wide resource tool for sustainability solutions during 2022.

- Improved ESG-reporting to secure a systematic approach to sustainability reporting and data collection was initiated. A digital platform for sustainability reporting was procured and implemented during 2021. The reporting system will be further developed to facilitate transparent sustainability data collection from all of Aker Offshore Wind's locations in 2022.
- Increased project specific support on sustainability targets, initiatives and innovations was initiated. During 2021, the sustainability unit supported the company's projects in developing joint sustainability ambitions with partners to set project-specific sustainability targets.

Aker Offshore Wind is closely monitoring the European Union's (EU) work on sustainable finance and the EU taxonomy regulation. From 2022, companies will be required to disclose to what extent their turnover, investments and operational costs are eligible under, and aligned with, the EU taxonomy criteria.

The EU taxonomy regulation took effect in January 2022 for companies in the EU. It is expected that taxonomy reporting requirements will be incorporated into Norwegian law in 2023 (covering the 2022 annual financial reporting period). For 2021, Aker Offshore Wind voluntarily reports on eligible and expected aligned activities under the directive.

There are three steps that are considered in the classification process.

Firstly, the company must substantially contribute to at least one out of six environmental objectives:

- Climate change mitigation
- Climate change adaption
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Waste prevention
- Recycling, pollution prevention and control and protection of healthy ecosystems

Secondly, the company must prove it does no significant harm (DNSH) towards any of the environmental objectives. Thirdly, the company must comply with minimum social safeguards, which include the United Nations (UN) Guiding Principles, the International Labor Organization's core conventions and OECD guidelines.

100 percent of Aker Offshore Wind's Activities are Eligible and Expected to be Aligned

The technical screening criteria that operationalize the EU taxonomy in its current form qualify wind power production as an eligible green activity. For 2021, Aker Offshore Wind's assessment is that 100 percent of its activities are eligible under the technical screening criteria for climate mitigation, as set out in chapter 4.3 Electricity Generation From Wind Power, where it states "Construction or operation of electricity generation facilities that produce electricity from wind power."

As the company's projects are in an early development phase, not all requirements to secure full alignment have yet been fulfilled. Aker Offshore Wind does however expect to fulfil these requirements, including DNSH, in all projects and joint venture partnerships during its project development. 100 percent of the company's portfolio is therefore expected to be aligned with the EU taxonomy

as presented in the table below. How the EU taxonomy framework can be used for internal risk management, financial planning and strategy processes within Aker Offshore Wind will also be assessed and developed in 2022.

Calculation Method

Turnover, capital expenditure (Capex) and operational expenditure (Opex) are presented both excluding and including joint venture companies. Joint venture companies are included by Aker Offshore Wind's ownership share. The joint venture companies are Principle Power Inc. Korea Floating (KF) Wind Power Co., Redwood Coast Offshore Wind LLC and Freja Offshore AB. Turnover and Capex are reported without any adjustments to the numbers reported in the financial statements, while for Opex, all cost not directly related to any of the wind farm projects have been excluded both from the numerator and denominator.

Amounts in NOK thousand	Group excluding JV	Group including JV	Eligible	Total	Eligable Share	Expected Aligned Share
Turnover	14 304	60 016	60 016	60 016	100%	100%
Capex	2 375	9 998	9 998	9 998	100%	100%
Opex	286 204	187 483	187 483	187 483	100%	100%

To ensure a comprehensive and long-term approach to creating value for shareholders, customers, employees, and society at large, Aker Offshore Wind regularly conducts an assessment to identify where the company will have the most significant impact on the environment and society, including impacts on human rights.

A materiality assessment was conducted in 2021 to review and mature sustainability priorities for the company. The materiality assessment provides important input to the company's wider process of defining sustainability themes and to allocate resources to areas where the potential and actual impact is the greatest.

The materiality assessment was conducted in accordance with the Global Reporting Initiative (GRI) Materiality Standard (GRI 3) and a third-party advisor was engaged to guide the process and to carry out stakeholder interviews.

External and internal stakeholders were interviewed in the assessment to help evaluate decision-making priorities and significance of impacts. Stakeholders included employees, investors, members of the Board of Directors and representatives from environmental organizations, industry associations and unions.

As a recently established company, Aker Offshore Wind's current impacts are limited as the portfolio of projects is in the early development phase. The list of impacts presented on this page represents the areas where Aker Offshore Wind currently impacts or could have a future impact on the economy, environment and people. This includes when initiating projects and commencing operations.

A detailed description of Aker Offshore Wind's materiality assessment process, stakeholder feedback and definitions for material topics is included in the appendices Materiality Assessment and Stakeholder Engagement at the end of the report.

Material Topics

Environmental

- Enabling the energy transition
- Environmental and ecosystem impacts











Social

· Health and safety

· Impact on local

community

Labor rights



Governance

- ESG impacts in the supply chain
- Transparency and ethical business practice
- Industry collaboration and policy advocacy



Contribution to the Sustainable Development Goals

Aker Offshore Wind supports the UN Sustainable Development Goals (SDGs), a collection of 17 global goals set by the UN General Assembly in 2015. The goals provide a shared blueprint for peace and prosperity for people and the planet, now and into the future.

Aker Offshore Wind has defined seven SDGs where the company considers its positive impact to be most material. In 2021, Goal 12, "Responsible Consumption and Production", was added to the company's commitments to underscore Aker Offshore Wind's ambition to

address the specific waste and recycling challenges of the wind power industry. In addition, among all SDGs, Goal 7, "Affordable and clean energy", and Goal 13, "Climate action", provide the greatest opportunity for Aker Offshore Wind to contribute specific industry expertise and resources to drive progress. The company will contribute to meaningful climate action through substantially increasing the share of renewable energy in the energy mix, thereby replacing emissions from fossil fuels. Ramping up the production of renewable energy

from deep-water wind will also substantially contribute to providing increased access to affordable and clean energy for more people.

Aker Offshore Wind has set clear commitments towards the prioritized SDGs, which is illustrated with examples of contributions from 2021 in the table below. In 2022, the company aims to set clear performance targets with corresponding road maps and actions toward each SDG.

		Relevant Targets and Indicators	Our Commitments	Example
SOCIAL ENVIRONMENT	7 class reserve	Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix	Aker Offshore Wind is committed to powering a sustainable energy transition through our projects, by substantially increasing the share of renewable energy in the energy mix	Aker Offshore Wind developed our portfolio net capacity to 6GW clean energy in 2021
	12 SOURCES CONTROL SERVICE SER	12.2: By 2030 achieve sustainable management and efficient use of resources	Aker Offshore Wind aims for zero waste generation through prevention, reduction, recycling, and reuse of materials throughout our value chain	Aker Offshore Wind and partners developed a project during 2021 for reduced waste and increased recycling with our Strathclyde pilot
	13 COMPT		Aker Offshore Wind shall reduce more emissions than we produce and aim to go beyond net zero in our operations and supply chain by 2030	Aker Offshore Wind developed our portfolio net capacity to gross 6GW clean energy in 2021
	14 in mon same	14.2: By 2020, sustainably manage and protect marine coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans	Aker Offshore Wind shall contribute to sustainable use of the ocean by minimizing our impact on the environment and nature	Aker Offshore Wind progressed in developing digital environmental monitoring of the marine environment during 2021, through our NextWind- project. The objective of the project is to identify any potential negative impact on the ecosystem to avoid causing harm when starting our operations (read more on p. 40)
	5 sines 15 sines 17	5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	Aker Offshore Wind has zero tolerance for discrimination and shall provide equal leadership opportunities at all decision-making levels	Increase in female employees from 11% to 25% during 2021
	8 Income some some	Target 8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors	Aker Offshore Wind aims to create sustainable job opportunities in the markets where we operate.	Number of employees increased from 18 to 83 in 2021, across 5 locations
NANCE	16 PLACE MOTION NOTIFICATION NO	Target 16.5: Substantially reduce corruption and bribery in all their forms	Aker Offshore Wind has zero tolerance for corruption and bribery as described in Aker Offshore Wind's Business Integrity policy	72% of Aker Offshore Wind employees received training on the organization's anti-corruption policies and procedures during 2021.



Planet-Positive Impact





Aker Offshore Wind contributes to priority SDGs 7 and 13 through the company's mission to industrialize the global offshore floating wind market and deliver clean, renewable energy at scale.

Developing Clean, Responsible Power

In 2021, Aker Offshore Wind set six clear company objectives to guide the company's strategic direction and drive its ambitions to accelerate the deep-water wind market.

Actions taken to support maturing projects include integrating sustainability in the company's management system, closing knowledge gaps for offshore wind through participation in research projects and developing project-specific sustainability strategies in cooperation with joint venture partners.

Actions taken to support the company in generating new opportunities include developing an early phase sustainability screening tool for business development, and training all staff in sustainability policies and targets. To support the company's financial objectives, work was done to develop eligibility and alignment reporting in accordance with the requirements under the EU taxonomy.

A new sustainability objective was also developed to demonstrate sustainability leadership through planetpositive impact.

The energy sector is increasingly expected to deliver solutions to accelerate the energy transition and to improve its performance on other environmental aspects related to climate change. As a material topic, Aker Offshore Wind's contribution to solving the climate crisis and its approach to environmental management is guided by the sustainability policy, with commitments to:

- Powering a sustainable energy transition through its projects, by substantially increasing the share of renewable energy in the energy mix.
- · Align its activities and investments with the Paris Agreement of 1.5 degree target for climate change and set science-based targets to do so.
- Reduce more emissions than the company produces and aim to go beyond net zero in its operations and supply chain by 2030.

Aker Offshore Wind is powering the climate transition by developing affordable, clean energy. On an aggregate basis, Aker Offshore Wind holds projects and prospects of more than 6 GW potential capacity. The company is currently exploring opportunities in South Korea, Japan, North America and Europe. When operational and delivering power to the grid, the portfolio will help avoid greenhouse gas (GHG) emissions from the current energy mix with a global average GHG intensity of 4361 grams of carbon dioxide per kilowatt-hour (gCO2e/kWh). As projects move into operations, avoided GHG emissions will be estimated and reported based on market-specific GHG intensity measures.

Targets and Initiatives for 2021

TARGETS SET

· Finalize and implement a sustainability policy

- · Establish an environmental impact assessment (EIA) procedure in the business management system, aligned with national regulation and best practice
- Complete a TCFDaligned climate risk assessment, and publish report

PROGRESS MADE

- Sustainability policy approved by the Board and published in October 2021
- · Early-stage EIA processes were integrated in the management system and will be further developed in 2022.
- · TCFD completed in December 2021

¹⁾ https://www.iea.org/data-and-statistics/charts/global-averagecarbon-intensity-of-electricity-generation-in-the-stated-policiessustainable-development-and-net-zero-scenarios-2000-2040

GHG Emissions in 2021

The table summarizes Aker Offshore Wind's total GHG emissions in 2021. The inventory follows the operational control approach, as specified in the GHG Protocol.

Source	Consumption	Unit	Tonnes Co2e
Scope 1			-
Scope 2 ¹			14.7
Electricity	155 474	kWh	14.12
District heating	104 614	kWh	0.4
District cooling	47 665	kWh	0.1
Scope 3			32.9
Category 5: Waste (office waste)	4 294	Kg	2.2
Category 6: Business travel			25.4
Flights	136 450	passenger.km	25.4
Category 7: Employee commuting			5.3
Commuting	82 580	passenger.km	5.3
Total scope 1, 2 & 3			47.6

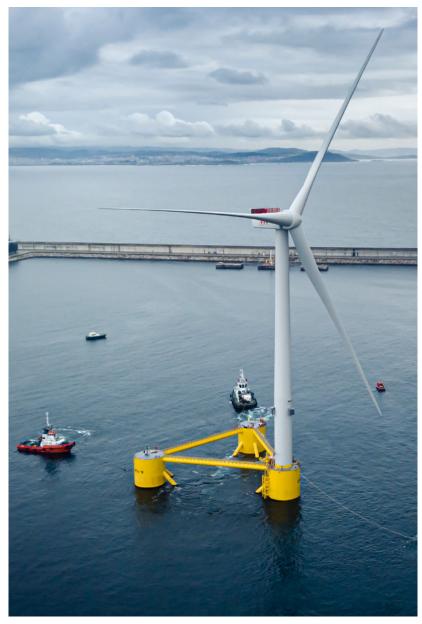
¹⁾ All Scope 2 emissions relate to shared offices where the company was a tenant. For the company's headquarters at Fornebu (Norway), the building energy use was shared by tenant floor area. Energy use in the smaller offices was extrapolated from the Fornebu data based on employee headcount, with the assumption that all energy is electrical. Applicable emission factors for the office locations were applied. 2) This applies location-based emission factors. The office owners do not procure Renewable Energy Certificates (REC).

GHG Emissions Increased in 2021

Aker Offshore Wind does not own or control any direct emission sources, hence Scope 1 emissions were zero in 2021, as was the case in 2020. Aker Offshore Wind's business continued to be almost entirely office-based, and the energy imported into these buildings is reported in Scope 2.

Scope 2 and 3 emissions have increased compared to last year. The increase was foreseen as the emissions from 2020 were based on the five months of activity from when the company was formed in July 2020. Additional causes of increased Scope 2 and 3 emissions in 2021 include new offices opened in South Korea, Germany and the USA, and that the number of employees increased four-fold from 18 to 83.

Emissions	2020	2021
Scope 1	-	-
Scope 2	1.2	14.7
Scope 3	2.8	32.9
Total emissions	4.0	47.6



Artist: DOCK90

Our Pathway to Net Zero

Aker Offshore Wind's total emissions increased in 2021 but remain limited, reflecting the early stage of the company's activities. In the implementation phase, gross GHG emissions will increase as projects are developed and as the company expands. There are methodological challenges connected with establishing science-based targets for green growth companies that are in an early phase of development. With limited Scope 1 and 2 emissions, as well as expected growth in Scope 3 emissions as projects mature toward construction and operations, Aker Offshore Wind expects to report increased emissions in the short term while developing roadmaps and actions required to reach its target of net zero by 2030.

As part of planned activities in 2022, Aker Offshore Wind will develop lifecycle emission assessments of all projects and develop a net zero roadmap for the company that includes initiatives to reduce emissions through its value chain. Purchased goods, including the material and composition of floaters, blades, and towers, will be key drivers of the carbon footprint of deep-water wind developments. These are areas that will be given specific attention to identify opportunities for emission reductions. Development of green options through the supply chain will be a priority for the company.

Assessment of Climate-Related Financial Risk Using TCFD

In order to identify the main types of risks and opportunities and their impact on the business, Aker Offshore Wind reviewed climate-related financial risks following the Task Force on Climate-Related Financial Disclosure (TCFD) recommendations. The review covered the company's approach to climate-related risks and opportunities from a governance, strategy and risk management perspective, including the use of metrics and targets. The review provided input when identifying the focus areas for 2022, which include:

- A process for identifying and mitigating material climate risk in business development and project specific planning.
- Updating the enterprise risk management system with climate related risks and opportunities assessments.

A summary of the review is included in the full TCFD assessment at the end of the report.





CHRISTOPHE BEKHOUCHE (30) SENIOR ENGINEER - MARINE OPERATIONS AKER OFFSHORE WIND

Aker Offshore Wind's parent company is actively transitioning its portfolio towards renewable energy and climate solutions. These new business areas and portfolio companies require new skill sets and create green jobs. People working in the Aker group are making the transition into new roles. As part of Aker's shift to green energy and solutions to reduce emissions, they are shaping the workforce of the future.

WHAT IS YOUR CURRENT ROLE AND PREVIOUS JOB?

I am currently working in Aker Offshore Wind in the planning of the transport and installation aspects of our windfarm projects around the world. Before that, I was involved in developing installation procedures for subsea construction, including within the oil and gas sector, and I also had a long offshore season when the Hywind Scotland floating wind pilot park was being built.

WHAT MOTIVATED YOU TO MAKE THE CAREER TRANSITION, AND WHAT ARE SOME OF THE MAIN **DIFFERENCES?**

Ever since university, I always wanted to work in the wind industry. Wind is an important part of the future energy mix and working in the industry makes me feel part of building the future. In this way I am making a positive contribution to society. This is very motivating to me.

In addition, I just love mega projects! Now I spend my professional energy and enthusiasm in an industry that I believe in. I bring with me useful skills and experience from the oil and gas sector, which enables me to take innovative approaches in my new role. Working in oil and gas gave me extensive on site project experience. This is currently valuable when in a more senior, office based position.

DID YOU EXPERIENCE ANY STIGMA WHILE WORKING IN THE OIL AND GAS SECTOR?

The short answer is very little. Oil & gas is a huge part of the world we have built and contributes to everyone's standard of living, particularly in Norway. Most people today agree that we are in a transition period. We are trying to reach extremely ambitious climate goals. To get there, we need to leverage existing energy sources and infrastructure, and build on them. I think Aker is a great example of this transitional mindset.

WHAT'S YOUR ADVICE FOR OTHERS THAT MAY BE **CONSIDERING FACING A ROLE TRANSITION?**

Don't be afraid to step outside of your comfort zone. Transition can give a feeling of uncertainty, but don't let it be a barrier. In my case, I started out joining a team of 10 people exploring floating wind opportunities where nothing seemed 100 percent clear. A year later, Aker Offshore Wind was spun off as an independent pure play offshore wind developer. Another year after that, the company headcount was 80 people. The renewable market is booming and great opportunities exist for those who are committed. Go 'all in,' I say!

Towards a Circular Economy





Aker Offshore Wind contributes to SDGs 12 and 13 through its commitment to advance circular economy principles across operations and striving towards zero waste generation and net zero emissions.

Environmental regulations and stakeholder expectations around environmental performance are increasing. Aker Offshore Wind recognizes its responsibility to minimize negative impacts on the environment. As a material topic, the company works proactively to find solutions to reach its target of zero waste generation.

Commitment to Zero Waste Footprint by 2030

Aker Offshore Wind's sustainability policy aims for zero waste generation through prevention, reduction, recycling and reuse of materials throughout its value chain. The code of conduct states that Aker Offshore Wind shall act responsibly with an ambition to reduce direct and indirect negative influence on the external environment. The company adheres to relevant international and local laws and standards, strives to minimize environmental impact and takes a sustainable approach in day-to-day operations.

Waste Generation has Increased

In 2021, total waste generated was 4.29 tons (2020: 1.62 tons), with a recycling rate of 54 percent (2020: 50 percent). The company's activities are predominantly office-based with waste generation expected to increase in the coming years as projects and operations are further developed. The residual waste fraction is expected to decrease as the company's waste management hierarchy matures and ways of working to prevent and recycle waste are optimized. Reaching the target of zero waste requires systematic integration of circularity principles in project design and supply chain development.

The table on the next page provides an overview of the company's generated and diverted waste since formation.



Parameter	Unit	2020	2021 Fornebu	2021 AOW all*
Organic waste & sludge	kg	331	1 128	1 398
Building & construction materials	kg	-	64	79
Mixed waste	kg	804	1 567	1 943
Paper & cardboard	kg	310	478	593
Plastic	kg	36	56	69
Glass	kg	90	160	199
Rubber	kg	-	0	0
Metal	kg	10	0	0
Batteries	kg	-	0	0
Electrical and electronic	kg	-	0	0
Soil and various metals	kg	44	-	-
Hazardous waste	kg	-	10	12
Total waste	kg	1 625	3 463	4 294
Non-recycled waste**	kg		1 577	1 956
Non-recycled waste share**	percent	50%	46%	

^{*} The data on waste is collected and monitored through an online dashboard with monthly updates of waste generation from the Fornebu building.

Waste Diverted/Directed to Disposal

Parameter	Unit	2020	2021 Fornebu	2021 AOW all*
Organic waste & sludge	kg	331	1 128	1 398
Building & construction materials	kg	-	64	79
Mixed waste	kg	804	1 567	1 943
Paper & cardboard	kg	310	478	593
Plastic	kg	36	56	69
Glass	kg	90	160	199
Rubber	kg	-	0	0
Metal	kg	10	0	0
Batteries	kg		0	0
Electrical and electronic	kg	-	0	0
Soil and various metals	kg	44	-	-
Hazardous waste	kg		10	12
Total waste	kg	1 625	3 463	4 294
Non-recycled waste**	kg		1 577	1 956
Non-recycled waste share**	percent	50%	46%	

^{**} The Fornebu building weight data is scaled up by 24%, which approximates the employees who are not based at Fornebu (based on employee count by month and country from HR).

A Lifecycle Approach

Aker Offshore Wind has a lifecycle perspective on minimizing waste and pollution and works to improve resource use from procurement throughout the lifecycle of wind farms and through to decommissioning. Based on the principles of the waste management hierarchy, the company will work actively to prevent waste and reuse, recycle and recover resources where possible. Going forward, more specific waste and circularity targets will be developed for the company to reach its goal of zero waste. The activities will be identified and communicated through the net zero roadmap which will be developed in 2022.

Collaboration to Find New Solutions

In 2021, Aker Offshore Wind developed a pilot project with the University of Strathclyde in the UK to develop solutions to a major waste management challenge for the wind industry, namely the recycling of retired wind turbine blades that are currently sent to landfills. The project is described in the case study on page 38.

Seeking Knowledge to Address Concerns

There have been some concerns raised about microplastic waste generation from wind turbines while in operation. Aker Offshore Wind arranged a global knowledge-session to raise awareness amongst employees. Renowned plastic pollution scientists shared their knowledge about plastic emissions in the wind industry, aiding the company's continuing effort to investigate potential impacts from microplastic waste and how it can be mitigated and managed. This is part of Aker Offshore Wind's approach to identify ways to minimize/eliminate impact before or during operations.

Employee Involvement

In 2021, Aker Offshore Wind employees participated in the Norwegian national beach clean-up day to clean the beaches around the company's main office in Fornebu, Norway. Employee involvement builds a strong company culture which connects joint activities with our goals to support responsible consumption and production under SDG 12.



Beach clean-up day

CASE STUDY

Turning Waste Into New Resources

Annual waste generation from wind turbine blades is expected to reach two million tons globally by 2050. There are currently no commercially available solutions for managing this waste stream, which is why most turbine blades today are either burnt or disposed of in landfills at the end of their use.

Aker Offshore Wind and researchers at the University of Strathclyde are leading a GBP 2 million wind turbine blade recycling pilot in the UK. In 2021, the consortium, which also includes the University of Nottingham, waste management company SUEZ, composite distributor GRP Solutions and composite part manufacturer Cubis, won a grant from Innovate UK to support the development of the pilot. Aker Offshore Wind is the commercial partner and supports the project with more than GBP 500,000.

The three-year pilot will develop a commercially viable method to separate the glass-fiber and resin components in composites and recover the glass-fiber component which can then be reprocessed, molded, and reused in new products.

Aker Offshore Wind supports industry body WindEurope's call for a Europe-wide ban on sending decommissioned wind turbine blades to landfills and considers this project a crucial step towards setting a new standard for the wind industry. Aker Offshore Wind aims to recycle 100 percent of its turbine blades as they reach their end of life and are decommissioned.

Biodiversity



Aker Offshore Wind contributes to SDG 14 by taking a preventative approach to protect marine ecosystems and engages closely with local stakeholders to implement solutions that minimize any potential harm to ecosystems.

Loss of biodiversity is among the most severe sustainability challenges the planet is facing today. It is highlighted by both internal and external stakeholders as an area of significant relevance for Aker Offshore Wind. Although operational activities have not yet commenced, the company takes a preventative approach to minimize any harm from future operations. Protecting biodiversity is fundamental to its commitment to ensure a net positive environmental footprint.

Careful Investigation Prior to Project Commencement

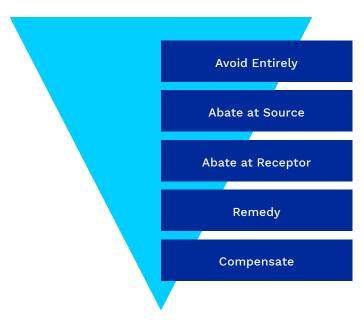
Aker Offshore Wind's sustainability policy includes biodiversity commitments and a target to work to protect, preserve and restore ecosystems through project activities. The company's approach to environmental impact assessment is based on the mitigation hierarchy, as included in the EIA directive², where the first priority is to avoid impacts. Where that is not possible, steps are taken to limit negative impacts and find opportunities to improve positive impacts. Aker Offshore Wind actively seeks to include environmental design in its technical solutions and wind farm layout to ensure net positive biodiversity effects. The company seeks to restore ecosystems impacted by its activities. Remaining impacts are offset or compensated through relevant and credible actions.

Aker Offshore Wind conducts environmental and social impact assessments (ESIA) in accordance with the International Finance Corporation Performance Standard (IFC PS1) and the World Bank Group Environmental, Health and Safety Guidelines. In addition, the company is in full compliance with all country-specific requirements and regulations.

The main purpose of an ESIA is to ensure that all environmental, safety and societal impacts are accounted for before any development decision is taken. This purpose aligns with the company's targets for sustainable development of offshore wind. Targets include supporting industrial development, both internationally and locally, and to ensure safe and secure workplaces. An example is the KF Wind memorandum of understanding (MoU) signed with the South Korean Ulsan Chamber of Commerce and Industry (UCCI), with a commitment towards cooperation in building the local supply chain and contributing to the growth of the industry.

Improved environmental data collection and transparent monitoring and reporting are key focus areas for Aker Offshore Wind. By purposefully investing in new digital tools and methods, including digital platforms for monitoring and reporting, environmental impacts can be managed better at an early stage. Relevant activities are started early with constraint mapping in projects to understand all possible impacts. These impacts are then

DECREASING DESIRABILITY OF MITIGATION EFFORT



further investigated with desktop and physical surveys and monitoring, while looking for methods to minimize impacts. Aker Offshore Wind has chosen an active approach to minimize identified impacts by including an ESIA specialist in each of the projects' technical work groups. The company works actively to identify and initiate dialogues with all relevant organizations, industries, regulators and authorities to ensure that stakeholder views are included in project development. An example is the company's project in South Korea, where a collaboration agreement with the local fisheries organization was signed before the ESIA work commenced.

CASE STUDY

NextWind Digital Environmental Monitoring

In 2020, Aker Offshore Wind, partnering with Cognite, HT Harvey & Associates and Marine Situ, launched the NextWind project, which aims to use digital tools to improve the reliability, safety, efficiency, and sustainability of floating offshore wind farms. This research project was funded through a USD 2 million grant from the California Energy Commission and was formed in part to answer a critical question: how does a floating wind farm affect surrounding ecosystems?



The goal is to create a data-gathering platform that can inform Aker Offshore Wind's understanding of the relationship between floating offshore wind farms and the surrounding environment in real time - from the skies to the ocean floor. For example, drones, microphones and cameras could detect passing and migrating birds, allowing an operator to adjust the speed of the turbine blades; optical cameras, sonars, and underwater microphones could provide insight into how diving birds and marine animals use the area just below the ocean surface; while remote operated vehicles could monitor the numbers and types of species around the floating structures and how those change over time. Through 2021, several use cases were considered and have evolved. Some consider novel methods for monitoring, which can be used to consider airside interactions on a wind turbine

installation, and monitoring and learning about marine mammals in the vicinity of a wind farm. Identification of real data for testing in live data streaming and reporting has been tested for several data sources.

The research explores how to use these data-gathering technologies on and around the floating offshore wind platform to create a digital copy of not only what is happening on the platform, but in the world around it, all in real time.

Aker Offshore Wind believes taking a data-driven approach to operations and environmental monitoring can help the industry create smarter and more sustainable floating offshore wind farms. Findings are expected to be released by the end of 2022.

ENVIRONMENT: Targets and Initiatives

- Further integrate climate risk and opportunities in enterprise risk management system
- Develop net-zero roadmaps with specific short and mid-term targets for emissions, waste and biodiversity
- Develop life-cycle emission assessments of all projects
- Develop a tool that connects impacts on emissions, waste and biodiversity to LCoE-impacts
- Support company objectives with sustainability leadership to mature projects and secure new access to acreage
- Develop initiatives and innovations that address sustainability challenges such as bird migration, underwater noise impacts, and improved methods for environmental monitoring and mitigation





Respect for People



Aker Offshore Wind embraces diversity and believes differences in knowledge and backgrounds will bring value to the organization. Through systematic work towards increased diversity and integration the company contributes to SDG 5.

A Workplace by Choice Striving for Equal Opportunity and Diversity in a Male-Dominated Industry

Aker Offshore Wind remains strongly committed to the principles of non-discrimination and provides equal leadership opportunities at all decision-making levels. Promoting diversity in the workforce has been a focus area in 2021 and will continue to be so going forward. Men have traditionally dominated the energy industry. This fact is reflected in Aker Offshore Wind's organization, but the gender gap is steadily decreasing through systematic recruiting for diversity in both gender and other backgrounds. The number of women in the company, as well as in executive positions, increased in 2021. By the end of 2021, Aker Offshore Wind had 25 percent female employees (2020: 11 percent). The percentage of women in leadership roles was 18 at the end of 2021 (2020: 11 percent) and 30 percent in the executive management team (2020: 33 percent). Although we welcome this positive development, the work to enhance diversity in the organization remains a priority. An ongoing focus on recruitment and internal unconscious bias-training will continue in 2022.

Proactive Steps to Enhance Diversity

Through workshops, townhalls and employee engagement, actions to increase diversity and to make sure all employees have equal opportunities have been identified. These actions include leadership training,

focus on unconscious bias, and diversity and inclusion workshops. Processes, procedures and policies that provide leaders and employees with clear guidelines in how to enable diversity in the organization have been developed and disseminated. Some examples include competency development, recruitment and onboarding processes. There were no incidents of discrimination reported during 2021.

During 2021, Aker Offshore Wind's diverse workforce represented 16 nationalities supporting the ambition to be a truly global and diverse organization. In 2022, the company will continue to build the diversity and inclusion initiatives to create a high performing, diverse and inclusive organization.



42.9
TRAINING HOURS

16.5
TRAINING HOURS

Employees

Aker Offshore Wind was successful in attracting top industry talent and experience from offshore wind developments through its recruitment campaigns in 2021, as we grew from 18 to 83 employees during the year. The people of Aker Offshore Wind will, with their experience and behaviors, enable the company to meet its strategic objectives going forward. The vast majority of Aker Offshore Wind's employees are hired on a fulltime, permanent basis. In 2021, there were two part-time employees and 14 full-time equivalent (FTE) contractors. Both part-time employees were summer interns and the contractors were mainly involved with projects where they provided specific technical expertise, such as in procurement. Other types of work performed by contractors were related to communications, human resources and legal.

Training and Development Developing Opportunities for Our Employees

Aker Offshore Wind's ambition is to be the preferred employer in the offshore wind industry and to attract, develop and retain top industry talent. This is done by actively engaging with the organization to identify development goals amongst employees and by keeping a flexible approach to career development across departments and disciplines. Flexible approaches to skills development enable motivation and performance, while strengthening alignment with the company's purpose to build a sustainable future.

In 2021, Aker Offshore Wind delivered a wide range of training programs with a total of 2,500 hours of training for employees. The average number of hours of training per employee was 29.7 hours, whereas the average number of hours of training for female employees was higher than that for male employees, at 42.5 hours and 16.9 hours respectively. In 2022, the company will analyze the gender difference in training and develop actions to close the gap if and as appropriate.

Adapting to COVID-19

The COVID-19 pandemic has led to new ways of working and collaborating. Aker Offshore Wind has a digitally-connected, collaborative and mobile workplace for all employees. A flexible remote working scheme was developed to allow employees, together with their manager, to decide how and from where they would like to work. Capturing the learnings from the pandemic has proven useful to increase active digital collaboration across the global workspace.

Training Courses for All Employees at Different Levels

Aker Offshore Wind is a knowledge-based, learning organization, and it is therefore important for the company to undertake continual development and acquire the necessary knowledge to improve. The company focuses on development to improve each individual employee's current performance. A key goal is to develop knowledge that will enable the employee to take on future tasks and challenges in accordance with the company's strategy, in consultation with the employee's manager.

70/20/10 Learning Model

Aker Offshore Wind uses the 70/20/10 model for learning and development.

The model is a learning and development reference model which captures the following types of learning:

- 70 percent work assignments and challenges at work.
- 20 percent developmental relationships, seminars, coaching, mentoring and other ad hoc learning.
- 10 percent systematic coursework and training.

CASE STUDY

Development Opportunities for Employees

2021 Summer Internship Program

Three masters-level engineering students joined the technology and engineering unit as interns during the summer of 2021. After a successful digital recruiting event in March, more than 100 students applied. The recruitment event and the interview rounds demonstrated a huge interest among the next generation of engineers to join the renewable industry and get a "job with a purpose", as many candidates described it. The selected students were studying for masters degrees in wind energy, electrical engineering and marine technology. During the summer, they contributed directly to the company's on-going work. Two of the students developed cable routing and wind farm layout algorithms in Python, a programming language, and their work is now being further developed as part of the technical roadmaps, together with digitalization partners Cognite and Aize. The third student worked on zero emission solutions for installation vessels and, together, the students worked on opportunities for colocation of other sustainable industries within a floating offshore wind farm. Integrating talented young people into the organization is a great way to ensure Aker Offshore Wind brings in new perspectives and the latest knowledge from engineering studies into the company's work. Internships are also an effective



recruitment channel and Aker Offshore Wind is pleased that the internship program has resulted in permanent graduate recruitment.

Building Brand and Awareness in 2022

In the autumn of 2021, events were held at key universities with the aim of building the company's brand and raising awareness towards young talents. The interest was tremendous and the in-person event at the Norwegian University of Science and Technology (NTNU) was filled up within minutes. The program has expanded to also include information on other disciplines such as sustainability and finance, as well as other regions, and Aker Offshore Wind is pleased to recognize the attraction and brand awareness that Aker Offshore Wind has achieved.

Aker Talent Student Challenge 2021

For the fourth time, nine Aker companies, including Aker Offshore Wind, invited 40 students in 2021 to take part in the Aker Talent Student Challenge in Fornebu, Norway. The students had 30 hours to find solutions to help make the companies fit for the future. The case study challenges covered a range of sustainability topics, including developing renewable energy solutions and new low-carbon concepts, digitalization and making current operations, products or services more sustainable. Aker Offshore Wind provided mentors to guide the student groups in their work and Chief Operating Officer Tove Røskaft acted as one of the judges of the competition. A number of the candidates will be offered internships or graduate positions at one of the Aker companies.

A Safe and Secure Workplace for All



Health and safety is at the heart of Aker Offshore Wind. The company contributes to SDG 8 by adopting and promoting safe behavior and proactively improving health and well-being.

Health and Safety Commitment

Health and safety is of utmost importance to Aker Offshore Wind. The unprecedented challenges connected with the COVID-19 pandemic emphasize the importance and relevance of the company's commitment to health, safety and well-being. Aker Offshore Wind is determined to protect its collaborators and has a target of zero injuries for all employees, contractors and partners.

Building a Robust HSSE Management **System**

The health, safety, security and environment (HSSE) system sets clear standards for HSSE management and leadership for anyone working for or, on behalf, of the company. The system covers all of Aker Offshore Wind's employees, contractors, and business partners. Regular audits identify, isolate, and address potential shortcomings.

Several development project proposals have been matured throughout 2021. All of the proposals are collaboration efforts with other companies. This has provided Aker Offshore Wind with the opportunity to develop and align HSSE efforts and requirements with other industrial actors and to build a system based on the recognized risks in the industry.

Identifying hazards is an essential part of controlling health and safety risks. Given that Aker Offshore Wind has not reached the production and operation phase, the risk of work-related injuries among its employees is low. No work-related injuries were reported in 2021. The company has, however, conducted risk assessments for early identification of potential hazards in the various stages of prospect development. Control measures are based on the hierarchy of controls aiming to minimize or eliminate exposure to hazards.

Protecting Employees - Focus on Health and Well-Being

More than 90 percent of Aker Offshore Winds' employees are located in Norway. Norway has an excellent public healthcare system, which is free to all residents. In addition, Aker Offshore Wind offers employees the option of utilizing the Aker Care clinics for non-occupational matters at the employees' expense. This service provides employees a practical and efficient medical service, if and when required. Aker Offshore Wind's offices in other countries are all connected to an occupational health service and non-occupational services vary dependent on the specific location.



Aker Offshore Wind established a Work Environment Committee (AMU) in 2021, consisting of a safety delegate, a representative from management and Aker Care (occupational health service). The AMU ensures a close cooperation and dialogue between management and employees, and promotes a healthy and safe work environment in the company. The AMU meets every quarter and is involved in all decisions related to the working environment.

The Aker group aims to be a front-runner in health promotion and Aker Offshore Wind is no exception, focussing on all common endeavors. Programs on exercise, nutrition and stress management are offered to all employees. In 2021, through medical partner Aker Care, vaccination schemes for both COVID-19 and flu vaccinations were offered. Sick leave absence for 2021 was 1.23 percent (2020: 0 percent). This is well below the targeted 3 percent for 2021.

Protecting Labor Rights

Aker Offshore Wind has made a clear commitment to respecting internationally-recognized human rights throughout its operations, as well as in its supply chain. The company supports key international human rights and labor standards and conventions, including the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, and is a signatory to the UN Global Compact (UNGC). Aker Offshore Wind is firmly committed to the UNGC's ten core principles, which cover human rights, labor rights, environment and anti-corruption.

In the current organizational phase of Aker Offshore Wind, the risk of labor non-conformities is considered relatively low. While being mindful of increasing pressure on labor rights across many countries, the locations in

which Aker Offshore Wind has identified opportunities do have well-developed labor markets and laws prohibiting child, forced and compulsory labor.

The company is in the process of developing a supply chain function in which approved suppliers must commit to best practice within a number of areas, including labor rights. In 2022, the company aims to design and implement a broader supplier qualification process, including screening and auditing of suppliers against environmental, social and governance criteria.

Current Initiatives for Safeguarding Labor Rights

The Aker group has established an international framework agreement for Aker and its industrial portfolio companies with international operations. The agreement sets out fundamental worker rights and refers to standards governing health, safety and the environment (HSE) work, pay, working hours and employee conditions. Aker Offshore Wind is covered by this agreement.

Aker Offshore Wind's commitment to human and labor rights is described in the sustainability policy and covered by the global framework agreement between Aker ASA and the Norwegian and international trade unions Fellesforbundet, IndustriALL Global Union, NITO and Tekna. Aker Offshore Wind will also follow the Voluntary Principles on Security and Human rights to ensure that all operations are within a framework and by standards that encourage respect for human rights.

1.23% **TARGET 3%** 2020: 0%



Local Community Impacts

Aker Offshore Wind has recently established a presence in the UK, Germany, South Korea and the USA. While still in an early development phase, projects will be matured, and operations developed across a number of locations in the coming years. In this context, local community impacts will be of significant importance going forward. The company recognizes its responsibility to positively impact societies and will strive to ensure that local communities benefit from its activities. Trust and support from local communities is a fundamental license to operate and Aker Offshore Wind strives to maintain an open dialogue through all stages of project development.

Stakeholders at the Heart of the Process

Understanding stakeholder expectations is especially important in the early stage of project management, including constraint analysis and concept design. Developing a systematic and inclusive approach to local community engagement is a priority in the coming years.

During 2021, Aker Offshore Wind invested time and effort in understanding the concerns of, and listening to solutions from, a diverse range of stakeholders across countries and markets. Labor unions, environmental organizations, fisheries industries, bird migration researchers and a wide variety of industry associations contributed valuable insights.

Community engagement was given special focus in South Korea during 2021. Through the ESIA that Aker Offshore Wind is conducting together with a local partner in South Korea, the company aims to take a preventative approach to identify any negative environmental or social impacts before the project is initiated.

The ESIA results will assist in making an informed decision regarding how and where to implement the project. Aker Offshore Wind is aware of the environmental and social risks associated with offshore wind projects in the installation and operation phases, including vibrations, spills and habitat disturbance. As a part of the dialogue, significant social impacts were identified which could include constraints on and displacement of tourism, fisheries, shipping or other marine activities. Aker Offshore Wind will strive to eliminate or minimize these potential impacts as the project develops.

Creating Green Jobs

Aker Offshore Wind aims to increase local content and create green jobs with its market presence. In collaboration with leading Norwegian industry companies, Aker Offshore Wind announced a grant awarded from the Green Platform, an initiative managed by the Norwegian Research Council, Innovation Norway, and Siva. The project aims to establish new technology, knowledge, solutions, and innovation that enable profitable development of offshore wind, both bottomfixed and floating, including new green jobs in the Norwegian market.

In 2022, Aker Offshore Wind will, together with its partner Ocean Winds, start building up its KF Wind organization in South Korea. This is the beginning of local job development and is supported by MoUs for local supply chain and skills development.



Prosperity for All

Aker Offshore Wind is driven to contribute to the prosperity of the communities where it operates. The company works to create value for its stakeholders in the short, medium and long term. 2021 was a year of expansion for Aker Offshore Wind, attracting the competence and talent needed to position the company for delivering on targets for reduced levelized cost of energy (LCoE) and increased opportunity generation.

In 2021, studies were initiated to develop the company's contributions to socioeconomic development through its projects and local community presence.

Value Creation and Transparent Payment of Tax

In 2021, Aker Offshore Wind's total revenue amounted to NOK 14,304,00. The company's operating costs were NOK 193,035,000 and employee wages and benefits amounted to NOK 90,465,000.

Aker Offshore Wind will contribute to building strong institutions through transparency in its business practices. The company will ensure corporate transparency and responsible tax compliance by complying with tax laws in a responsible manner. Aker Offshore Wind will not enter into transactions with no connection to its business activities and taxes shall be paid according to where value is created within the business.

Innovation of Better Products and Solutions

Aker Offshore Wind aims to turn sustainability innovation into a competitive advantage by including climate and nature positive solutions in its projects. The company invests in innovation and developing technology to accelerate the industrialization of deep-water wind and floating wind in particular. The key technologies exist and have been proven in pre-commercial projects. During 2021, Aker Offshore Wind engaged with several external innovation and research initiatives on subjects of particular importance for deep-water wind. These initiatives span across environmental and social as well as technical topics.

Aker Offshore Wind invested a total of NOK 23 million in research and development activities in 2021. In addition, the company's employees participated with their time and expertise to the development of research projects where the company is an industrial partner. Time and resources were also spent on developing new research applications where grant decisions are expected in 2022. These projects span across topics such as stakeholder engagement and community inclusion, impacts of noise and vibrations on ecosystems, understanding bird migration paths and potential impacts on migratory birds from wind farms, and sustainable development of offshore wind projects.

SOCIAL: Targets and Initiatives

- 100 percent of line managers in AOW will participate in leadership training with focus on unconscious bias.
- 100 percent of employees will participate in diversity and inclusion workshops.
- Develop specific grievance mechanisms for local communities.
- Progress towards the target of minimum 40 percent equal gender representation by 2030.





CASE STUDY

A Science-Based Clean Energy Transition

Aker Offshore Wind is committed to making sciencebased decisions and to contribute to the knowledge base for the sustainable development of offshore wind. The company contributes to a wide range of research projects aimed at understanding and reducing the environmental impact of wind farms both on the marine environment and its ecosystems, as well as projects on how to develop inclusive projects to the benefit of society. In Norway, the company is actively participating as an industry partner in a number of research projects that build knowledge and industry-collaboration on the following topics.

Marine Industrial Co-Location

Aker Offshore Wind is participating in a collaboration coordinated by the Center for Oceans and Arctic at the University of Tromsø, which is investigating opportunities for co-location of marine industries in Norway. The aim of the project is to reduce potential conflicts between marine industries and identify opportunities for synergies that can enhance marine value creation. A final report from the project is expected in 2022.

Seabirds

Aker Offshore Wind is an industry partner in MARCIS, a project supported by the Norwegian Research Council, that aims to develop a framework for assessing cumulative impacts on seabirds and migratory birds from human marine spatial use including offshore wind. The project received its grant and started its work in 2021.

Consenting Processes

Aker Offshore Wind is an industry partner in ImpactWind SørVest, a project that connects local industry and research institutions with offshore wind developers to develop proposals for improved consenting processes in Norway. The project received a grant from the Norwegian Research Council in 2021.

Turning Wind R&D Into a Sustainable Industry

Aker Offshore Wind is an industry partner in FME NorthWind (Norwegian Research Center on Wind Energy) which brings forward outstanding research and innovation to reduce the cost of wind energy, facilitate its sustainable development, create jobs, and grow offshore wind as a Norwegian export industry.

Artist: DOCK90



Corporate Governance and Risk Management



Through a robust code of conduct, dialogue and partnerships, Aker Offshore Wind can make a meaningful difference to reducing corruption and bribery.

In the coming year, Aker Offshore Wind will look to establish itself in new markets with an aim to create long-term relationships with suppliers and business partners, and with a zero tolerance approach to corruption. Ethical business practice is a material topic for the company as it actively maintains its high standards.

Corporate Governance Model

The corporate governance model defines specific tasks and responsibilities in which the company's governance body is involved. The Board of Directors oversees and is responsible for the sustainability strategy and management of sustainability issues within the company.

Good corporate governance at Aker Offshore Wind will ensure sustainable operations and value-creation over time to the benefit of the company's shareholders and stakeholders. The corporate governance framework sets out the processes, mechanisms and responsibilities for managing the business and making sure appropriate objectives and strategies are in place and implemented with results that can be measured and reviewed.

Starting at the highest level of the organization, specific targets exist that hold leadership, managers, and employees accountable for the sustainability

performance of Aker Offshore Wind. The business targets and strategy are evaluated on an annual basis by the Board of Directors. A designated strategy process is used to identify any significant changes in operating circumstances as well as ensuring the development and adoption of suitable goals and guidelines of the company are adopted. The objectives and business strategy, as defined and approved by the Board of Directors, are executed through a strategy implementation process in Aker Offshore Wind owned by the Chief Executive Officer.

Management and the Board of Directors are responsible for ensuring that the company conducts its business using sound corporate governance principles and set the standards for corporate governance that apply to Aker Offshore Wind as a whole.

Under Aker Offshore Wind's authorization matrix, the Board of Directors holds exclusive authority in matters of material significance to the company. The Board of Directors regularly receives extensive reports from the Chief Executive Officer and the Chief Financial Officer on key aspects of the business, including sustainability. These reports reflect underlying reporting to executive management from business operations.

ANTI-CORRUPTION TRAINING 2021

TARGET 2022: 100%

TARGET 2022: 100%



Conducting Business with Integrity

Conducting business ethically and with integrity is imperative at Aker Offshore Wind and critical to the company's continued success. To do this, the company has in place procedures to ensure it meets consistent standards of integrity in every activity it undertakes.

Aker Offshore Wind's code of conduct is the company's main governing document. It addresses important principles and sets clear rules and expectations for behavior and ethical standards for all employees. The code of conduct commitments apply to Aker Offshore Wind AS, subsidiaries and contractors carrying out activities on behalf of the group. All employees, suppliers and business partners are committed to read

Targets and Initiatives for 2021

TARGETS SET

- Restart projects to further digitalize key business integrity work processes
- Evaluate business integrity training program with a view to provide more risk-based targeted training, adapt training to be delivered online and enable assessment of training effectiveness
- Provide annual code of conduct training to all company personnel
- Simplify and digitalize employee reporting of incidents and concerns

PROGRESS MADE

- Digitalization of reporting and work processes was commenced and will be further developed in 2022
- Training programs were developed and 72 percent of employees were trained in 2021
- Information about the whistleblower channel and how to use it is included in the company's onboarding-sessions to ensure all employees know how to report relevant cases and concerns

and sign the code. The code of conduct is available on the company website, and is communicated via internal workshops, and externally through social media.

The code of conduct is supported by the business integrity policy which was approved by the Board of Directors in August 2021. The policy, outlines Aker Offshore Winds' commitment to key areas such as anticorruption, human rights, integrity risk management, integrity training and continuous improvement. In addition, a set of policy standards were issued that further outline Aker Offshore Winds' position on topics such as anti-corruption, conflicts of interest and gifts and hospitality. Policy work will continue in 2022.

In 2021, Aker Offshore Wind developed a group-wide business integrity strategy to increase awareness and reduce integrity risk in future operations. To facilitate the development and implementation of this program, a dedicated compliance resource was appointed. In 2022, the compliance program will be further developed considering the company's increasing operational footprint and organizational growth.

For Aker Offshore Wind, joint venture and consortium partners represent the highest integrity risk. When entering into such a partnership, evaluation of the partner's existing business integrity program is part of the integrity due diligence (IDD) process. Awareness and monitoring activities are designed to match the level of maturity of the partner as well as the degree of integration and type of activity performed by the partner on Aker Offshore Winds' behalf. In 2021, due diligence was undertaken in relation to mergers and acquisitions in Sweden, the UK, and Japan.

In 2022, Aker Offshore Wind aims to strengthen its IDD process through actions such as implementing a new screening and monitoring tool. This is important to comply with laws and regulations on topics related to corruption and sanctions, as well as monitoring for negative media coverage. It is also an essential step in preparing for entering operations and for ensuring compliance with the Norwegian Transparency Law. The law requires companies to carry out and report on their human rights due diligence, as well as how effective it is.

Anti-Corruption Training for Employees and Management Team

To ensure that all employees know what to do if they find themselves in a difficult situation, Aker Offshore Wind has focused on raising awareness of compliance and business integrity issues within the company.

In 2021, 72 percent of employees and 90 percent of the management team received training on the organization's anti-corruption policies and procedures. The target is to provide anti-corruption training to all employees, including the management team and tailored training to the Board of Directors. The Board of Directors was not trained in 2021. In 2022, a more comprehensive training program will be introduced, which will include function specific training for high-risk roles. Workshops and trainings will be provided to advance the company's collective knowledge on sustainability topics deemed material.

In addition to receiving anti-corruption training, the majority of staff were also trained in the organization's sustainability policy and targets. Sustainability workshops were held with business partners to align ambitions and expectations across the company's joint venture partnerships. This initiative will continue in 2022.

Integrity Channel and Reporting of Concerns

Aker Offshore Wind believes in a culture of openness and encourages its employees to report any concerns they may have. Reports allow issues to be identified and corrective actions to be implemented, which allows the company to continuously improve.

Reports can happen through internal channels or through the integrity channel run by the company. Aker Offshore Wind's integrity channel is open to all employees and non-employees who wish to report a breach of laws or regulations, the code of conduct or other internal guidelines or governing policies. Reports are received and managed by Aker Offshore Wind's legal department and communicated to the highest governance body. All reports are treated with strict confidentiality and managed in accordance with the Aker Offshore Wind Integrity Channel Standard. In 2021, there were no reported concerns via the integrity channel. In 2022, a new web-based integrity channel will be launched that will be accessible to both internal and external stakeholders of Aker Offshore Wind.

Aker Offshore Wind is also aware of its human rights responsibilities and is committed to enhancing its human rights program when its projects mature. Once mature, there will be increased interaction with local stakeholders through both its own operations and its supply chain. To ensure that Aker Offshore Wind is able to prevent, detect and respond to its human rights risks, specific grievance mechanisms for local communities will be developed in addition to the integrity channel. This will also include a process for remediation of negative impacts.

Aker Offshore Wind's Board of Directors Nomination Process

The Board of Directors is elected by a majority vote at the general meeting, in accordance with the Norwegian Private Limited Liability Companies Act. The Audit Committee is appointed by the Board of Directors, in accordance with the mandate of the Audit Committee (as approved by the Board of Directors). The board does not have any other committees.

The composition of the board aims to ensure that the interests of all shareholders are attended to and that the company has the competence, resources, and diversity it needs at its disposal. A quarter of the board is

considered to be independent of executive management, important business associates and Aker ASA, the company's largest shareholder. None of the directors are part of the company's executive management team.

Procedures

Aker Offshore Wind's rules of procedure for the Board of Directors govern areas of responsibility, duties, and the distribution of roles between the board, the Chairman and the Chief Executive Officer. The rules of procedure also include provisions on matters such as convening and chairing board meetings, decision making, the duty and right of the Chief Executive Officer to disclose information to the board and the duty of confidentiality.



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

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

As far as the other officers and employees of Aker Offshore Wind are concerned, transactions with related parties are comprehensively addressed and regulated in the company's code of conduct.

Meetings

The Board of Directors will hold board meetings whenever needed, but normally six to twelve times a year. The need for extraordinary board meetings may typically arise because the internal authorization structure of the company requires the board to deliberate and approve material transactions and bids to be submitted by the company.

Matters Discussed by the Board of Directors

The Chairman, in cooperation with the Chief Executive Officer, prepares the agenda for deliberation by the Board of Directors. It is a priority to have matters prepared and presented in such a way that the board is provided an adequate basis for its deliberations. The Board of Directors has overall responsibility for the management of the company and shall, through the Chief Executive Officer, ensure that its activities are organized in a sound manner. The board adopts plans for the business, and keeps itself informed of the financial position of, and developments within, the company. This encompasses the annual planning process, with the adoption of overall goals and strategic choices as well as financial plans and forecasts.



Responsible Supply Chain Management

A sustainable and resilient supply chain is a prerequisite to reaching our targets of net zero emissions and zero waste generation. As a multinational company working towards expanding operations into new markets, sustainability in the supply chain is an area that is considered material to Aker Offshore Wind.

Commitment to Enhance Sustainability in the Supply Chain

Aker Offshore Wind's commitment to sustainability extends beyond its own operations. As such, the company gives preference to suppliers and business partners that demonstrate good sustainability performance. In addition, the company strives to minimize harm to the environment by working with its partners and suppliers to ensure that they follow the same high standards as Aker Offshore Wind.

Aker Offshore Wind has made a clear commitment to respect and uphold internationally recognized human rights. The company will take steps to protect vulnerable individuals and groups of people affected by its business throughout its value chain and include requirements for a healthy, safe, and secure working environment for all suppliers.

Aker Offshore Wind is committed to engaging only with suppliers that meet its expectations. The company will carry out supply chain development and qualification activities to ensure that relevant suppliers can meet

those expectations. Suppliers are expected to adhere to business ethics and values, including our standards for health and safety, human and labor rights, environment, quality management, business integrity and sustainability as described in Aker Offshore Wind's code of conduct.

To ensure that suppliers are aware of the company's expectations and requirements, it will ensure that these are communicated and that an open and transparent relationship is maintained. Sustainability screening criteria will be developed and systematically applied in sourcing, supplier selection, supplier audits and qualification of suppliers.

Low Risk Contracting in 2021

In 2021, no new suppliers were screened using environmental or social criteria as the company only awarded low-risk contracts in this period. Aker Offshore Wind mainly bought indirect services and purchases primarily consisting of office supplies and small-scale research projects from specialized consultants and technical experts.

At the current stage of building the Aker Offshore Wind business, a supply chain unit is under development. In 2022, the company will prepare reporting under the Norwegian Transparency Act by mapping risks in the supply chain and by including potential human rights risks. Following this mapping process, the company will devise an action plan to

manage the identified risks and ensure continued due diligence to reduce the risk of adverse human rights impacts. Priority will be given to forming a supplier code of conduct and designing a broader supplier qualification process, laying out the details for the process of screening and auditing suppliers against a predefined list of criteria. A key focus will be to ensure that suppliers have proven HSSE and quality management processes, including change management. Aker Offshore Wind will also introduce a supplier declaration that will require suppliers to affirm their respect for various topics including human and labor rights.

Targets and Initiatives for 2021

TARGETS SET

- · Develop a supply chain strategy that ensures a responsible supplier base and that includes information on managing environmental impact, impact assessment. strategies for selecting suppliers and sourcing low-impact technologies.
- · Maturing a supply chain organization capable of ensuring minimum requirements are met and supporting sustainable solutions.

PROGRESS MADE

- · Work was initiated and supply chain targets and requirements will be further matured in 2022.
- · A supply chain management unit was established in 2021.



CASE STUDY

Project in South Korea

Aker Offshore Wind has chosen an active approach to engaging with local communities, sharing knowledge, and building competence by including local partners in countries where we operate.

One example is how the company has worked with local supply chain development. In 2021, the project development team in South Korea has, through the consortium KF Wind, worked extensively with stakeholder engagement activities and cooperation with local communities and businesses.

In December 2021, five floating offshore wind developers, including KF Wind and UCCI, organized the Ulsan Floating Marine Wind Power Committee and signed a MoU to seek various ways to develop and cooperate with Ulsan's vocational training and floating offshore wind supply chain. In June 2021, KF Wind, together with other deepwater wind developers, also signed an MoU with the suppliers in Ulsan with a commitment towards mutual cooperation in building the local supply chain and contributing to the growth of the industry.

Transparent, Value-Driven Company Culture

For Aker Offshore Wind, developing a transparent and open organization has been a motivating force since the company was founded in 2020. With an unwavering commitment to the core value of openness, the company will be transparent in all its activities. Aker Offshore Wind aims to be at the forefront of the deep-water wind industry through challenging established truths and making bold innovative decisions. This value is also reflected in the company's approach to external collaboration, through teamwork, strong partnerships and stakeholder engagement.

A Proactive Approach to Prevent 'Greenwashing'

To stay true to the value of openness, Aker Offshore Wind commits to full transparency around the company's sustainability results and how progress is measured. External communication will be guided by the company's commitment to the Guide Against Greenwashing and its ten principles for responsible communication. Aker Offshore Wind will be honest and accountable in its communication, sharing both positive impacts as well as potential negative impacts, and how the company works to resolve them.



CASE STUDY

First Movers Coalition

During COP26 in Glasgow, Aker ASA, together with some of the world's biggest companies, joined the First Movers Coalition as a founding member. The First Movers Coalition was announced by President Joe Biden of the USA and and is an initiative by the World Economic Forum to drive demand for decarbonizing solutions across a range of sectors. Amongst them is steel, which is a major inputfactor to floating offshore wind development. Aker Offshore Wind is dedicated to contribute to the acceleration of the demand for sustainable and low-carbon materials and products through responsible supply chain management and, through that, contribute to the Aker group's commitments under the coalition.

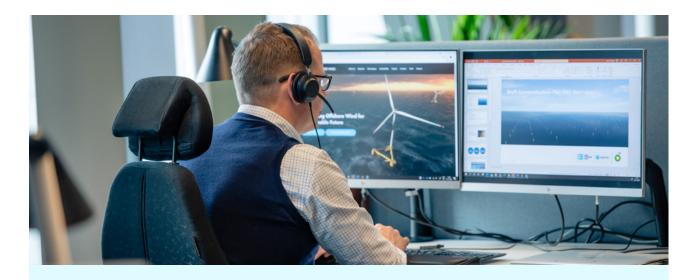
Learn more about the First Mover's Coalition here: https://www.weforum.org/first-movers-coalition

Working with Employees to Build a Strong and **Inclusive Culture**

As a newly formed company, Aker Offshore Wind has seen an opportunity to build a strong and inclusive company culture from the start. Including employees in culture-building has been prioritized in 2021. Employees were part of defining the company's values, vision and mission through workshops and townhalls.

Aker Offshore Wind's values of enthusiasm, collaboration and openness (ECO), are operationalized through a common set of behaviors that define the culture the company wishes to adhere to in both internal and external interactions. New employees across all locations are included in global onboarding sessions where common culture and values are amongst the topics covered.

The results of the culture development work conducted in 2021 have been implemented via several activities throughout the year. This included "ECO-moments" in global townhalls, through internal communication on the company's intranet, in the employee handbook that was developed in 2021, through implementation in annual performance reviews and with lunch and learn sessions.



Culture Survey for 2021

In the fourth quarter of 2021, Aker Offshore Wind initiated a culture survey which resulted in a mapping of areas of focus to operationalize and internalize the culture and strategy. The mapping resulted in a set of actions to be taken forward in 2022:

- Develop cultural awareness through training and development. Aker Offshore Wind will initiate unconscious bias training for all employees to raise awareness and take steps to increase diversity in the workforce.
- Define leadership expectations and initiate leadership development. Leadership expectations were defined and implemented in January 2022. The focus is to make sure all managers in Aker Offshore Wind understand what is expected of them and how to develop, manage and reward employees throughout the annual HR wheel and corresponding HR processes of performance management, succession planning and salary review.
- Include Aker Offshore Wind's values and ensure alignment in relevant processes, such as onboarding and recruitment. In recruitment, candidates are evaluated based on objective criteria, of which alignment with Aker Offshore Wind's values is a core element. Policies and questionnaires have been updated to reflect that and will be further developed in 2022.

Collaborate to Drive Positive Change

Stakeholder outreach and engagement is material to Aker Offshore Wind's development to understand and integrate external concerns as well as positive expectations across the business. The company maintains a regular dialogue with employees, unions, owners and shareholders, financial institutions and project financiers, project partners and suppliers, governments and national authorities, non-governmental organizations and local communities.

Collaboration is central to reaching Aker Offshore Wind's sustainability commitments and the company actively engages with industry peers and several industry associations to promote topics regarding energy transition and climate solutions. Recognizing that membership in associations provides important arenas to influence policy developments, Aker Offshore Wind transparently engages and aims to use these memberships to promote a common understanding of the energy industry's specific challenges and responsibilities to develop sustainably.

In 2021, Aker Offshore Wind engaged with stakeholders in a number of ways:

- Through collaboration with the Norwegian Oil and Gas Association (NOROG), Aker Offshore Wind contributed to HSE-guidelines for offshore wind in Norway.
- Together with NOROG and industry partners, Aker Offshore Wind arranged a seminar in November 2021 on environmental impacts from offshore wind and how these can be mitigated.
- Through meetings with environmental organizations

- and unions, Aker Offshore Wind has mapped concerns connected with offshore wind development and used these to inform the development of its sustainability policy.
- Aker Offshore Wind has maintained regular contact with fisheries organizations to understand project specific concerns as well as develop an understanding of opportunities for coexistence and collaboration. Aker Offshore Wind is a member of the Norwegian government's advisory board for coexistence and has participated in its meetings in 2021.
- Aker Offshore Wind publicly promotes its sustainability commitments and industry ambitions and expectation to governments. In 2021, the company has shared its positions in many seminars and events across Norway, South Korea, the UK and the USA.
- Aker Offshore Wind participates in public hearings to develop the offshore wind industry. In 2021, public hearings for offshore wind guidelines were held in Norway. Aker Offshore Wind's hearing response is publicly available.
- In 2021, Aker Offshore Wind became a member of various energy and wind industry associations, including WindEurope, the Norwegian Wind Energy Association, the Swedish Wind Energy Association, Scottish Renewables and Renewable UK.

GOVERNANCE: Targets and Initiatives

- Develop a strategy stress-tested against climate risk scenarios and integrate sustainability targets in the enterprise strategy.
- Integrate sustainability risk screening across Business Development and M&A-processes.
- Develop joint sustainability ambitions and policies with JV partners in all projects.
- The company's reporting on EU taxonomyaligned activities will be further developed to include steps taken to address "Do no significant harm criteria" and assess how the framework can support Aker Offshore Wind's financial and strategic planning.
- Launch new web-based integrity channel.
- Prepare reporting under the Norwegian Transparency Act by mapping risk in the supply chain.
- Develop a supplier code of conduct, a supplier declaration and a broader supplier qualification process for screening and auditing suppliers against a predefined list of criteria including sustainability, human rights, labor rights and HSSE.

About the Report

This is Aker Offshore Wind's second sustainability report since its founding in July 2020. The report covers material environmental, social and governance impacts and the company's management of these impacts for the annual period of January 1 through December 31, 2021. The report has been prepared in accordance with the GRI Standards. For questions about the report and the reported information, please contact <u>SustainabilityAow@akeroffshorewind.com</u>.

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Income Statement

Consolidated statement for the year ended 31 December

			8 Jul - 31 Dec
Amounts in NOK thousand	Note	2021	2020
Revenues	3,4	14,304	1,704
Materials, goods and services		(2,705)	_
Salary and other personnel costs	12	(90,465)	(17,480)
Other operating expenses	5	(193,035)	(42,497)
Operating profit (loss) before depreciation, amortization and impairment		(271,901)	(58,273)
Depreciation and amortization	11	(4,306)	(1,601)
Operating profit (loss)		(276,207)	(59,874)
Financial income		1,429	882
Financial expenses		(615)	(339)
Foreign exchange gain (loss)		(2,060)	(4,345)
Net financial items		(1,245)	(3,803)
Share of profit (loss) equity-accounted investees	8	(66,553)	(5,903)
Profit (loss) before tax		(344,005)	(69,580)
Income tax benefit (expense)	6	(141)	(4)
Profit (loss) for the period		(344,146)	(69,584)
Earnings (loss) per share in NOK (basic and diluted)	7	(0.51)	(0.13)

Other Comprehensive Income (OCI) Consolidated statement for the year ended 31 December

Amounts in NOK thousand	2021	8 Jul - 31 Dec 2020
Profit (loss) for the period	(344,146)	(69,584)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Translation differences - foreign operations	35,499	(17,677)
Other comprehensive income (loss)	35,499	(17,677)
Total comprehensive income (loss)	(308,646)	(87,261)

Balance Sheet

Consolidated statement for the year ended 31 December

Amounts in NOK thousand	Note	2021	2020
Assets			
Non-current assets			
Property, plant and equipment		550	_
Intangible assets		1,825	_
Right-of-use assets	11	7,096	11,228
Equity-accounted investees	8	306,645	364,281
Total non-current assets		316,116	375,509
Current assets			
Interest bearing receivables	9	_	24,867
Trade and other receivables	10	27,340	10,385
Cash and cash equivalents		178,546	474,499
Assets held for sale	8	86,101	_
Total current assets		291,988	509,751
Total assets		608,103	885,260

Amounts in NOK thousand	Note	2021	2020
Equity and liabilities			
Equity			
Share capital		678,745	678,745
Other equity and reserves		(158,719)	151,821
Total equity	13	520,026	830,567
Non-current liabilities			
Pension liabilities	12	3,415	2,581
Non-current lease liabilities	11	3,406	8,475
Total non-current liabilities		6,822	11,056
Current liabilities			
Current lease liabilities	11	5,716	3,746
Trade and other payables	10	75,539	39,891
Total current liabilities	<u> </u>	81,255	43,637
Total equity and liabilities		608,103	885,260

Fornebu, 16 March 2022

Board of Directors and Chief Executive Officer 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

EN PHILIPPE KAVAFYAN nember Chief Executive Officer

Statement of Changes in Equity
Consolidated statement for the year ended 31 December

Amounts in NOK thousand	Note	Share capital	Other paid-in capital	Treasury share reserve	Other equity	Retained earnings	Currency translation reserve	Total equity
Profit (loss) for the period		_				(69,584)	_	(69,584)
Other comprehensive income		_					(17,677)	(17,677)
Total other comprehensive income		_				(69,584)	(17,677)	(87,261)
Equity at incorporation 8 July 2020		30	_		_	_	_	30
Reduction of shares		(30)	_		_	_	_	(30)
Contribution-in-kind		271,943	169,292		_	_	_	441,235
Share issues		406,803	393,197		_	_	_	800,000
Transaction costs, share issues		_	(18,715)		_	_	_	(18,715)
Continuity difference	3	_			(304,692)	_	_	(304,692)
Equity as of 31 December 2020	13	678,745	543,775	_	(304,692)	(69,584)	(17,677)	830,567
Profit (loss) for the period		_	_		_	(344,146)	_	(344,146)
Other comprehensive income		_	_		_	_	35,499	35,499
Total other comprehensive income		_	_	_	_	(344,146)	35,499	(308,646)
Treasury shares				(1,754)		_		(1,754)
Transaction costs, share issues		_	(140)		_	_	_	(140)
Equity as of 31 December 2021	13	678,745	543,635	(1,754)	(304,692)	(69,584)	17,822	520,026

Cash Flow Statement

Consolidated statement for the year ended 31 December

			8 Jul - 31 Dec
Amounts in NOK thousand	Note	2021	2020
Profit (loss) before tax		(344,005)	(69,580)
Adjustment for:			
Depreciation		4,306	1,601
Share of profit (loss) in equity-accounted investees	8	66,553	5,903
Accrued interest and foreign exchange		1,357	(534)
Changes in current operating assets and liabilities		10,947	39,807
Paid tax		(141)	(4)
Cash flow from operating activities		(260,983)	(22,808)
Acquisition of property, plant and equipment		(550)	_
Payments for capitalized development		(1,825)	_
Payments for interest-bearing receivables		(19,979)	(17,542)
Repayment of interest-bearing receivables		43,188	_
Payments for investment in equity accounted investees		(50,271)	(265,564)
Cash flow from investing activities		(29,438)	(283,106)
Payment of lease liability	11	(3,785)	(872)
Proceeds from share issues	11	(3,765)	800,000
Transaction costs related to share issues		(140)	(18,715)
Purchase of treasury shares		(5,664)	(10,713)
Sale of treasury shares		3,910	_
Cash flow from financing activities		(5,679)	780,413
Net cash flow in the period		(296,099)	474,499
rec cash flow in the period		(230,033)	414,433
Effect of movements in exchange rates on cash held		146	_
Cash and cash equivalent at the beginning of the period		474,499	
Cash and cash equivalent at the end of the period ¹		178,546	474,499

¹⁾ NOK 3.7 million is restricted cash related to employee tax.

Notes to the Financial Statements

1 Company Information

Aker Offshore Wind AS is a limited liability company incorporated and domiciled in Norway and whose shares are traded on Euronext Growth (Oslo). The registered office is located at Oksenøyveien 8, Lysaker, Norway. The company is a subsidiary of Aker Horizons Group and the largest shareholder is Aker Renewable Power AS (a 100 percent owned subsidiary of Aker Horizons Holding AS). The ultimate parent company is The Resource Group TRG AS.

The consolidated financial statements of Aker Offshore Wind AS and its subsidiaries (collectively referred as Aker Offshore Wind or the group, and separately as group companies) for the year ended 31 December 2021 were approved by the Board of Directors and Chief Executive Officer on 16 March 2022. The consolidated financial statements will be authorized by the Annual General Meeting on 19 April 2022.

Aker Offshore Wind is a Norwegian offshore wind developer with a pipeline of projects and prospects in Norway and internationally. The business of the group is to source, develop and operate offshore wind projects, primarily focused on wind farms in deep waters. The main office is at Fornebu, Norway. Aker Offshore Wind AS was established on 8 July 2020 as a fully owned subsidiary of Aker Solutions ASA. On 26 August 2020 the company was listed on Merkur Market, now Euronext Growth (Oslo), under the ticker AOW-ME.

Information on the group's structure is provided in Note 17 Group Companies. Information on other related party relationships of the group is provided in Note 18 Related Parties.

2 Basis of Preparation

Statement of Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS), their interpretations adopted by the International Accounting Standards Board (IASB) and the additional requirements of the Norwegian Accounting Act as of 31 December 2021.

Going Concern Basis of Accounting

The company's free liquidity reserve as of 31 December 2021 amounts to Norwegian Krone ("NOK") 175 million, and, as such, the company needs to secure additional funding to be able to support planned activities going forward.

Having considered various funding options, and as communicated on 20 January 2022, Aker Offshore Wind has elected to obtain the support of Aker Horizons in the short-term rather than raise additional capital in the equity markets. Aker Horizons Holding AS has issued a financial support letter to Aker Offshore Wind AS for the purpose of enabling the company to maintain sufficient equity and liquidity in relation to the companies' operations. The support will be limited to a period of twelve months from approval of the 2021 annual report and amount is limited to the 2022 budget, with an additional buffer. The support will be provided on arm's lengths principles. Notwithstanding this, Aker Offshore Wind shall actively develop a longer term capital structure which, it is intended, will be communicated later in 2022.

Based on this, management has a reasonable expectation that the group has, and will have, adequate resources to continue in as a going concern.

Functional and Presentation Currency

The consolidated financial statements are presented in NOK, which is Aker Offshore Wind AS's functional currency. All financial information presented in NOK has been rounded to the nearest thousand (NOK thousand), except where 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.

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 and other short-term liquid investments.

Standards Issued But Not Yet Effective

A number of new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the group has not adopted the new or amended standards early in preparing these consolidated financial statements and they are not expected to have a significant impact on the group's consolidated financial statements.

Judgments and Estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions each reporting period that affect the income statement and balance sheet. The accounting estimates will by definition seldom precisely match actual results. The main areas where judgements and estimates have been made are described in each of the following notes:

Note 6 Tax Note 8 Investments in Associates and Joint Ventures Note 11 Leases

3 Operating Segments

The Aker Offshore Wind group is engaged in the development of offshore wind projects, primarily in deep waters utilizing floating foundations but also deep-water bottom-fixed technologies.

Operating Segments

Operating segments are components of the group regularly reviewed by the chief operating decision maker to assess performance and be able to allocate resources. The group's Chief Executive Officer is the chief decision maker in Aker Offshore Wind, and the business is defined as one operating and reportable segment. Internal reporting principles are in line with the group's accounting principles.

Geographical Information

External revenue is presented on the basis of geographical location of the selling company. Non-current segment assets are based on the geographical location of the company owning the assets.

Revenues

Amounts in NOK thousand	2021	2020
Norway	7,076	1,704
South Korea	1,301	_
USA	5,927	_
Total	14,304	1,704

Non-Current Assets Excluding Deferred Tax Assets and Financial Instruments

2021	2020
305,263	375,509
10,852	_
316,116	375,509
	305,263 10,852

4 Revenue

The revenue generated by Aker Offshore Wind is derived from the delivery of services related to development projects within the offshore wind industry, primarily in deep waters utilizing floating foundations as well as deep-water bottom-fixed technologies. Services are mainly delivered to associate companies and joint ventures (see more information in note 18 Related Parties), but may also be delivered to third parties. This revenue is recognized over time using a cost progress method or according to delivered time and materials, as the customer receives and consumes the benefits of the group's performance.

In the longer-term perspective, it is expected that the main revenue generation will relate to sale of power from offshore wind production developed by the group, to the extent these are owned by the group or in controlled subsidiaries or in jointly controlled operations.

Early parts of the development process include performance of concept studies, environmental studies, wind studies and grid studies. Subject to the positive outcome of such studies and business case assessments, Aker Offshore Wind advances to discussions and formal processes concerning licensing and lease agreements with appropriate authorities, often in the form of local, regional or national government bodies. Final investment decision ("FID") will eventually be undertaken when Aker Offshore Wind, together with its partners, deems the project in question attractive for development. Following FID and financial close, the project will move into the execution and construction phase.

Nature of Performance Obligations, Including Significant Payment Terms

Service revenue is generated from rendering of services to customers. The invoicing is usually based on the service provided on a regular basis. Under some service contracts, the invoices are based on hours or days performed at agreed rates. The group has assessed that these performance obligations are satisfied over time. Payment terms are normally 30 days, or as time and materials have been delivered.

Accounting Principles

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

Revenue by type

Amounts in NOK thousand	2021	2020
Service revenue	14,304	1,704
Total	14,304	1,704

Expenses by Nature

Other operating expenses in 2021 mainly relate to development expenditures not qualifying for capitalization and general sales and administration costs.

Other operating expenses in 2020 mainly relate to the establishment of certain corporate functions for the group in connection with the admittance to trading on Euronext Growth (Oslo), planned M&A expansion and increased operations.

		8 Jul - 31 Dec	
Amounts in NOK thousand	2021	2020	
IT and digitalization	16,182	2,736	
Office costs	2,529	23	
External services and hired-ins inclusive audit fees ¹	182,510	37,098	
Customer funding	(18,764)	(761)	
Other operating expenses	10,578	3,401	
Total operating expenses	193,035	42,497	

¹⁾ See note 18 for information about hired-ins from related parties.

Fees to KPMG

Amounts in NOK thousand	Aker Offshore Wind AS	Other group companies	Total
2021			
Audit	124	204	328
Other assurance services	522	14	536
Other non-audit services	_	324	324
Total	646	542	1,188
2020			
Audit	161	209	370
Other assurance services ¹	258	68	326
Total	419	277	696

¹⁾ Other assurance services in Aker Offshore Wind AS include NOK 205 thousand related to listing process on Euronext Growth (Oslo) and is reported directly to equity.

6 Tax

Accounting Principles

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

Current Tax

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

Deferred Tax

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

Judgements and Estimates

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

Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Neither the company nor any taxable subsidiaries existed before 8 July 2020 when the company was incorporated. No net taxable income has been reported for the years presented and no deferred tax assets have been recognized as uncertainty for future taxable income exists.

Amounts in NOK thousand	2021		8 Jul - 31 Dec 2020	
Profit before tax	(344,005)		(69,580)	
Expected tax expense	75,681	22.0%	15,308	22.0%
Tax effects of:				
Share of profit (loss) from equity accounted investees	(14,642)	(4.3)%	(1,252)	_
Permanent differences	(1,542)	(0.4)%	3,128	4.6%
Difference due to continuity method ¹	2,056	0.6%	921	1.3%
Tax effect loss on sale of treasury shares ²	368	0.1%	_	_
No recognition of deferred tax assets	(61,566)	(17.9)%	(18,074)	(26.0)%
Effect of tax rate different than 22%	(356)	(0.1)%	(30)	_
Withholding tax	(141)	_	(4)	_
Total income tax benefit (expense)	(141)	_	(4)	_

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

Amounts in NOK thousand	2021	2020
Property, plant and equipment	(97)	_
Intangible assets	(3,462)	(5,270)
Pension liabilities	3,319	2,581
Tax loss carry forwards	335,551	84,982
Total deferred tax positions	335,311	82,293
Not recognized in the balance sheet	(335,311)	(82,293)
Deferred tax asset (liability)	_	_

As at 31 December 2021, the subsidiary Aker Offshore Wind Operating Company AS had an additional NOK 29 million (2020: NOK 36 million) in tax reducing temporary differences not reflected in the table above, representing the difference between the book values and tax values on assets acquired from Aker Solutions in July 2020.

NOK 370 million of tax loss carry forwards is related to Norwegian entities, and there is no expiry date on these losses.

²⁾ Loss on sale of treasury shares reported in equity

Aker Offshore Wind AS holds 17,212 treasury shares as of 31 December 2021.

Accounting principles

The calculation of basic earnings per share ("EPS") has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

		8 Jul - 31 Dec
Amounts in NOK thousand	2021	2020
Profit (loss) for the period	(344,146)	(69,584)
Basic/ diluted earnings per share (NOK)		
Issues ordinary shares at 1 January	678,745,473	_
Issued ordinary shares at incorporation	_	30
Effect of shares issued in July 2020	_	21,631,784
Effect of shares issued in August 2020	_	354,727,490
Effect of shares issued in November 2020	_	142,690,810
Effect of treasury shares held from August 2021	(6,743)	_
Weighted average number of issued ordinary shares for the year	678,738,730	519,050,114
Earnings (loss) per share in NOK (basic and diluted)	(0.51)	(0.13)

8 Investments in Associates and Joint Ventures

Accounting Principles

The group's interests in equity-accounted investees comprise interests in associates and joint ventures.

An associate is an entity in which the group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the group holds between 20 and 50 percent of the voting power of another entity, but this is assessed on a case-by-case basis. A joint venture is an arrangement in which the group has joint control, whereby the group has rights to the net assets of the arrangement, rather to its assets and obligations for its liabilities. Joint control is established by contractual agreement requiring unanimous consent of the ventures for strategic, financial and operating decisions.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognized at cost. Subsequently, the share of the profit and loss and other comprehensive income of the equity-accounted investees is recognized. The group's investment includes fair value adjustments for assets identified on acquisition, net of depreciation, amortization and 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. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the group's interest in the investee.

See note 18 Related Parties for more information about transactions and balances between Aker Offshore Wind and equity-accounted investees.

Amounts in NOK thousand	Principal place of business	Ownership interest ²	2021	2020
Principle Power Inc. ³	California, US	47.1%	280,665	364,281
	Ulsan,			
Korea Floating Wind Power Co., Ltd. ¹	South Korea	33.3%	15,127	_
Redwood Coast Offshore Wind LLC	California, US	50.0%	10,852	_
	Stockholm,			
Freja Offshore AB	Sweden	50.0%	_	_
Total			306,644	364,281

- 1) Shareholding increased from 30.6% in 2020
- 2) Voting rights correspond to ownership interest
- 3) Book value does not include shares held for sale in Principle Power Inc., see below.

Associates Accounted for Using Equity-Method Principle Power Inc

Principle Power Inc. ("PPI") is an innovative technology and services provider for the offshore deep-water wind energy market. PPI's proven technology, the WindFloat® – a floating wind turbine foundation – enables a change in paradigm for the industry in terms of reduced costs and risks for the installation and operation of offshore wind turbines. PPI is not publicly listed. Aker Offshore Wind increased its ownership in PPI from 18 percent to 47.1 percent in December 2020.

Shares Held for Sale

Following declaration of an option by fellow shareholder EDP Renováveis, Aker Offshore Wind will sell a shareholding in PPI of 10.9 percent and the book value of these shares, NOK 86 million, is presented as assets held for sale in the balance sheet as at 31 December 2021. Recognition of share of profit (loss) of this shareholding ceased when the option was declared.

Korea Floating Wind Power Co., Ltd.

Korea Floating Wind Power Co., Ltd. ("KF Wind") is one of eight consortia with an memorandum of understanding ("MoU") in place with Ulsan City for the development of offshore wind in the region. Aker Offshore Wind owns 33.3 percent (increased from 30.6 percent during 2021) of KF Wind and the remaining shareholding is held by Ocean Winds.

Aker Offshore Wind increased funding to KF Wind during 2021, from NOK 25 million to NOK 28 million. Later, the outstanding receivables were settled and replaced by equity funding of NOK 34 million.

Joint Ventures Accounted for Using Equity-Method

Redwood Coast Offshore Wind LLC

The Redwood project was established in 2018 as a consortium with Ocean Winds, and the consortium was selected in a competitive process to enter into a public-private partnership to pursue the development of an offshore wind energy project off the Northern California coast. In December 2020, the consortium was established as a separate legal entity and Aker Offshore Wind owns 50 percent of Redwood Coast Offshore Wind LLC ("Redwood").

During 2021, Aker Offshore Wind has made equity contributions of NOK 13 million to Redwood. Aker Offshore Wind's share of net profit (loss) and total comprehensive income in 2021 amounts to negative NOK 5 million.

Freja Offshore AB

in 2021, Aker Offshore Wind established Freja Offshore AB ("Freja") with Hexicon AB to mature early phase projects in Sweden. As of 31 December 2021, the company had not yet been funded, and Aker Offshore Wind's share of net profit (loss) and total comprehensive income was negative NOK 6 million in 2021 which is included in other current liabilities; see note 10.

Summary of Financial Information for Principal Equity-Accounted Investees

	Principle Pow	er Inc.	Korea Floating Wind P	ower Co., Ltd.
Amounts in NOK thousand	2021	2020	2021	2020
Revenue	97,053	83,783	_	3
Depreciations and amortizations	(7,920)	(7,823)	(13,148)	(4,634)
Interest income	288	910	4	2
Interest expense	(8,285)	(6,874)	(2,806)	(1,211)
Income tax expense	(44)	(4)	_	_
Net profit (loss) (100%)	(80,975)	(58,335)	(40,493)	(37,327)
Total comprehensive income (100%)	(80,975)	(58,335)	(40,493)	(37,327)
Group's share of total comprehensive income ^{1,2}	(32,609)	(3,806)	(22,901)	(13,996)
Current assets	154,931	213,036	16,268	31,455
Cash and cash equivalents	122,700	170,861	14,867	25,146
Non-current assets	172,912	162,776	26,227	25,412
Current liabilities	(37,180)	(25,928)	(14,764)	(98,869)
Current financial liabilities (excluding trade and other payables and provisions)	(1,850)	(1,813)	(10,419)	(90,825)
Non-current liabilities	(53,696)	(47,396)	(3,219)	(2,821)
Non-current financial liabilities (excluding trade and other payables and provisions)	(40,382)	(37,642)	(2,671)	(2,821)
Net assets (100%)	236,967	302,488	24,512	(44,823)
AOW's share of net assets, net of NCI	85,711	142,199	7,834	(13,011)
Goodwill	194,954	222,082	7,293	2,451
Share of loss not recognized ¹	_	_		10,560
AOW's carrying amount of the investment	280,665	364,281	15,127	_

¹⁾ Group's share of total comprehensive income for KF Wind in 2021 includes NOK 10,560 thousand of unrecognized share of loss from 2020

²⁾ Due to changes in the group's ownership interest in its equity-accounted investees during the year as well as reclassification to assets held for sale, the company's share of profit or loss and total comprehensive income may not equate to the group's ownership interest multiplied by the equity-accounted investee's profit or loss and total comprehensive income.

The interest-bearing receivable related to KF Wind was repaid in 2021 and replaced by equity funding.

Accounting Principles

Interest-bearing receivables are generally classified as financial assets measured at amortized cost. Such financial assets are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any impairment losses.

Amounts in NOK thousand	Note	2021	2020
Receivable on equity-accounted investees	18		24,867
Total		_	24,867

10 Current Operating Assets and Liabilities

Accounting Principles

Current Operating Assets

Trade and other receivables are recognized at the original invoiced amount, less any 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 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.

Trade and Other Receivables

Amounts in NOK thousand	2021	2020
Trade receivables	3,265	2,652
Accrued revenues	18,163	_
Public duty and tax refund	_	1,331
Other receivables	4,972	6,316
Prepaid expenses	940	87
Trade and other receivables	27,340	10,385

Trade and Other Payables

Amounts in NOK thousand	Note	2021	2020
Trade payables		16,857	8,236
Public duty and tax refund		9,349	_
Accrued expenses		12,971	18,410
Liability related equity-accounted investees	8	5,929	_
Other current liabilities		30,433	13,245
Trade and other payables		75,539	39,891

11 Leases

In 2020, the group entered into a property lease contract for its offices at Fornebu, Norway, see note 19 Related Parties for more information about the lease contract. During 2021, the company had entered into short-term lease contracts on certain locations outside Norway. The group applies the short-term lease recognition exemptions for leases of property or machinery with lease terms of 12 months or fewer. Leases of IT equipment and office equipment are considered as leases of low-value assets. The right-of-use assets and lease liabilities are not recognized for short-term leases or leases of low-value assets.

Accounting Principles

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

Judgments and Estimates

The property lease contract, in which the group is a lessee, is with a related party and is for two years with a one-year extension option exercisable before the end of the non-cancelable period. The option for one additional year has been included in the lease term, as management has determined that the company is reasonably certain to exercise the option.

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

The movement in the right-of-use assets and lease liabilities is summarized on the right.

Right-of-Use Assets

Amounts in NOK thousand	2021	2020
Historical cost		
Balance 1 January	12,829	_
Additions and remeasurement	127	12,829
Total	12,956	12,829
Accumulated depreciation		
Balance 1 January	(1,601)	_
Depreciation	(4,259)	(1,601)
Total	(5,860)	(1,601)
Book value 31 December	7,096	11,228

Lease liability

Amounts in NOK thousand	2021	2020
Balance 1 January	12,220	0
Additions and remeasurement	127	12,829
Lease payments	(3,785)	(872)
Accrued interest	560	263
Total	9,122	12,220
Current lease liability	5,716	3,746
Non-current lease liability	3,406	8,474

Maturity of lease liabilities

Amounts in NOK thousand	2021	2020
Maturity within 1 year	5,716	3,746
Maturity 1-5 years	8,467	9,429
Maturity later than 5 years	_	_
Total undiscounted lease liabilities	14,184	13,175

Lease payments recognized in the income statement

Amounts in NOK million	2021	2020
Expenses related to short term leases and low value assets	1,059	0

12 Employee Benefits

		8 Jul- 31 Dec	
Amounts in NOK thousand	2021	2020	
Salaries and wages	73,219	14,719	
Social security costs	10,166	1,933	
Pension costs	4,119	661	
Other employee benefits	2,960	167	
Salary and other personnel costs	90,464	17,480	

The company had an average of 49 full-time employees in 2021 (2020: 17 employees).

Share Purchase Program for Employees

Aker Offshore Wind's share purchase program was established in 2021 and provides employees the opportunity to invest in shares capped at 25% of their respective annual salary. The participants were offered a price reduction of 30% due to a lockup period of three years and, furthermore, a discount of 20% on the purchase value up to maximum NOK 7,500. The shares purchased by each employee were paid in cash. In total 50 employees participated in the share purchase program. The company expensed NOK 347 thousand in salary and other expenses and NOK 1,671 thousand directly in equity related the share purchase program.

Pension Plans

Accounting Principles

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

The Group's Pension Plans

Total Pension Liability

Compensation plan Total	3,415 3.415	2,581 2,581
Communication also	2.415	0.50
Amounts in NOK thousand	2021	2020

The company does not have any defined benefit plans.

Defined Contribution Plan

All employees are offered participation in a defined contribution plan. The annual contributions expensed for the Norwegian plans in 2021 were NOK 2.9 million (2020: 418 thousand). The estimated contribution expected to be paid in 2022 is NOK 4.1 million.

Compensation Plan

Employees in Aker Offshore Wind that were employed by Aker Solutions in 2008 when the company changed to defined contribution plan are part of a compensation plan. The compensation amount is adjusted annually in accordance with the adjustment of the employees' pensionable income, and accrued interest according to market interest. The compensation plan is an unfunded plan and is calculated using a earned balance method.

Tariff Based Pension Agreement (AFP)

Employees in Norway have a tariff based lifelong retirement arrangement ("AFP") organized by the main labor unions and the Norwegian state. The pension can be withdrawn from the age of 62. The information required to estimate the pension obligation from this defined benefit plan is not available from the plan administrator. Aker Offshore Wind 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.

13 Capital and Reserves

Share Capital

The total number of outstanding shares is 678,745,473 at par value NOK 1.00 per share. All issued shares are fully paid. Aker Offshore Wind AS has one class of share, 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.

Treasury Share Reserve

The number of own shares (treasury shares) was 17,121 per 31 December 2021 (none in 2020). Each share has a nominal value of NOK 1. The total consideration for the shares was NOK 82 thousand. The shares were acquired in order to meet obligations under previous years' employee share programs.

Other Equity

Other paid-in capital include negative NOK 304,692,000 in continuity difference from the common control transaction (see note 16 Acquisition of business).

Currency Translation Reserve

The currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations. Upon the disposal of investments in foreign operations or liquidation of such entities, the accumulated currency translation differences related to these entities are reclassified from the currency translation reserve to the income statement.

14 Capital Management

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

Investment Policy

Aker Offshore Wind'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 Offshore Wind has a strong focus on its liquidity situation in order to meet its short-term working capital needs. Aker Offshore Wind had a liquidity reserve at 31 December 2021 of NOK 179 million being cash and cash equivalents (2020: NOK 474 million). No restriction related to cash and cash equivalents existed as of 31 December 2021, save for NOK 4 million in withholding tax.

Having considered various funding options, and as communicated on 20 January 2022, Aker Offshore Wind has elected to obtain the support of Aker Horizons in the short-term rather than raise additional capital in the equity markets. Notwithstanding this, Aker Offshore shall actively develop a longer term capital structure which, it is intended, will be communicated later in 2022. See note 2 for more information.

15 Financial Risk Management and Exposure

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

Risk Management

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

Currency Risk

The group operates internationally and 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 company.

Currency exposures from investments in foreign currencies are only hedged when specifically instructed by management. As of 31 December 2021, the group had no net investment hedges.

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.

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).

The group transacts with a variety of highly credit rated financial institutions for the purpose of placing deposits. The group's objective is to only trade with counterparties that have an investment grade rating. Transactions involving derivative financial instruments are with counterparties with sound credit ratings and with whom the group has signed a netting agreement.

Liquidity Risk

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

Price Risk

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

Climate-Related Risk

Aker Offshore Wind is exposed to climate-related risks mainly due to its sites, logistics and supply chain. The climate-related financial risks for Aker Offshore Wind range from both physical acute and chronic ones, to regulatory, and technological. Even though the overall climate-related risk for Aker Offshore Wind is low, effective assessment and analysis of climate-related risks and opportunities are critical to understanding their potential impacts on asset valuations, revenue, investment needs, and hence financial resilience of the company. To successfully identify and manage climate-related risks and opportunities, Aker Offshore Wind used the Taskforce on Climate-related Financial Disclosures ("TCFD") framework. The results of this assessment inform Aker Offshore Wind's strategy, investments, financial planning, valuations and allow stakeholders to comprehend Aker Offshore Wind's financial ramifications of climate-related exposure. Aker Offshore Wind's TCFD report can be found in the appendix of the report.

Guarantees

Aker Offshore Wind AS has not provided any parent company guarantees on behalf of its subsidiaries or related parties.

Acquisition of Aker Offshore Wind Business from Aker Solutions

On 17 July 2020, an Asset Purchase Agreement with Aker Solutions was entered into for the acquisition of Aker Solutions' ownership in PPI, a global service and technology provider to the offshore wind industry, and development projects and prospects in, amongst others, South Korea (Ulsan) and the US (California), as well as approximately 12 employees. Purchase price was NOK 441 million.

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

			Fair value	
Amounts in NOK thousand	Note	Book value	adjustment ¹	Fair value
Equity-accounted investees	8	122,928	254,558	377,486
Shares in subsidiaries 2		135	(45)	90
Other investments		6,866	_	6,866
Interest-bearing receivables, current		6,514	_	6,514
Goodwill		_	50,179	50,179
Net assets acquired at book value		136,443	304,692	441,135

¹⁾ Booked towards equity as continuity difference in a common control transaction

17 Group Companies

Accounting Principles

The consolidated statements include all entities controlled by Aker Offshore Wind AS. 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.

Intra-group balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment

Group Companies

See below the list of group entities of Aker Offshore Wind. If not stated otherwise, ownership equals the percentage of voting shares.

			2021	2020
Company	Location	Country	Owner	ship
Aker Offshore Wind Operating Company AS	Oslo	Norway	100%	100%
Aker Offshore Wind USA AS	Oslo	Norway	100%	100%
Sønnavindar Offshore Wind AS	Oslo	Norway	100%	100%
Nordavindar Offshore Wind AS	Oslo	Norway	100%	100%
Vestavindar Offshore Wind AS	Oslo	Norway	100%	100%
Aker Offshore Wind Scotwind AS ¹	Oslo	US	100%	_
Aker Offshore Wind Limited ¹	Aberdeen	UK	100%	_
Aker Offshore Wind Europe GmBH ¹	Hamburg	Germany	100%	_
Aker Offshore Wind Korea Co. Ltd.¹	Ulsan	South Korea	100%	_
Aker Offshore Wind USA LLC	Houston	US	100%	100%

¹⁾ The company was incorporated in 2021

²⁾ Nordavindar Offshore Wind AS, Vestavindar Offshore AS and Sønnavindar Offshore Wind AS

18 Related Parties

Accounting Principles

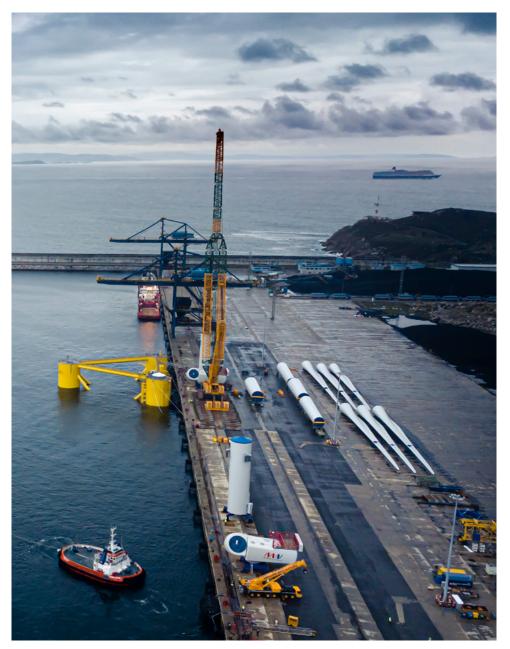
Related party relationships are those involving control (either direct or indirect), joint control or significant influence. Related parties are in a position to enter into transactions with the company that would not be undertaken between unrelated parties. All transactions with related parties to Aker Offshore Wind have been based on arm's length terms.

Aker Offshore Wind AS is a parent company with control of the subsidiaries as listed in note 17 Group Companies. Any transactions between the parent company and the subsidiary are shown in the separate financial statements of the parent company, and are eliminated in the consolidated financial statements.

Remuneration of and transactions with directors and executive officers are summarized in note 19 Management Remuneration.

The largest shareholder of Aker Offshore Wind is Aker Renewable Power AS (a 100% owned subsidiary of Aker Horizons Holding AS) which, in turn, is controlled by Kjell Inge Røkke through TRG Holding AS and The Resource Group TRG AS. The Resource Group TRG AS is the ultimate parent company of Aker Offshore Wind AS. In this respect, all entities controlled by Aker ASA, and entities which Kjell Inge Røkke and his close family control through The Resource Group TRG AS, are considered related parties to Aker Offshore Wind AS and referred to as "Aker entities" in the table below.

Aker Solutions ASA was the sole shareholder from incorporation until listing of the company on Merkur Market (now Euronext Growth (Oslo)) on 26 August 2020 and transactions with Aker Solutions Group until listing are reported as internal.



Artist: DOCK90

Summary of Transactions and Balances with Significant Related Parties

Amounts in NOK thousand	Aker entities	Related parties to Aker	Associates	Joint Ventures	Total
2021					
Income statement					
Revenues	312	_	5,236	8,756	14,304
Operating expenses	(58,293)	(66,937)	0	(1,119)	(126,349)
Interest income	0	0	496	0	496
Interest expense lease liability	-560	_	0	0	(560)
Balance sheet					
Trade and other receivables	190	_	3,426	10,751	14,368
Trade and other payables	(14,774)	(1,434)	_	_	(16,208)
Lease liabilities	(9,123)	_	_	_	(9,123)
2020					
Income statement					
Revenues	_	165	1,539	_	1,704
Operating expenses	(6,023)	(22,410)	_	_	(28,433)
Interest income	_	_	486	_	486
Interest expense lease liability	(263)	_	_	_	(263)
Balance sheet					
Interest-bearing receivables			24,867		24,867
Trade and other receivables	_	907	1,539	6,316	8,762
Trade and other payables	(3,029)	(21,909)	_	_	(24,938)
Lease liabilities	(12,220)	_	_	_	(12,220)

Significant Related Parties Transactions

Acquisition of Business from Aker Solutions

On 17 July 2020, the Asset Purchase Agreement with Aker Solutions was entered into for the purchase of assets, rights and liabilities that were part of Aker Solutions' wind development business. The agreement included the purchase of shares in PPI and KF Wind. As part of the Asset Purchase Agreement, several contracts related to the offshore wind business were assigned from Aker Solutions to the Aker Offshore Wind, such as agreements related to projects, portfolios, biddings and memoranda of understandings.

The purchase price was NOK 441 million. The acquisition was considered a common control transactions and differences between fair values and book values were reflected as continuity difference in equity. See note 16 Acquisition of Business for more information about the transaction.

Agreements with Related Parties to Aker

Aker Solutions

On 17 July 2020, the Transitional Services Agreement was entered into with Aker Solutions for services to be rendered to the group. Such services included, inter alia, access to employees who possess information necessary for the business and operations, assistance with financials, tax, legal, IT and human resources, and other similar services that would ensure a smooth transition. The agreement, which expired in April 2021, was entered into on market terms.

In addition, the group has entered into ancillary agreements with Aker Solutions consisting of a personnel hire agreement, license agreement, technical services agreement, fabrication services agreement, agreement for sale of goods, EPCI agreement and an alliance agreement. The agreements provide the group with, amongst other things, unique access to Aker Solutions' deep-water capabilities. The ancillary agreements are entered into on terms and conditions considered in line with prevailing practice for similar agreements.

The group entered into a Technology Transfer Agreement with Aker Solutions in 2021 for the transfer of the 'Q Float' design and related intellectual property rights. As consideration, Aker Solutions shall be compensated through award of future EPC/EP/EPma contracts, awarded directly or indirectly by Aker Offshore Wind projects in the period until 2035. Fair value of remaining cash consideration to be paid in 2035 is estimated to be nil and represents a contingent liability which is not recognized in the financial statements.

Aker BP ASA

The group has entered into a cooperation frame agreement with Aker BP ASA in relation to the decarbonization of oil and gas production assets with renewable power from offshore wind. The two companies collaborate on concepts for efficient development of large offshore wind parks to enable effective offtake to oil and gas producing assets on the Norwegian Continental Shelf. Aker Offshore Wind will take a role in the development and operation of the wind parks. Aker BP will contribute with industry and technology competence and be a potential customer of electricity from offshore wind along with other operators.

Agreements with Aker entities

Aker Horizons Holding AS

Aker Offshore Wind has entered into a cooperation and shared service agreement with Aker Horizons Holding AS. The agreement covers provision of financing and accounting services, business development and M&A support and other support functions. Legal resources are also seconded from Aker Horizons to Aker Offshore Wind.

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

Aker ASA

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

Cognite AS and Aize AS

The Group has entered into a multi-year cooperation with Cognite AS and Aize AS as part of the agenda to use data and software to drive competitive advantage in the companies. The agreements cover financial and human capital investments into products, services and R&D with the intent of developing software and associated processes to enable radical new ways of working along the entire green value chain.

Agreements with Associated Companies

KF Wind

The group provided shareholder loans to the associated company KF Wind. The receivables are interest-bearing (interest rate 3.5% per annum). All receivables were settled as of 31 December 2021. Further, the companies have entered into a Shareholder Services Agreement whereby Aker Offshore Wind will provide services to the associate on demand. See more information about the equity-accounted investee in note 8 Investments in Associates and Joint Ventures.

Agreements with Joint Ventures

Freja Offshore

Aker Offshore Wind has entered into a services agreement whereby Aker Offshore Wind will provide services to the associate on demand.

Redwood Offshore Wind

Aker Offshore Wind has entered into a services agreement whereby Aker Offshore Wind will provide services to the associate on demand.

19 Management Remuneration

Remuneration to the Board of Directors

The Board of Directors did not receive any other fees than those listed in the table. The members of the Board of Directors have no agreements that entitle them to any extraordinary remuneration. The fees in the table below represent expenses recognized in the income statement based on assumptions about fees to be approved at the general assembly rather than actual payments made in the year. The board held 10 meetings in 2021. In addition, certain matters were processed by way of circulation of documents.

Amounts in NOK thousand		Period	2021	Period	2020
Henrik Overgaard Madsen	Chairman until 20 April 2021	Jan-Apr	_	Aug-Dec	167
Kristian Røkke¹	Chairman from 20 April 2021	Jan-Dec	367	Aug-Dec	125
Kjell Inge Røkke¹	Board member	Jan-Dec	300	Oct-Dec	75
Andrew Douglas Garrad	Board member	Jan-Dec	300	Oct-Dec	75
Nina Jensen²	Board member	Jan-Dec	300	Oct-Dec	75

¹⁾ According to policy in Aker, fees to directors employed in Aker companies are paid to the Aker companies, not to the directors in person. Accordingly, the fees allocated to Kjell Inge Røkke and Kristian Røkke will as per Aker policy be paid to their respective employer companies

Audit Committee

Aker Offshore Wind has an Audit Committee comprising one director, which held 6 meetings in 2021. As of 31 December 2021, the audit committee comprises Kristian Røkke. No fees have been paid related to the Audit Committee.

Remuneration to the Executive Management Team

The total remuneration to the executive management team consists of a fixed base salary, employee benefits and variable pay programs. The executive management team participates in the standard pension and insurance schemes applicable to all employees. Pension for the executives may also include other elements as outlined in footnotes of the table below.

^{2) 50} percent of the fee is paid to employer company REV Ocean AS

The variable pay program for the Chief Executive Officer and other members of the management team is based on the achievement of company specific objects, as well as individual performance objectives. The variable payment is earned over a period of one year and the maximum achievable payment is 100 percent of annual base salary for the Chief Executive Officer and between 50 percent and 70 percent for the other members of the executive management team.

Further, the executive management team was invited to participate in the group's share purchase program in 2021, see note 12 Employee Benefits for further description.

Amounts in NOK thousand		Job title	Base salary	Variable pay	Other benefits	Total taxable remuneration	Pension benefit earned
2021							
Philippe Matthieu Kegam Kavafyan¹	CEO		888	538	106	1,532	238
Astrid Skarheim Onsum²	CEO		1,632	_	14	1,646	63
Tom Roland Selwood ³	CFO		867	363	3	1,232	78
Tove Røskaft⁴	COO		1,400	1,008	7	2,415	127
Total			4,787	1,908	129	6,825	505
2020							
Astrid Skarheim Onsum	CEO		1,143	896	11	2,050	62

¹⁾ Employed from 1 November 2021. Pension benefits include an additional pension contribution to a French pension scheme. Other benefits includes relocation costs such as housing and car allowance.

Directors' and Executive Management Shareholding

Shares in Aker Offshore Wind owned by directors and members of the executive management group and their related parties as of 31 December:

	Job title	2021	2020
Henrik Overgaard Madsen	Chairman until 20 April 2021		30,000
Tove Røskaft	COO	49,151	_

20 Subsequent Events

In March, Aker Offshore Wind and Mainstream Renewable Power closed the transaction to acquire an initial 50 percent stake in Progression Energy's 800 MW floating offshore wind power project in Japan.

²⁾ Employment ended 31 July 2021

³⁾ Employed from 1 August 2021

⁴⁾ Employed from 1 March 2021. Pension benefits also include a pension compensation scheme (for transfer from benefit to contribution scheme)

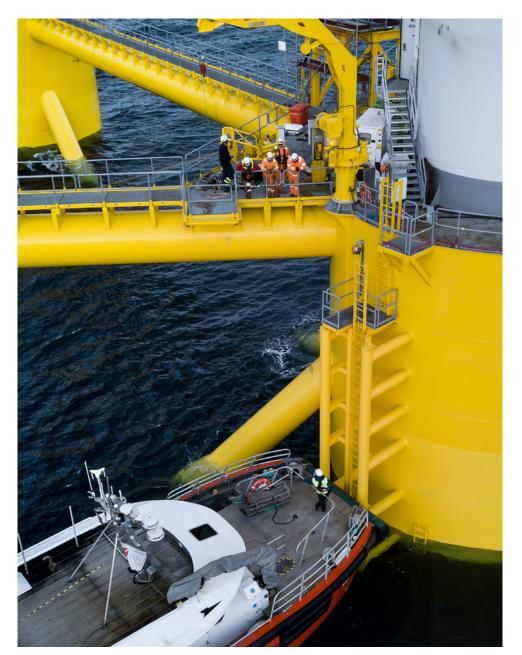
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Income Statement

Statement for the year ended 31 December

Amounts in NOK thousand	Note	2021	8 Jul - 31 Dec 2020
Operating expenses	4	(9,201)	(2,022)
Operating profit (loss)		(9,201)	(2,022)
Net financial items		16	(135)
Profit (loss) before tax		(9,185)	(2,158)
Income tax benefit (expense)	7	_	_
Profit (loss) for the period		(9,185)	(2,158)



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Balance Sheet

Statement for the year ended 31 December

Amounts in NOK thousand	Note	2021	2020
Assets			
Non-current assets			
Investment in group companies	5	1,166,325	1,196,325
Total non-current assets		1,166,325	1,196,325
Current assets			
Receivable on group companies	6	34,000	_
Current operating assets		181	584
Cash and cash equivalents		11,298	28,036
Total current assets		45,478	28,620
Total assets		1,211,803	1,224,945

Amounts in NOK thousand	Note	2021	2020
Equity and liabilities			
Equity			
Share capital		678,745	678,745
Other paid-in capital		543,634	543,775
Reserves		(83)	_
Retained earnings		(11,343)	(2,158)
Total equity	3	1,210,954	1,220,362
Current liabilities			
Current operating liabilities		849	4,583
Total current liabilities		849	4,583
Total equity and liabilities		1,211,803	1,224,945

Fornebu, 16 March 2022

Board of Directors and Chief Executive Officer 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 PHILIPPE KAVAFYAN **Chief Executive Officer**

Cash Flow Statement

Statement for the year ended 31 December

			8 Jul - 31 Dec
Amounts in NOK thousand	Note	2021	2020
Profit (loss) before tax		(9,185)	(2,158)
Adjustments for:			
Dividends	5	30,000	_
Changes in operating assets and liabilities		(3,330)	3,999
Cash flow from operating activities		17,485	1,841
Payments for investment in group companies	4	(34,000)	(755,090)
Cash flow from investing activities		(34,000)	(755,090)
Proceeds from share issues		_	800,000
Purchase of treasury shares	3	(5,664)	_
Sale of treasury shares	3	5,581	_
Transaction costs related to share issues		(140)	(18,715)
Cash flow from financing activities		(223)	781,285
Net cash flow in the period		(16,738)	28,036
Cash and cash equivalent at the beginning of the period		28,036	_
Cash and cash equivalent at the end of the period		11,298	28,036

1 Company Information

Aker Offshore Wind AS is the parent company and owner of Aker Offshore Wind Operating Company AS and Aker Offshore Wind USA AS, and is domiciled in Norway. Aker Offshore Wind was listed on Merkur Market (now Euronext Growth (Oslo)) operated by the Oslo Stock Exchange under the ticker "AOW-ME" on 26 August 2020.

2 Basis of Accounting

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

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

Functional Currency and Presentation Currency

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

Foreign Currency

Transactions in foreign currencies are translated at the exchange rate applicable at the date of the transaction. Monetary items in a foreign currency are translated to NOK using the exchange rate applicable on the balance sheet date. Foreign exchange differences arising on translation are recognized in the income statement as they occur.

Classification

Current assets and current liabilities include items due within one year or items that are part of the operating cycle. Other balance sheet items are classified as non-current assets/debts.

Measurement of Borrowings and Receivables

Financial assets and liabilities consist of investments in other companies, trade and other receivables, cash and cash equivalents and trade and other payables.

Trade receivables and other receivables are recognized in the balance sheet at nominal value less provision for expected losses.

Cash Flow Statement

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

Accounting 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	Other paid-in capital	Treasury share reserve	Retained earnings	Total
Equity at incorporation 8 July 2020	30	_			30
Reduction of shares	(30)	_			(30)
Contribution-in-kind	271,943	169,292			441,235
Share issues	406,803	393,197			800,000
Transaction costs, share issues		(18,715)			(18,715)
Profit (loss) for the period	_			(2,158)	(2,158)
Total equity as of 31 December 2020	678,745	543,775		(2,158)	1,220,362
Treasury shares	_		(83)		(83)
Transaction costs, share issues		(140)			(140)
Profit (loss) for the period	_	_		(9,185)	(9,185)
Total equity as of 31 December 2021	678,745	543,634	(83)	(11,343)	1,210,954

The share capital of Aker Offshore Wind AS is divided into 678,745,473 shares with a nominal value of NOK 1. All issued shares are fully paid. The shares can be freely traded.

1,177,000 treasury shares were acquired and 1,159,788 treasury shares were sold during 2021 in relation to an employee share purchase program. The number of treasury shares held at the end of 2021 was 17,212 and these are held for the purpose of being used for future awards under any share purchase program for employees, as settlement in future corporate acquisitions or for other purpose as decided by the Board of Directors.

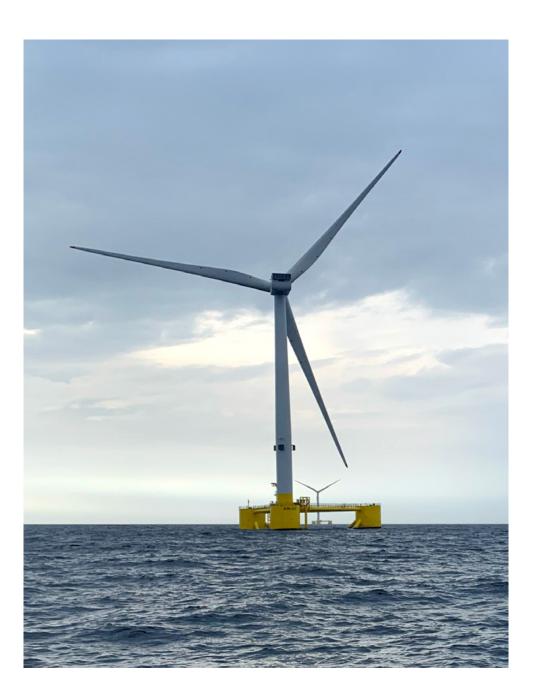
See note 8 Shareholders for an overview of the company's largest shareholders.

Other expenses includes fees to Board of Directors as well as legal fees and listing fees.

Aker Offshore Wind AS has no employees and hence no personnel expenses. The Chief Executive Officer is employed by Aker Offshore Wind Operating Company AS. Remuneration to and shareholdings of the Chief Executive Officer and Board of Directors are described in note 19 Management Remuneration in the consolidated financial statements of Aker Offshore Wind.

Amounts in NOK thousand	2021	Jul 8 - Dec 31 2020		
Audit	124	161		
Other assurance services ¹	522	258		
Total	646	419		

¹⁾ Other assurance services in 2020 include NOK 205 thousand related to listing process on Euronext Growth and is reported directly to equity



5 Investments in Group Companies

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	Registered office	Share capital	Number of shares held	Ownership	Book value
Aker Offshore Wind Operating Company AS	Fornebu, Norway	120,000	60	100%	1,154,425
Aker Offshore Wind USA AS	Fornebu, Norway	3,600	30	100%	11,900
Total					1,166,325

Dividends of NOK 30 million was received from Aker Offshore Wind Operating Company AS in 2021 and were booked as a reduction in the carrying value of the investment.

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 Offshore Wind AS have been based on arm's length terms.

Transactions with Related Parties

Remuneration to Chief Executive Officer and Board of Directors are described in note 19 Management remuneration in the consolidated financial statements of Aker Offshore Wind.

As of 31 December 2021, the company has a receivable from its subsidiary Aker Offshore Wind USA AS of NOK 34 million.

7 Tax

Accounting Principles

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

Amounts in NOK thousand	2021	8 Jul - 31 Dec 2020	
Profit (loss) before tax	(9,185)	(2,158)	
Permanent differences	(140)	(18,466)	
Taxable income (loss)	(9,325)	(20,624)	

8 Shareholders

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

Company	Nominee	Number of shares held	Ownership
2021			
Aker Renewable Power AS ¹		346,262,406	51,0%
State Street Bank and Trust Comp	Nominee	18,631,154	2,7%
The Bank of New York Mellon SA/NV	Nominee	16,851,597	2,5%
Euroclear Bank S.A./N.V.	Nominee	12,008,439	1,8%
Nordnet Livsforsikring AS		10,311,098	1,5%
Nordnet Bank AB	Nominee	9,974,587	1,5%
2020			
Aker Renewable Power AS ¹		346,262,406	51,0%
Nærings og Fiskeridepartmentet		33,100,085	4,9%
Folketrygdfondet		28,511,677	4,2%
Nordnet Livsforsikring AS		11,585,887	1,7%
The Bank of New York Mellon SA/NV	Nominee	8,482,434	1,2%

¹⁾ Shareholding was moved from Aker Horizons Holding AS (former Aker Horizons AS) to 100 percent owned subsidiary Aker Renewable Power AS in 2021

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Independent Auditor's Report

To the General Meeting of Aker Offshore Wind AS

Opinion

We have audited the financial statements of Aker Offshore Wind AS, which comprise:

- The financial statements of the parent company Aker Offshore Wind AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Aker Offshore Wind AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial
 position of the Company as at 31 December 2021, 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 financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

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 laws and regulations 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.

OFFICES IN:

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

tatsautoriserte revisorer - medlemmer av Den norske Revisorforenir

Alta Arendal Bergen Bodø Orammen Elverum Finnsnes Hamar

Knarvik Kristiansa Mo i Rana Molde Sandefjord nd Sandnessjøer Stavanger Stord

Tromsø en Trondhein Tynset Tønsberg

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 accompanying information 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 legal requirements.

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

Responsibilities of Management for the Financial Statements

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

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

KPMG

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 or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information
 of the entities or business activities within the Group to express an opinion on
 the consolidated financial statements. We are responsible for the direction,
 supervision and performance of the group audit. We remain solely responsible
 for our audit opinion.

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

Oslo, 17 March 2022

KPMG AS

Vegard Tangerud

State Authorised Public Accountant



Full ESG Performance Metrics

ENVIRONMENTAL DATA	UNIT	2021	2020
CO ₂ Scope 1	Tons CO ₂	-	
CO ₂ Scope 2	Tons CO ₂	14.7	1.2
CO ₂ Scope 3	$Tons\;CO_{_{2}}$	32.9	2.8
Total emissions	$Tons\;CO_{_{2}}$	47.6	4.0
Total waste	Tons	4.29	1.62
Total non-recycled waste	%	46%	50%
SOCIAL DATA			
Total employment	#	83	18
Full-time employees	#	81	18
Part-time employees female	#	2	0
Part-time employees male	#	0	0
Employee age – under 30	#	8	3
Employee age – 30-50	#	73	13
Employee age – over 50	#	18	2
Male employees	%	75	89
Female employees	%	25	11
Male in management	%	70	66
Female in management	%	30	33
Pay equality woman to men	Ratio	0.9	1,1
Training all	Average hours	29.7	_
Training male	Average hours	16.9	
Training female	Average hours	42.5	
New employees in the reporting period	#	66	18
New hires male	#	46	16
New hires female	#	20	2
New hires – under 30	#	6	3
New hires – 30-50	#	48	13
New hires – over 50	#	12	2

SOCIAL DATA CONT.			
Total rate of employee turnover	Ratio	0.05	0.5
Male employee turnover	Ratio	0.02	0.44
Female employee turnover	Ratio	0.02	0.05
Total rate of employee turnover – under 30	Ratio	0.01	0.08
Total rate of employee turnover – 30-50	Ratio	0	0.36
Total rate of employee turnover – over 50	Ratio	0.04	0.05
GOVERNANCE DATA	UNIT	2021	2020
Total amount of board members	#	4	4
Female board members	%	25	25
Board members with ESG competencies	%	50	50
Board members with executive positions in the company	%	0	0
Independent board members	%	25	25
Average tenure of the board of directors	Years	1	
Under-represented social groups board members	%	0	0
Board stakeholder representation	%	50	50
Board employee representation	%	0	0
Board members age – under 30	%	0	0
Board members age – 30-50	%	50	50
Board members age – over 50	%	50	50
Board meeting attendance	%	75	

GRI Content Index

Statement of use	Aker Offshore Wind has reported in accordance with the GRI Standards for the reporting period 01.01.21 - 31-12-21.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD/	DISCLOSURE	PAGE			OMISSION			
OTHER SOURCE		REFERENCE		REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
General disclosures								
	2-1 Organizational details	p. 3, 10-11, 68						
	2-2 Entities included in the organization's sustainability reporting	p. 81	The list of entities included in the sustainability reporting is the same as for the financial reporting. Information from all entities was collected through a digital platform for sustainability reporting. The same approach was used for all disclosures in the Standard and across material topics. An exeption is the data collected for emissions and waste since 80% of the Aker Offshore Wind's employees were affiliated to the headquarter in Fornebu, Norway. Other offices mainly consist of smaller units with <5 employees and it was therefore decided to include this to the calculation by estimation.					
	2-3 Reporting period, frequency and contact point	p. 61						
	2-4 Restatements of information		There has been no restatement of information from previous reporting period.					
GRI 2: General	2-5 External assurance	p. 96-98						
Disclosures 2021	2-6 Activities, value chain and other business relationships	p. 4-5, 10-11, 56						
	2-7 Employees	p. 43-44, 100						
	2-8 Workers who are not employees	p. 44						
	2-9 Governance structure and composition	p. 12-13, 25-26, 52, 100						
	2-10 Nomination and selection of the highest governance body	p. 54						
	2-11 Chair of the highest governance body	p. 54						
	2-12 Role of the highest governance body in overseeing the management of impacts	p. 25-26, 52-53						

2-13 Delegation of responsibility for managing impacts	p. 25-26, 52-53			
2-14 Role of the highest governance body in sustainability reporting	p. 25-26			
2-15 Conflicts of interest	p. 55			
2-16 Communication of critical concerns	p. 54			
2-17 Collective knowledge of the highest governance body	p. 53			
2-18 Evaluation of the performance of the highest governance body	p. 54-55			
2-19 Remuneration policies	p. 85-86			
2-20 Process to determine remuneration	p. 85-86			
2-21 Annual total compensation ratio		Highest earner (excluding highest paid) / Median was 3.29. The majority of employees were hired during 2021, and therefore there has not been a salary revision outside the individuals hired in 2020 (19 employees).		
2-22 Statement on sustainable development strategy	p. 6			
2-23 Policy commitments	p. 12, 53-54			
2-24 Embedding policy commitments	p. 25-26, 53			
2-25 Processes to remediate negative impacts	p. 54			
2-26 Mechanisms for seeking advice and raising concerns	p. 54			
2-27 Compliance with laws and regulations		There were no instances of non-compliance with laws and regulations in 2021.		
2-28 Membership associations	p. 60			
2-29 Approach to stakeholder engagement	p. 28, 109			
2-30 Collective bargaining agreements		100% of Aker Offshore Wind's employees are covered by collective bargaining agreements		

Material tenies					
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	p. 28, 108			
	3-2 List of material topics	p. 28, 108			
Economic performan	ce				
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 17, 49			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	p. 49, 70-72, 78			
	201-2 Financial implications and other risks and opportunities due to climate change	p. 17-20, 33, 110-115			
	201-3 Defined benefit plan obligations and other retirement plans	p. 78			
	201-4 Financial assistance received from government	p. 63			
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 19, 47, 52-53			
GRI 205: Anti- corruption 2016	205-1 Operations assessed for risks related to corruption	p. 52-53			
	205-2 Communication and training about anti- corruption policies and procedures	p. 52-53			
	205-3 Confirmed incidents of corruption and actions taken		There were no confirmed incidents of corruption in 2021.		
Biodiversity					
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 15, 39-40			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	p. 39-40			
	304-2 Significant impacts of activities, products and services on biodiversity	p. 39-40			

GRI 304: Biodiversity 2016	304-3 Habitats protected or restored				304-3-a-d	Not applicable	AOW do not currently control any habitats for protection or restoration purposes.
GRI 304: Biodiversity 2016	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations				304-4-a	Not applicable	AOW do not currently have any operations in habitats with IUCN Red List species or national conservation list species.
Emissions							
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 12-13, 31-33					
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	p. 31-33					
	305–2 Energy indirect (Scope 2) GHG emissions	p. 31-33					
	305–3 Other indirect (Scope 3) GHG emissions	p. 31-33					
	305-4 GHG emissions intensity				305-4-a-d	Not applicable	N/A as AOW has not entered production phase.
	305–5 Reduction of GHG emissions				305-5-a-e	Information unavailable/ incomplete	The strategy for short-and mid-term emissions reduction not available in the reporting period, but will be developed in 2022 as part of the net-zero roadmap.
	305-6 Emissions of ozone- depleting substances (ODS)				305-6-a-d	Not applicable	AOW did not emit ODS in the reporting period.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions				305-7-a-c	Not applicable	AOW did not emit NOx, SOx or other pollutants in the reporting period.
Waste							
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 15, 35-37					
GRI 306: Waste 2020	306-1 Waste generation and significant waste- related impacts	p. 35-37					
	306-2 Management of significant waste-related impacts	p. 35-37					

GRI 306: Waste	306-3 Waste generated	p. 35-37			
2020	306-4 Waste diverted from disposal	p. 35-37			
	306-5 Waste directed to disposal	p. 35-37			
Supplier environment	al assessment				
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 56			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	p. 56			
	308-2 Negative environmental impacts in the supply chain and actions taken	p. 56			
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 15, 43-44			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	p. 9, 100			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		In 2021, part-time employees had the same benefits as full-time employees with exception of insurance which were restricted to coverage of work injuries for part-time employees. For full-time employees the coverage included leisure accidents.		
	401-3 Parental leave		In 2021 five employees (all male) were entitled to, and took parental leave. Out of these five, four returned to work after parental leave ended in the reporting period.		
Occupational health a	and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 13-14, 46-47			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	p. 13-14, 46-47			
	403-2 Hazard identification, risk assessment, and incident investigation	p. 46			
	403-3 Occupational health services	p. 46-47			

GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	p. 46-47			
	403-5 Worker training on occupational health and safety	p. 46-47			
	403–6 Promotion of worker health	p. 13-14, 46-47			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 47			
	403-8 Workers covered by an occupational health and safety management system	p. 46-47			
	403-9 Work-related injuries	p. 13-14, 46-47			
	403-10 Work-related ill health	p. 13-14, 46-47			
Training and education	n				
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 44-45			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	p. 44-45, 100			
	404-2 Programs for upgrading employee skills and transition assistance programs	p. 44-45			
	404-3 Percentage of employees receiving regular performance and career development reviews		100%		
Diversity and equal o	pportunity				
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 15, 43			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	p. 43, 100			
	405-2 Ratio of basic salary and remuneration of women to men	p. 100			

Materiality Assessment

In 2021, Aker Offshore Wind undertook an independent review of its material sustainability topics for reporting. Surveys and interviews were conducted with employees, board members, industry associations, trade unions and investors. The review process followed the newly updated GRI 3 Materiality Standard to identify and assess the significance of impacts and the interviewees were asked to evaluate the significance of topics.

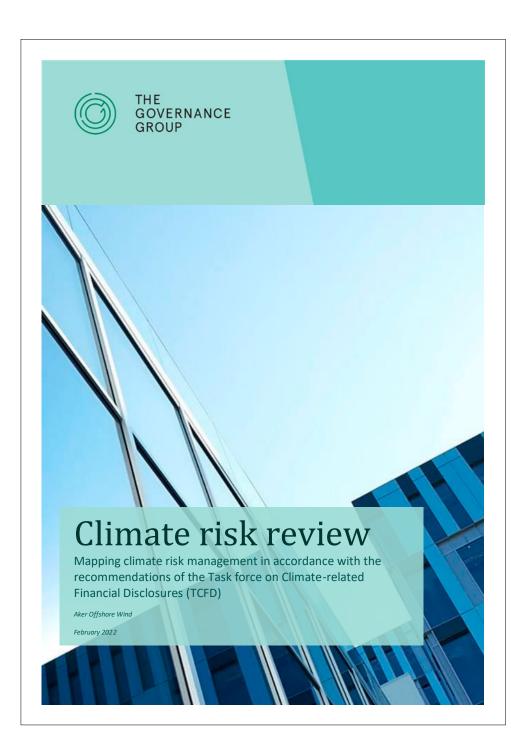
Topics Identified by Stakeholders

The following topics were identified as priority areas under the dimension of environmental, social and governance (ESG) sustainability topics where Aker Offshore Wind has a potential or actual impact.

GHG emissions and other environmental impacts from the production of raw materials and components to the wind farm. i.e. extraction, manufacturing and transport of raw materials and components
Emissions from fossil fuel use for transportation, logistics and machinery. Emissions from fuel consumption from maintenance vessels and logistics. Negative impacts from noise, vibrations, accidental spills, habitat disturbance and electromagnetic fields. Impacts from decommissioning activities & waste generated at the end of life of installations and associated equipment. Positive impacts like such as increased habitat protection for species within the wind farm.
Contribution to cutting emissions and growing low-carbon economy
Fatalities, injuries or work-related ill health among own employees. Fatalities, injuries or work-related ill health among own contractors and suppliers.
Reduction in local community well-being and property values through loss of recreationa areas or reduction in property value due to e.g. noise, traffic and visual disturbance. Constraints on and displacement of tourism, fishery, shipping or other marine activity due to offshore wind parks, e.g. changes in the population of fish, loss of fishing gear, risk of collision with vessels or loss of tourism.
Forced labor, child labor and violation of the freedom of association among own employees, contractors or suppliers.
Contributions to develop local infrastructure, i.e. harbors, electric grid system and roads.
Additional employment opportunities and economic influx to the country, region, or the local communities.
Complicity in poor business practices through JVs and partners.
Tax practices with significant socio-economic impacts in countries of operation. Corruption, bribery and money laundering.
Positive influence on business partners and industry developments through collaboration with industry partners and NGOs.
Identify solutions and projects that meet requirements for sustainability-linked loans or green bonds, ensure access to institutional investor funds with 'green' requirements.

Stakeholder Engagement

STAKEHOLDERS	NATURE OF ENGAGEMENT	STAKEHOLDERS' KEY ESG PRIORITIES	KEY COMPANY ACTIONS TO MEET STAKEHOLDER EXPECTATIONS	ACTIVITIES IN 2021
Employees	Daily	AOW's mission is an important part of the company's employee value proposition (EVP) and will help attract and retain talent.	Building a company culture around the goal of contributing to solving the climate crisis will capitalize on the company's EVP.	Sustainability policy launched. Internal training and engagement on sustainability targets.
Owners / shareholders	Daily	Strong investor interest in renewable energy as a solution to climate change and needed change in the current energy mix. Expectations related to positive impact on climate and the environment. Expectation of appropriate risk management of environmental impact and key governance topics, such as diversity and compliance.	Clear communication of market strategy in light of investor preferences. Disclosures on share of projects that are EU Taxonomy-aligned. Appropriate management systems for risks and impacts.	Sustainability update included in monthly CEO- report to BoD. Sustainability Policy approved by the BoD in October and communicated on the AOW website.
Financial institutions and project financiers	Regular engagement in relation to project development and pipeline	Private equity firms, investment banks and commercial banks seek to invest in renewable energy to meet demand by own investors, gaining taxonomy-aligned revenue and investments and as ESG friendly substitute to commercial bonds	Clear communication of market strategy in light of investor preferences. Disclosures on share of projects that are EU Taxonomy-aligned. Proper stakeholder management to ensure projects are running in line with expected timeline. Appropriate management systems for risks and impacts.	DnB interviewed as part of the Materiality Assessment. EU Taxonomy eligibility reported.
Project partners and suppliers	Regular engagement on a project-by- project basis	HSSE in the value chain is an important part of the safety culture in the industry. Suppliers are concerned with building competency and experience in green growth markets. Importance placed on project management, and on good cooperation with local stakeholders.	Occupational health and safety management system. Supply chain management strategy with focus on local content. Responsible and transparent project management and execution, in close cooperation with local communities.	Joint sustainability workshops with JV-partners. Supplier engagement meetings held.
Government and national authorities	Regular engagement on a project-by- project basis, and continuous monitoring	Governments are concerned with accelerating the energy transition to reduce global emissions and building new value chains for future value creation. Through national climate goals, the energy mix will continuously skew towards renewable sources. Emphasis on reducing potential negative impact on ecosystems, as well as on ensuring coordination and synergies between different offshore industries.	Provide input to Governments and national authorities on how to expedite and manage scaling up of offshore wind in a safe, sustainable, and effective manner. AOW has put special emphasis on minimizing local impact on biodiversity and contributing to value creation, innovation and cooperate actively with other marine industries.	Member of Norwegian Government's advisory board for marine coexistence. Input to Norwegian white paper on energy and consultation response to offshore wind guidelines. UK consultation responses on CfD and Supply Chain Plan. Meetings with Norwegian Ministry of Oil and Energy.
Non- governmental organizations and local communities	Regular engagement on a project-by- project basis, and continuous monitoring	Environmental NGOs and others will pay close attention to the environmental impact on ecosystems and the sector's ability to operate alongside other marine industries. Local communities are concerned with industry actors contributing to local value creation.	Conduct thorough Environmental Impact Assessments as basis for decisions. Appropriate management of impacts will be key to appease stakeholders and reduce opposition to AOW. Supply chain management strategy with focus on local content.	Meetings with Environmental NGOs in Norway and Korea. Meetings with trade union representatives in Norway. MoU for Environmental Impact Assessment signed with fisheries organisation in Korea. Meetings and project participation with research communities.
Industry groups	Regular engagement and continuous monitoring	Incentivizing and accelerating the energy transition to provide clean energy that reduces global emissions and enables energy users to reduce the emissions from their operations and value chain. Interest in building a greater sustainable marine industrial system, ensuring local job creation and value generation.	Demonstrate that AOW can provide clean, green and reliable energy, while minimizing the local impact on biodiversity. Demonstrate contribution to value creation, including job creation.	Part of various industry and cluster forums on offshore wind; SR, RUK, Norog, NOWC, Norwea, etc. AOW chair working committee on offshore renewable energy in Norwegian Industry Association (Norsk Industri.) AOW co-arranged several seminars on offshore wind development and environmental impacts of offshore wind arranged with Norwegian Industry Association for Oil and Gas (NOROG). Joint meetings with Norwegian Ministry of Oil and Energy.



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The Governance Group

The Governance Group AS (TGG) is an advisory firm specializing in risk analysis and sustainability strategies. TGG has a core team in Oslo and a network of affiliated experts in Africa, the Americas, Asia and Europe. Clients include large corporations in the energy, shipping, telecom, real estate and finance sectors, as well as government agencies in several countries.

TCFD MAPPING

BACKGROUND

The Financial Stability Board established the Task Force on Climate-Related Financial Disclosures (TCFD) to develop recommendations for effective climate-related disclosures that could promote more informed investment, credit, and insurance underwriting decisions. The disclosures enable stakeholders to understand better the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risks.

The TCFD recommends companies report on 11 disclosure items related to governance, strategy, risk management and metrics to inform the market of its exposure and approach to climate-related risks and opportunities. TCFD is now considered best practice for reporting on climate risk and is integrated into several jurisdictional reporting requirements globally.

This report summarizes key findings, gaps and recommendations on climate related risks and opportunities for Aker Offshore Wind based on the 11 recommended disclosure items.

The report is structured according to the TCFD recommendations and provides suggestions for improvements in line with these recommendations.

METHOD

The analysis is based on 90-minute workshops with key personnel from Aker Offshore Wind, conducted in December 2021. This included key people from finance, strategy, compliance, business development, legal, risk and HSE.

The summary was shared with each company for corrections and quality assurance. Findings, gaps and recommendations were then compiled into this report.

HOW TO READ THIS REPORT

Key findings, gaps and recommendations for Aker Offshore Wind are summarized in chapter 2 and 3. They include an assessment of Aker Offshore Wind's climate-related risk exposure and management, as well as overarching observations.

The complete list of identified risks and opportunities by Aker Offshore Wind are referenced in Table 1. The full review of Aker Offshore Wind against the 11 disclosure items recommended by the TCFD is referenced in Table 2.

2 Key risks and opportunities

Aker Offshore Wind invests exclusively in solutions and technologies that are in high demand in the transition to a low-emission society, and there is a growing market demand for renewable in all climate-related policy scenarios. While Aker Offshore Wind is exposed to several types of physical climate risks, the climate-related opportunities are substantial, and the overall climate-related financial risk for Aker Offshore Wind is assessed as low.

The list below provides a summary of identified risks and opportunities for Aker Offshore Wind. Financial impacts of the risks identified have not been specifically calculated.

PHYSICAL CLIMATE RISK IDENTIFIED, AS WELL AS OPPORTUNITIES

Aker Offshore Wind has identified acute risks as relevant, such as extreme weather with more wind and tougher waves which may cause the need to change design solutions of the assets, disruption in ability to perform maintenance and delays in schedules for offshore operations. Yards, harbours and offake landfall may also be affected. Chronic risks related to wind pattern changes may create a need to review business development plans related to site location. Aker Offshore Wind has also identified opportunities through floating assets being better suited to manage extreme weather and sea level change when compared to bottom fixed assets, as well as being easier to relocate due to unforeseen weather patterns.

REGULATORY OPPORTUNITIES ARE SUBSTANTIAL, BUT UNPREDICTABLE

Policy support for increased pricing or restrictions of GHG emissions is growing in several markets and will make renewable sources of energy more competitive. However, increased GHG taxation and other climate-related regulation may lead to increased costs within the supply chain.

MARKET RISK AND GREEN FINANCE IS FAVORABLE, BUT NOT A GIVEN

The market and demand for renewable energy is growing substantially due to climate change. However, although green finance can offer better terms for renewable projects, there is an increasing hesitancy to enter into projects too early, risking access to capital. In addition, direct electrification of offshore oil platforms will conflict with the EU Taxonomy criteria and may limit green financing of the projects. Another risk is that climate solutions are increasingly being challenged on their own climate impact.

TECHNOLOGY RISK IS LOW

Technology will increase speed and development of climate data collection tools that can optimize siting of windfarms and mitigate the risks of reduced production or increased weather strain due to physical climate change.

REPUTATIONAL RISK IS CONSIDERED LOW FROM A CLIMATE PERSPECTIVE

Aker Offshore Wind considers there to be an overall positive reputation of renewable power companies, particularly for companies with a strong commitment to sustainability and net zero value chain. Some risks remain, such as a reputational risk of being associated with the Aker system's involvement with oil and gas, the perceived link between renewable energy and higher electricity prices and excepted standards not being met in the supply chain. However, these risks are considered to be low.

Table 1 below references the risks and opportunities identified by Aker Offshore Wind in the workshop.

TCFD MAPPING

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TCFD MAPPING

TABLE 1: RISKS AND OPPORTUNITIES IDENTIFIED IN WORKSHOP WITH AKER OFFSHORE WIND

PHYSICAL Acute risks related to extreme weather events and chronic risks like rising sea level and ecosystem	Coastal impact from extreme weather and sea level change at yards, harbours and offtake landfall. Schedule for offshore operations affected by harsh weather. Extreme weather with more wind and tougher waves can cause the need to change design solutions of the assets and disruption in ability to perform maintenance. Change in wind patterns may create the need to review business development plans regarding locations and sites for the assets.
changes	Ploating assets likely to be better suited to manage extreme weather and sea level change when compared to bottom fixed assets. Relocation potential for floating assets is a mitigation opportunity against unforeseen changes in wind patterns.
REGULATORY Stricter regulations such as CO2 taxes	Risks: Increased costs within the supply chain due to greenhouse gas taxation and other climate-related regulation.
cap-and-trade schemes, energy efficiency requirements and reporting requirements	Opportunities: Increased greenhouse gas taxation of fossil-derived energy will make renewable sources more competitive.
MARKET Changes in market demand, customer requirements and investor behavior	Risks: Direct electrification of offshore oil platforms, especially in UK and Norway, could support a higher levelised cost of electricity, but will conflict with EU Taxonomy criteria and may limit green financing of the projects. Climate solutions, including renewable power, are increasingly being challenged on their own climate impact. While green finance can offer better terms for renewable projects, investors are increasingly hesitant to enter into projects too early, which creates a risk of access to capital for projects that need funding now. Competitiveness against other renewable/low carbon techniques which could serve the market.
	Opportunities:
TECHNOLOGY Step-wise or radical technology shifts	Risks: With rapid renewable development, competition for rare earth and other scarce or highly competed for materials will increase.
leading to increased need for investments or risk of stranded assets	Opportunities: Fast development and deployment of climate data collection tools can optimize siting of windfarms and mitigate the risks of reduced production or increased weather strain due to physical climate change.
REPUTATION Risk of stigmatization leading to loss of goodwill, brand value	Suppliers and sub-suppliers not able to meet expected standards. Renewable power has been negatively linked to a narrative regarding higher electricity prices in certain locations. Being identified with or not distinguished from the (non-green) operations of the wider Aker Group.

5

and employee attraction

Opportunities

 Overall positive reputation of renewable power companies, particularly for companies with a strong commitment to sustainability and net zero value chain.

TCFD MAPPING

While the overall risk level is considered low, a more systematic approach to climate risk management is recommended to prepare for stricter regulations and to align with best practice requirements. This includes tracking risk exposure and estimating impacts on costs, revenue, investment needs and asset value.

The information below outlines the key findings reported to Aker Offshore Wind. It is important to note that the company has not yet fully entered the operational phase and hence the assessment of gaps and recommendations is based on the company's development plans.

1. Governance

KEY FINDINGS: Formal risk reporting of climate risks to the board is established and the management process related to risk assessment and strategy development is in place. However, it is unclear how robust and solid the climate-related assessments in the bottom-up process are. In the development of Aker Offshore Wind's strategy, stress testing and scenario analysis relating to climate risk and opportunities seems immature and unsystematic.

RECOMMENDATIONS: Ensure that climate-related risks and opportunities assessments are well developed in the corporate risk process. For the next strategy update in June 2022, the board should ensure that a stress test is carried out on the resilience of the strategy against different climate-related scenarios using data from sources such as IEA, DNV or Bloomberg.

2. Strategy

KEY FINDINGS: The company has not yet any assets in operation but has identified some climate related issues that needs to be further analysed as planned projects mature. However, risk related to CO2 prices does not seem to have been identified as a relevant regulatory risk for market demand, and further it is unclear how the scenario analysis has been performed and which data was used. There is not a robust strategy for managing climate-related risks and it is unclear how the identified risks will be included in strategy development and financial planning.

RECOMMENDATIONS: For the next strategy update in June 2022, a stress test should be carried out on the resilience of the strategy against different climate-related scenarios using scenario data from sources such as IEA, DNV or Bloomberg, with the impact of non-Taxonomy aligned activities being considered on cost/availability of capital. In addition, Aker Offshore Wind should consider assessing CO2 prices as a financial risk related to market demand.

3. Risk management

KEY FINDINGS: There is a process for identifying and assessing risk in place, but the quality and maturity of data and analysis is unclear as Aker Offshore Wind is newly established and without operations. However, there are currently few initiatives to manage climate-related risks and only sporadic examples of climate-related criteria being considered

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as part of due diligence processes for market and project screening. In addition, it is unclear whether Aker Offshore Wind uses the group risk management template for its own purposes or only for internal group reporting.

RECOMMENDATIONS: Establish a systematic method for identifying, assessing and managing climate-related risks as an integrated part of the existing ERM process. Ensure that the information is documented in a way that complies with the EU Taxonomy criteria.

4. Metrics and targets

KEY FINDINGS: Aker Offshore Wind use scope 1,2 and 3 on GHG emissions and a full dataset on GRI as metrics, and further plan to follow EU taxonomy KPIs. CO2 pricing is planned to be reviewed for supply chain impacts. Aker Offshore Wind has also set zero waste and net zero emissions for own operations and supply chain as the 2030 target.

RECOMMENDATIONS: Consider including a broader set of metrics to monitor climate-related risks and opportunities, especially CO2 pricing and its impact on market demand, which may be financially material. Ensure a robust system for measuring Scope 1, 2 and 3 emissions and avoided emissions, according to the GHG Protocol, and set meaningful targets validated by the SBTi as the company matures.

TCFD MAPPING

TCFD MATRIX: DETAILED FINDINGS

The Governance Group has summarised the key findings based on the information given in the workshop.

TABLE 2: SUMMARY OF INFORMATION PROVIDED IN THE WORKSHOP

	GOVERNANCE		
#	Disclosure	Summary of findings	
1	Describe the board's oversight of climate- related risks and opportunities.	Climate risk is included in Aker Offshore Wind's corporate risk process and strategy process, which are regularly presented to the board in accordance with the board's annual schedule. Climate Risk is a standard part of the reporting agenda to the audit committee ervery quarter. The audit committee reports are then presented to the Board of Directors (BoD) in the following BoD meeting. A full risk presentation incl. climate risk is on the BoD agenda once a year. However in addition to the reports from the audit committee, the BoD get an updated risk overview as a part of every CEO report. The CEO report is a standard agenda point in every BoD meeting.	
2	Describe management's role in assessing and managing climate- related risks and opportunities.	Climate risk part of Aker Offshore Wind's corporate risk process which is regularly reviewed and updated by the management team and by Aker Horizons. The management team will review status and progress on climate-related opportunities and risks every quarter. The COO is responsible for managing and facilitating the risk process. Identifying and responding to climate-related opportunities and risks are areas that fall within this responsibility. The respective leaders in the management team are responsible for identifying and reporting on climate-related risks within their areas. Depending on the total risk picture provided by the organisation, climate related risks and opportunities may or may not be part of the most material risks being reported and assessed by the management team. In agreement with the audit committee and the BoD, the risk seen as most material to the company's strategy or financial situation is reported to the board.	

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쫎	STRATEGY		
#	Disclosure	Summary of findings	
3	Describe the climate- related risks and opportunities the organization has identified over the short, medium, and long term.	See overview in table 1.	
4	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	The company's strategy centres on providing renewable energy, and is hence directly related to climate-related opportunities in the transition to a low-carbon economy. The company has not yet any assets in operation, but has identified climate-related issues that need to be further analysed as planned projects mature, such as the effect of more extreme weather on individual projects and changes in supply chain costs.	
5	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	The strategy was tested for resilience in different climate- scenarios 1-2 years ago.	

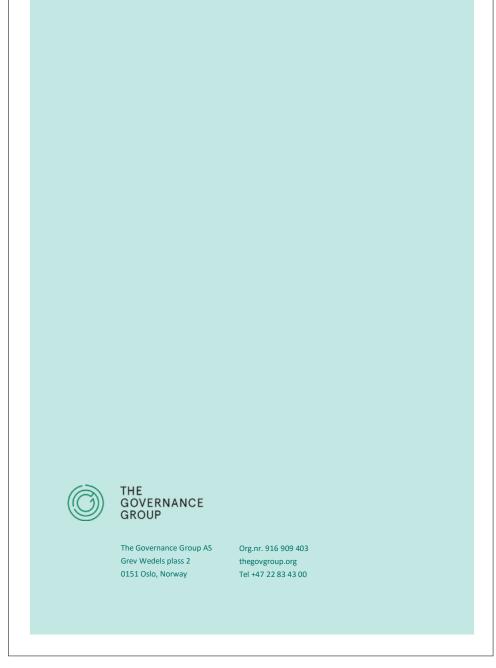
	RISK MANAGEMENT		
#	Disclosure	Summary of findings	
6	Describe the organization's processes for identifying and assessing climate-related risks.	The process of identifying and assessing climate-related risks and opportunity is part of the regular enterprise risk process and conducted through a bottom-up process within each function. The most material risks and opportunities are reported to and discussed in the management team before a consolidated overview of the most material risks is reported to the board. Depending on the total risk picture, climate-related risks and opportunities may or may not be part of the most material risks being reported to the management team and the board.	
7	Describe the organization's processes for managing climate-related risks.	The processes for managing climate-related risks are part of the annual strategy process and the annual enterprise risk review.	

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The processes for identifying, assessing, and managing climaterelated risks are part of the enterprise risk management system and reported periodically to the board and to Aker Horizons.

	METRICS & TARGETS		
#	Disclosure	Summary of findings	
9	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Scope 1, 2 and 3 on GHG emissions and a full dataset on GRI. Plan to follow EU Taxonomy KPIs.	
10	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Reported Scope 1, 2 and 3 emissions.	
11	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Targets are zero waste, net zero emissions for own operations and supply chain by 2030.	

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External Initiatives/Guidelines

While preparing the report, we adopted the recommendation of the Task force on Climate-related Financial Disclosure (TCFD) and the Euronext guidance on ESG reporting of January 2020. With the establishment of Aker Offshore Wind's UK entity the company now also complies with the UK Modern Slavery Act.

Aker Offshore Wind followes the legal requirements for company reporting on corporate social responsibility as specified in the Norwegian Accounting Act ("regnskapsloven") and the Norwegian law on Equality of opportunity and treatment ("Likestillings- og diskrimineringsloven). The company is preparing for reporting in accordance with the legal requirements set out in the Norwegian Transparency Act ("apenhetsloven") which will take effect from July 2022.

Aker Offshore Wind is a signatory member of the UN Global Compact and its principles in the areas of human rights, labor, the environment, and anticorruption. The company has in 2021 also become a signatory of the Guide Against Greenwashing and has committed to its ten principles of sustainable business practises.

The sustainability areas covered in this report represent those where Aker Offshore Wind has the most significant impacts on employees, business partners, suppliers, investors and local communities. .

Aker Offshore Wind abides by the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labor Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights, to secure minimum social safeguards. Further, the company recognizes the UN

Convention on the Rights of the Child and the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and its responsibilities under these. The company's commitment to human and labor rights is covered by the Global Framework Agreement between Aker ASA and the Norwegian and international trade unions Fellesforbundet, IndustriALL Global Union, NITO and Tekna.

NCGB

Aker Offshore Wind is guided by the Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Policy Board (NCGB). The objective of the Code of Practice is that companies listed on regulated markets in Norway will practice corporate governance that provides division of roles between shareholders, the Board of Directors and executive management more comprehensively than is required by legislation. Although not listed on the

main index of the Oslo Stock Exchange, Aker Offshore Wind strives to uphold the standards set.

Guidelines for Equality, Diversity and Inclusion

Through Aker Offshore Wind's Sustainability Policy, the board has established the following principles:

- AOW will build a forceful and capable company culture that thrives on diversity and shall ensure equality, diversity, and inclusion throughout our business.
- AOW has zero tolerance for discrimination and shall provide equal leadership opportunities at all decision-making levels.

Ambitions for Equality, Diversity and Inclusion

Aker Offshore Wind aims to have diversity in gender at all levels and bodies in the organization with a target of minimum 40% representation by 2030. The company shall actively recruit for diversity and has an ambition to, at all levels and bodies in the organization, to focus on diversity in both gender, ethnicity, age, education, skills, and backgrounds. Aker Offshore Wind will explicit work to include people with disabilities in its organization and will work systematically to recruit such individuals in all its locations.

Guidelines for Equality, Diversity, and Inclusion

In the following, Aker Offshore Wind will elaborate on the subsequent guidelines for equality, inclusion, and diversity for the composition of the board, executive- and control bodies and any committees. Aker Offshore Wind's governing body's include board of directors, audit committee and executive management. The goal of these guidelines is to ensure a strong corporate culture driven by diversity in thinking and actions that leads to better decisions and create long-term value for Aker Offshore Wind, its stakeholders, society and our planet.

Board of Directors

Effective boards include diversity of thinking, which can be generated by, amongst others, diversity in gender, background, education, experience and expertise, and the inclusion of independent directors. Aker Offshore Wind's board of directors is elected by a majority vote at the general meeting, in accordance with the Norwegian private limited liability companies act (No. aksjeloven). The audit committee is appointed by the board of directors, in accordance with the mandate for the audit committee (as approved by the board of directors). The board does not have any other committees.

The composition of the board aims to ensure that the interests of all shareholders are attended to, and that the company has the competence, resources, and diversity it needs at its disposal. A quarter of the board is considered to be independent of executive management, important business associates and Aker ASA, the company's largest indirect shareholder. None of the directors are part of the company's executive management team.

Audit Committee

The board appoints 1-4 members of the committee amongst board members. The members of the committee must have basic skills within the relevant areas of the committee's work. At least one member must have thorough skills within accounting, auditing, environmental, social and corporate governance (ESG) and internal controls. The members may participate in external professional training at the company's expense.

Executive Management and Organization

Aker Offshore Wind is committed to equality, diversity, and inclusion, and to provide equal leadership opportunities at all decision-making levels including its management team. The management team works systematically increase equality, diversity and inclusion at all parts and levels of the business, with a target of securing minimum 40% gender balance by 2030. Aker Offshore Wind's line managers will be trained in unconscious bias as part of their leadership training, and all staff will participate in diversity and inclusion training on an annual basis.

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