Aker ASA
Kingdom of Norway, Investment Holding

SCOPE BBB- STABLE

Key metrics

			Scope estimates	
Scope credit ratios	2021	2022	2023E	2024E
Total cost coverage	0.8x	1.0x	1.1x	1.1x
Scope-adjusted loan-to-value	8.0%	10.3%	10-15%	

Rating rationale

'Aker ASA and holding companies' (Aker) ratings benefit from the company's long-term and active investment approach with a strong record of portfolio value development. Ratings are further supported by the high liquidity of Aker's predominantly listed holdings, which could provide timely cash inflows through partial liquidation. Aker's strong financial profile is driven by its modest Scope-adjusted loan-to-value (LTV) ratio of 12% as of Q2 2023, and its history of fulfilling its public guidance of having an LTV below 20% through-the-cycle with a normalised target range of 10%-15%. The financial profile also benefits from the company's ability to balance cash inflows and outflows, as its cost base largely consist of dividend payments to its shareholders. We therefore expect total cost coverage to remain well-controlled at a level of around 1.0x or above, as in previous years. The main rating constraints are high portfolio concentration and exposure to cyclical oil and gas prices, as Aker BP and Aker Solutions comprise above 90% of Aker's income and around 60% of asset values. While most revenue and operating results in Aker's holdings are derived from operations conducted in Norway, its geographical diversification is supported by a more global outreach, including through oil and gas commodity markets.

Outlook and rating-change drivers

The Outlook for Aker is Stable and incorporates a continuation of the company's core long-term holdings, most critically Aker BP and Aker Solutions. The Outlook relies on our expectation that Aker will balance its cash inflows and outflows and therefore achieve a total cost coverage of 1.0x or higher. It further incorporates the expectation that LTV will not exceed Aker's public guidance of below 20% through-the-cycle with a normalised range of 10%-15%, on a sustained basis.

A negative rating action could occur if Aker's financial risk profile deteriorated, exemplified by a total cost coverage sustained at below 1.0x and/or LTV increasing to significantly above 15% while we do not gain confidence that such levels could be remedied by the company. Such ratios could be the result of its main holding Aker BP not being able to pay dividends at all, Aker and its holdings' dividend pay-out exceeding a balancing position and/or debt-funded increases in shareholdings.

A positive rating action could be warranted if the company diversified its income-generating holdings or achieved total cost coverage of 1.3x or above on a sustained basis. Improved diversification could be the result of a more mature investment portfolio comprising a higher number of income-generating holdings. A sustained improvement in total cost coverage could occur through increased income, which is not balanced out by dividend payments, likely requiring a change of financial policy restricting payouts.

Rating history

Date	Rating action/monitoring review	Issuer rating & Outlook
24 Aug 2023	Affirmation	BBB-/Stable
17 Aug 2022	Initial rating	BBB-/Stable

Ratings & Outlook

Issuer	BBB-/Stable
Short-term debt	S-2
Senior unsecured debt	BBB-

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Related Methodologies

General Corporate Rating Methodology; July 2022

Investment Holding Companies Rating Methodology; May 2023

Related Research

Oil and gas: IOCs' caution on renewables reflects financing conditions, market uncertainty; February 2023

Norway: sharp rise in revenues from oil and gas activities, lower risk of stranded assets;

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Bloomberg: RESP SCOP

Rating and rating-change drivers

Positive rating drivers	Negative rating drivers
• Modest LTV at around 10% and a history of fulfilling its public guidance of below 20% through-the-cycle with a normalised target of 10%-15% • Recurring income 3.5x-4.0x higher than operating and interest costs • Strong ability to balance cash inflows and outflows, as illustrated by total cost coverage being kept consistently at a controlled level of around 1.0x • Strong credit profiles in key holdings Aker BP (IG-rated) and Aker Solutions (NOK 7.7bn net cash position at Q2 2023), supporting their payout capacity • Aker's influence in core holdings via board mandates and large ownership stakes (typically largest shareholder) • Good liquidity of holdings with 75-80% of asset values being listed companies at Oslo Stock exchange • Long-term and active investment approach across global megatrends focusing on cash flows from recurring income in addition to development of growth companies • Strong record of portfolio value development as measured by growth in net asset value (NAV)	• Limited diversification of holdings with four core holdings representing 78% of gross asset value (GAV) • High concentration of income with Aker BP and Aker Solutions comprising above 90% of total income • Limited geographical spread of operations with most revenues and operating results in holdings being derived from Norway – although the outreach is seen more global, including through oil price exposure • Large share of asset values (~60%) and income (>90%) exposed to volatile oil and gas prices (i.e. Aker BP and Aker Solutions) • Execution risks in growth holdings relating to their transformation into cash generating companies • Dividend policy (i.e. target of paying out 2-4% of NAV) connected to asset values and not actual cash income

Positive rating-change drivers	Negative rating-change drivers
• Total cost coverage sustained at 1.3x or above • Reduced portfolio concentration through improved diversification of income-generating holdings	• Total cost coverage sustained at below 1.0x • LTV increasing to well above 15% on a sustained basis

Corporate profile

Aker is an industrial investment company founded in 1841 with 48 employees and headquarter at Fornebu, Norway. The company has ownership interests in oil and gas, renewable energy and green technology, industrial software, seafood and marine biotechnology. Its investments are split into two portfolios: i) industrial holdings are strategic assets managed with a long-term perspective, and ii) financial investments include cash and other assets such as various listed equities, shareholder loans, and Aker's new asset management firm (Industry Capital Partners). Aker is listed on the Oslo Stock Exchange (ticker: AKER). Since 1996, its largest shareholder has been Kjell Inge Røkke, who owns 68.2% through TRG Holding AS.

Financial overview

				Scope estimates		
Scope credit ratios	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**
Total cost coverage	1.0x	0.8x	1.0x	1.1x	1.1x	1.2x
Scope-adjusted loan-to-value	14.5%	8.0%	10.3%	10%-15%		
Liquidity	adequate	adequate	adequate	adequate	adequate	adequate
Coverage ratios						
Coverage of operating and interest costs	3.6x	2.9x	4.0x	3.8x	3.6x	3.9x
Coverage including sales gains	1.0x	2.5x	1.0x	1.1x	1.1x	1.2x
Total income in NOK m						
Dividends received from Industrial Holdings	1,949	1,876	2,608	3,241	3,443	3,697
Dividends received from Financial Holdings[1]	345	140	159	176	174	174
Interest received (inc. from shareholder loans)	193	6	51	34	27	89
Recurring cash income	**2,487**	**2,022**	**2,818**	**3,451**	**3,644**	**3,960**
Gains (losses) from asset sales	-	4,072[2]	-	-	-	-
Total income	2,487	6,094	2,818	3,451	3,644	3,960
Total costs in NOK m						
Operating expenses	(270)	(369)	(370)	(375)	(410)	(390)
Cash tax paid	-	-	-	-	-	-
Interest paid	(422)	(325)	(335)	(530)	(614)	(631)
Costs excluding dividends paid	**(692)**	**(694)**	**(705)**	**(905)**	**(1,024)**	**(1,021)**
Dividends paid	(1,745)	(1,746)	(2,154)	(2,228)	(2,228)	(2,228)
Total costs	**(2,437)**	**(2,440)**	**(2,859)**	**(3,133)**	**(3,252)**	**(3,249)**
Scope-adjusted debt in NOK m						
Reported gross financial debt	10,351	10,052	8,976	8,976	9,568	10,318
less: cash and cash equivalents	(1,303)	(4,025)	(1,290)	(657)	(641)	(503)
add: non-accessible cash	17	24	26	26	26	26
add: pension adjustment	-	-	-	-	-	-
add: operating lease obligations	-	-	-	-	-	-
Scope-adjusted debt	**9,065**	**6,051**	**7,712**	**8,345**	**8,953**	**9,841**
Scope-adjusted portfolio value in NOK m						
Reported gross asset value	63,945	80,030	76,114	66,271	66,271	66,271
less: cash and cash equivalents	(1,303)	(4,025)	(1,290)	(657)	(641)	(503)
add: non-accessible cash	17	24	26	26	26	26
Scope-adjusted portfolio value	**62,659**	**76,029**	**74,850**	**65,640**	**65,656**	**65,794**

[1] Dividends received from Financial Holdings in 2023E-25E consist exclusively of dividends from AMSC and have not been adjusted to reflect the intended sale of AMSC's Jones Act business, which was announced on 22nd August 2023. While there is uncertainty how a sale will affect AMSC's future dividend payouts, a closing of the transaction is not assessed to have a rating impact.
[2] Gain from divestment of Ocean Yield and Aker BP" shares. Total sales proceeds relating to the gain was NOK 7.8bn.

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Environmental, social and governance (ESG) profile[3]

Environment	Social	Governance
Resource management (e.g. raw materials consumption, carbon emissions, fuel efficiency)	Labour management	Management and supervision (supervisory boards and key person risk)
Efficiencies (e.g. in production)	Health and safety (e.g. staff and customers)	Clarity and transparency (clarity, quality and timeliness of financial disclosures, ability to communicate)
Product innovation (e.g. transition costs, substitution of products and services, green buildings, clean technology, renewables)	Clients and supply chain (geographical/product diversification)	Corporate structure (complexity)
Physical risks (e.g. business/asset vulnerability, diversification)	Regulatory and reputational risks	Stakeholder management (shareholder payouts and respect for creditor interests)

Legend

Green leaf (ESG factor: credit positive)
Red leaf (ESG factor: credit negative)
Grey leaf (ESG factor: credit neutral)

Transition risks introduced by exposure to both oil and gas production and green industries

Aker is exposed to both sides of the energy transition with holdings operating in oil and gas production and green industries. Its large exposure to offshore oil and gas production (around 50% of gross asset value as of Q2 2023) through its 21.2% ownership in Aker BP constitutes a negative environmental factor as the upstream exploration and production sector is facing various transition risks, including longer-term falling hydrocarbon demand and potentially reduced availability of funding. However, Aker BP is considered well positioned to handle such risks given its attractive cost profile and low carbon footprint relative to peers. Aker has in recent years diversified its exposure to the energy transition with green investments (e.g. in Aker Horizons and Industry Capital Partners), which should help to reduce future portfolio risk pertaining to environmental factors.

NOK 3bn of green bonds issued in 2022

Aker's sustainability framework and policy sets out requirements for transparency, risk management and reporting. Aker established a green finance framework in 2021, enabling Aker ASA and Aker Horizons AS and any subsidiaries to finance activities within Aker Horizons AS. The framework was used to issue four green bonds at the Aker ASA level in 2022, totalling NOK 3bn. The framework was updated in February 2023 to broaden the ability to fund green projects outside Aker Horizons, indicating that Aker aims to continue diversifying its portfolio with green investments.

No governance issues

We did not observe any negative credit-relevant factors pertaining to corporate governance.

[3] These evaluations are not mutually exclusive or exhaustive as ESG factors may overlap and evolve over time. We only consider ESG factors that are credit-relevant, i.e. those that have a discernible, material impact on the rated entity's cash flow and, by extension, its credit quality.

Business risk profile: BB+

Industry risk: BB

We have assessed Aker's weighted average industry portfolio risk at BB, driven by its predominant exposure to industries rated BB and characterised by relatively high cyclicality. In terms of GAV and income, Aker's portfolio mainly comprises businesses directly or indirectly involved in oil and gas, renewables, green technology, industrial software, and shipping. Its largest exposure is to upstream oil and gas production through the 21.2% ownership of Aker BP, which we expect to remain the key contributor to Aker's asset values and income over 2023-2025. Aker Solutions, which operates in offshore energy services, a sector that is somewhat correlated with oil and gas production, is the second largest exposure in terms of both GAV and income. The company's remaining exposures are more diversified.

Figure 1: Portfolio overview and industry risk: Aker ASA and holding companies

Holding	Ownership share	Industry subsegment	GAV exposure (Q2 2023)	Income exposure (2023E)
Industrial holdings			**81.6%**	**93.9%**
Aker BP	21.2%	Oil & gas upstream	50.0%	88.3%
Aker Solutions	39.4%	Energy services	10.8%	5.6%
Aker Horizons	67.3%	Renewables & green tech	6.3%	0.0%
Aker BioMarine	77.7%	Aquaculture	3.9%	0.0%
Cognite	50.5%	Industrial software	9.7%	0.0%
Aize	67.6%	Industrial software	0.1%	0.0%
SalMar Aker Ocean	15.0%	Aquaculture	1.0%	0.0%
Financial investments			**18.4%**	**6.1%**
Akastor	36.7%	Energy services	1.7%	0.0%
AMSC	19.1%	Shipping	0.8%	5.1%
Solstad Offshore	24.8%	Shipping	0.5%	0.0%
Philly Shipyard	57.6%	Shipbuilding	0.9%	0.0%
Aker Property Group	100.0%	Commercial real estate	1.4%	0.0%
Industry Capital Partners	100.0%	Asset management	0.7%	0.0%
Other financial investments *of which cash* *of which shareholder loans* *of which other*		Blended	13.8% *1.7%* *6.3%* *5.1%*	1.0% na na na
Weighted average portfolio industry risk			**BB**	**BB**

Sources: Aker ASA, Scope

High income concentration

The rating is held back by portfolio sustainability as Aker's recurring income generation is quite concentrated, driven by Aker BP and Aker Solutions, which combined are expected to provide over 90% of total income over 2023-2025. Aker's portfolio diversification by GAV and sector is also a negative factor for the rating, as Aker BP comprise around 50% of asset values and the top three core holdings (Aker BP, Aker Solutions and Cognite) comprise around 70% as of Q2 2023.

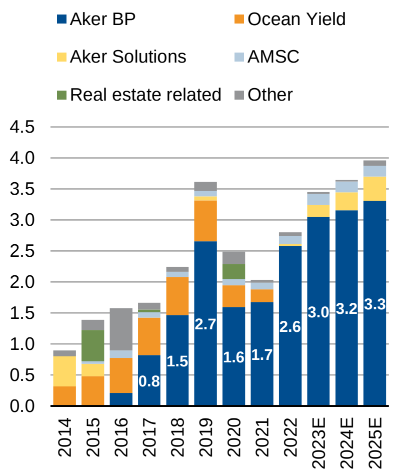
Maturation of growth holdings expected to still take some time

Aker's existing portfolio could become less concentrated thanks to Aker's ongoing efforts to diversify across global megatrends such as rising energy demand, the energy transition, digitalisation and healthy living. However, in the absence of any major portfolio rotation, such development would require one or more of the key growth holdings to reach a more mature stage. In our base scenario, we expect this still will take some time.

Geographical outreach benefits Aker's portfolio diversification

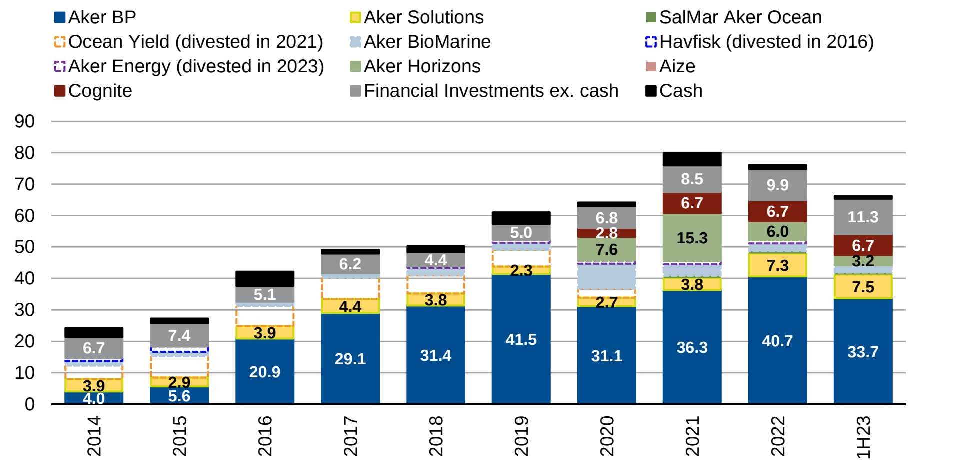
Revenue and operating results in Aker's holdings are mainly derived from operations conducted in Norway, driven by Aker BP's oil and gas production. However, it should be noted that all of Aker BP's sales are subject to global commodity prices, mainly brent oil, which reflects global demand. Aker's geographical outreach is also supported by the fact that most of Aker's remaining holdings have operations outside Norway and an international sales focus as they operate in cross-border markets, similarly to Aker BP.

Figure 2: Aker ASA income overview: upstream dividends and interest received, NOK bn



Sources: Aker ASA, Scope estimates

Figure 3: Development in GAV by industrial holdings (split into individual holdings) and financial investments (split into cash and non-cash), NOK bn



Sources: Aker ASA, Scope

Income concentration partly mitigated by high asset quality

Aker's income concentration is partly mitigated by high asset quality in its key income-generating holdings, supported by:

i) Aker BP's position as the largest independent oil and gas producer (average production of 466.8 kboe/d in H1 2023) on the Norwegian continental shelf, with low-cost and carbon-efficient assets, paired with its strong credit profile (IG-rated), attractive project pipeline, and ambition of increasing dividends with at least 5% yearly – a policy it says is sustainable at Brent oil prices above USD 40/bbl

ii) Aker Solutions' strong balance sheet (net cash position of NOK 7.7bn at Q2 2023), record-high backlog (NOK 98bn at Q2 2023), and upcoming USD 394m in total cash proceeds from the sale of a 20% stake in the pending establishment of a subsea JV with Schlumberger and Subsea 7

iii) AMSC's dividend capacity in the next years, both under its current structure, and after the intended sale of its Jones Act business (expected closing in H2 2023), based on indications that parts of the sales proceeds could be distributed to shareholders, as per the announcement from 22nd August 2023

Several growth holdings with long-term potential

Some of the key growth holdings in Aker's portfolio are:

i) Aker Horizons, a green umbrella company involved in the energy transition by developing independent industrial companies. Currently, its main holdings include Mainstream (global renewables pipeline) and Aker Carbon Capture

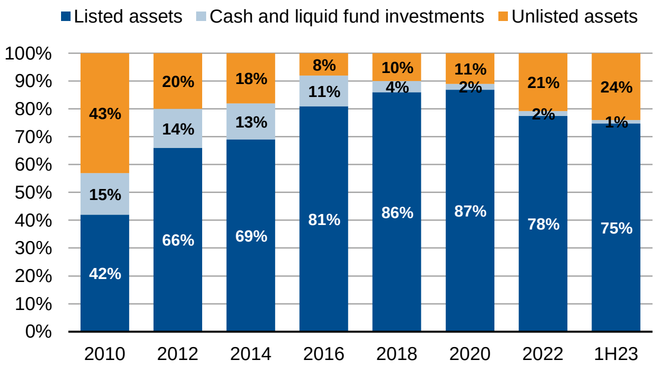
ii) Cognite and Aize, two SaaS companies focusing on asset-heavy industries

iii) Industry Capital Partners, a multi-strategy green investment firm headed by Norges Bank Investment Management's former CEO, Yngve Slyngstad, established in late 2021 with the ambition of having EUR 100bn in assets under management by 2030

Liquid portfolio with high share of listed assets

Most of Aker's holdings (75% of GAV as of Q2 2023) are publicly listed companies, which on aggregate benefit from high trading volumes. The overall fungibility of Aker assets is therefore solid. Further, Aker has the ability to divest some of its less liquid assets, albeit this would likely require a longer process. Aker's ability and willingness to use its listed holdings to free liquidity was evidenced in H2 2021, when it i) divested the ownership in Ocean Yield for a cash consideration of NOK 4.5bn, and ii) sold NOK 3.2bn worth of Aker BP shares overnight in a trade sale. We deem a situation with a fire sale of any holding as relatively remote which also considers Aker's solid financial profile. In total, portfolio liquidity continues to support Aker's business risk profile.

Figure 4: Share of listed assets in portfolio



Sources: Aker ASA, Scope

Figure 5: Overview of listed assets as of mid-2023

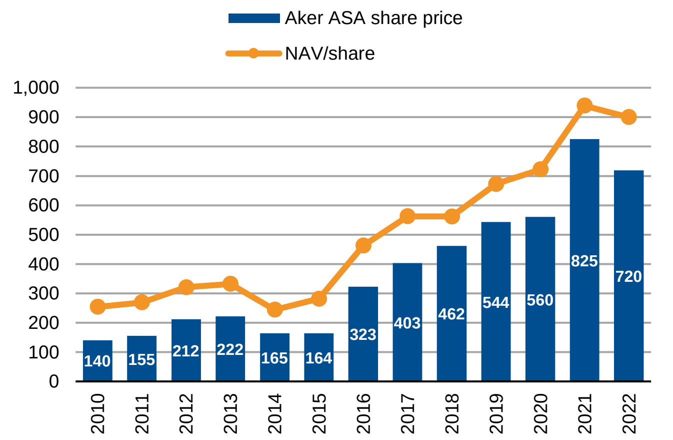
Company	Listing domicile	12M average daily trading volume (NOK m)	Market cap (NOK bn)
Aker BP	Norway	366.1	167.5
Aker Horizons	Norway	13.3	4.1
Aker Solutions	Norway	46.8	20.1
Aker BioMarine	Norway	1.6	2.8
Solstad Offshore	Norway	33.6	1.6
Akastor	Norway	3.2	3.1
AMSC	Norway	3.5	2.8
Philly Shipyard	Norway	0.3	0.5

Sources: Aker ASA, Euronext, Scope

Long-term investment approach and solid record of portfolio value development

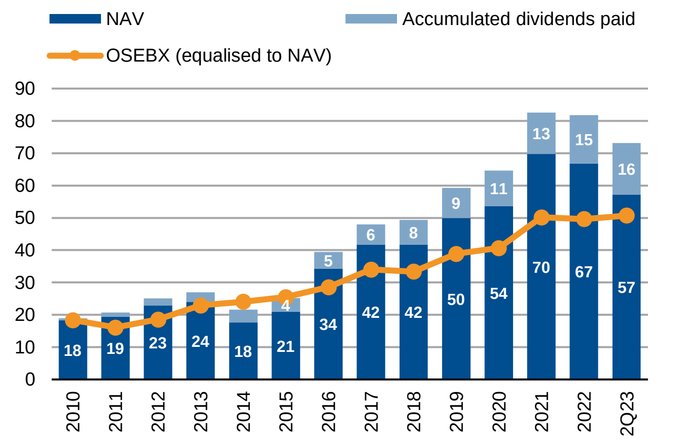
Aker generally pursues a long-term investment approach for its core industrial holdings, with a focus on recurring dividend streams. However, this commitment will not rule out disposals as a part of the company's long-term funding and capital allocation strategy. The company has an active approach in the majority of its holdings, in which it has strong influence made possible by its large ownership stakes, usually as the biggest shareholder. The active approach extends to strategic direction, financing decisions, dividend policies, and evaluation of M&A/restructuring cases, while operations of its core holdings are ringfenced, limiting full control of decisions. In sum, Aker's long-term and active investment philosophy with a strong influence in core holdings supports its business risk profile, especially given its strong track record of portfolio value development, as measured by growth in net asset value.

Figure 6: Aker's share price and reported NAV/share (NOK)



Sources: Aker ASA, Scope

Figure 7: Aker's NAV and accumulated paid dividends (NOK bn) versus OSEBX (total return index)



Sources: Aker ASA, Euronext, Scope

Financial risk profile: BBB

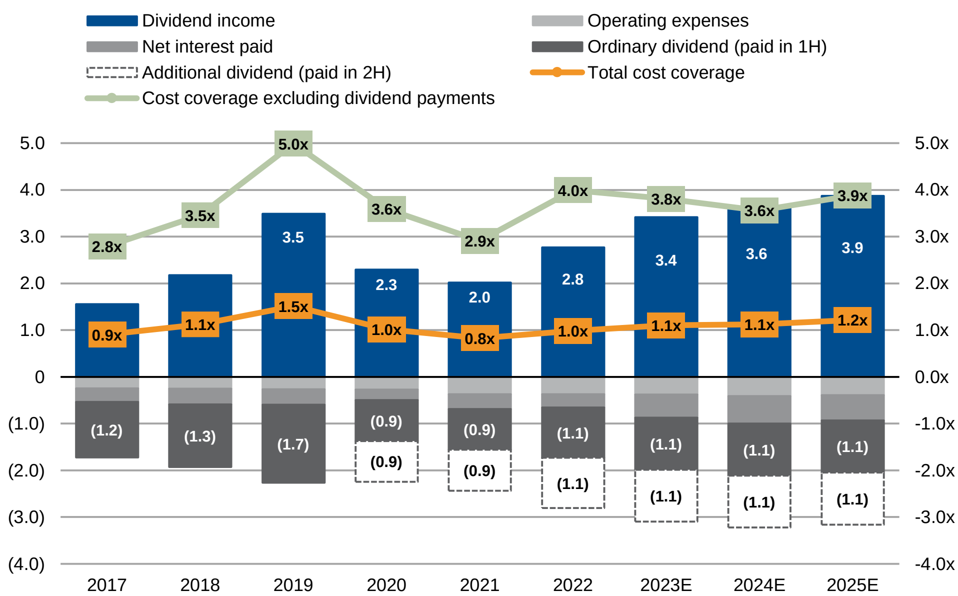
Yearly recurring cash income of NOK 3.4bn-3.9bn expected in 2023-2025

Aker's solid financial risk profile continues to benefit its credit rating, driven by its low LTV and high ability to maintain its total cost coverage at 1.0x or above. We expect Aker's income, which mainly consists of received dividends from its mature holdings (Figure 2) to be around NOK 3.4bn in 2023. The estimate is primarily based on already received and communicated dividends and they therefore entail little uncertainty. For 2024-2025, we expect income of NOK 3.6bn-3.9bn, driven by growing dividends from Aker BP and Aker Solutions. At the same time, Aker's cost base excluding dividend payments is expected to increase slightly in 2023-2025, primarily caused by higher interest rates.

Focus on balancing cash inflows and outflows

Aker's costs used for the calculation of total cost coverage consist mainly of substantial dividend payments (around 70% over 2017-2022) to shareholders and to a lesser extent operating expenses and interest. This is illustrated by its recurring income covering operating and interest costs by around 3.5x-4.0x. The company has a stated target of paying out 2%-4% of its NAV to shareholders, a policy that is not tied to actual cash income. However, embedded in this policy is also a high focus on balancing cash inflows and outflows at all times, resulting in a target total cost coverage of at least 1.0x.

Figure 8: Recurring operating cash flow overview (NOK bn, LHS) and cost coverage ratios (RHS)



Sources: Aker ASA, Scope estimates

Strong ability to keep total cost coverage around 1.0x or higher

We consider Aker to have solid ability to keep total cost coverage around 1.0x, which positively affects its financial risk profile. This view is based on i) its influence on dividend decisions in core holdings; ii) the high share of dividend payments in its cost base; iii) its evidenced flexibility and willingness to deviate from its target payout range if deemed appropriate; and iv) its commitment to steering the ratio to around 1.0x (Figure 8).

Flexibility in dividend payments despite communicated target payout range of 2-4% of NAV

Aker demonstrated some flexibility in its dividend payments in March 2020 during the Covid-19 outbreak and simultaneous oil price collapse, when it revised down the already communicated dividend in order to reflect higher market uncertainty. Since this revision in 2020, it has kept a structure of only committing to pay an ordinary dividend in H1, which is typically half of the total expected dividend payout for the year. A potential additional dividend is to be paid out in H2 at the discretion of the board. Similar to the ordinary payout, the dividend in H2 is subject to a review assessing the financial robustness and liquidity of the company.

Main assumptions

The main assumptions in our base scenario for 2023-2025 includes:

i) Aker BP to increase dividends by 5% per year from the USD 2.2/share paid in 2023, a growth rate it has stated to be sustainable at Brent oil prices above USD 40/bbl

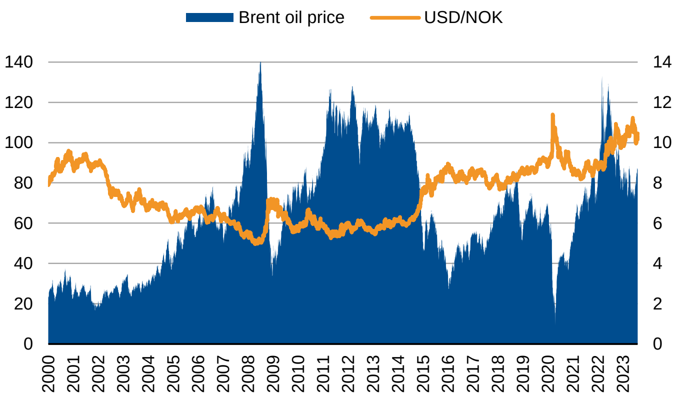
ii) Aker Solutions to pay ordinary dividends of NOK 1.0-2.0/share in 2023-2025, although there is also capacity for an extraordinary dividend given its growing net cash position which stood at NOK 7.7bn as of Q2 2023

iii) USD/NOK of 10.2

iv) Total dividend payments from Aker of NOK 30.0/share per year

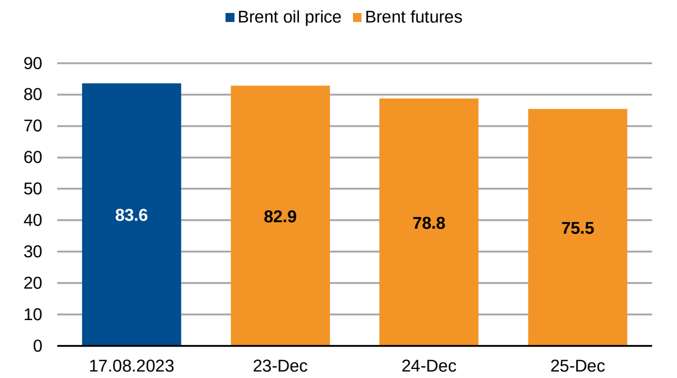
v) No major divestments and NOK 950m-1,600m in yearly investments

Figure 9: Brent oil price (USD/bbl, LHS) versus USD/NOK (RHS)



Sources: EIA, Norges Bank, Scope

Figure 10: Current Brent oil price and futures (USD/bbl)

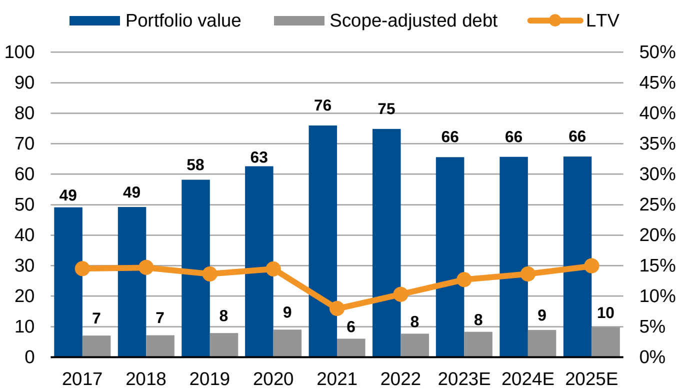


Sources: ICE, Scope

LTV expected to remain low within the normalised target range of 10%-15%

Aker's leverage, as measured by its LTV, remains comparably low with a level of 10% at end-2022 and 12% at H2 2023. Such levels are commensurate with a strong investment grade assessment. The company also has a long history of fulfilling its public guidance of having an LTV of below 20% through-the-cycle with a normalised target of 10%-15%, and leverage is therefore a key strength in Aker's financial profile. In addition, we regard positively that even in adverse market conditions such as during the Covid-19 outbreak and simultaneous oil price collapse in Q1 2020, LTV only spiked to a still low level of around 20%-25%, illustrating its headroom in handling portfolio value volatility.

Figure 11: Portfolio value (NOK m, LHS), Scope-adjusted debt (NOK m, LHS) and LTV (RHS)



Sources: Aker ASA, Scope estimates

Figure 12: LTV sensitivity to changes in portfolio value and Scope-adjusted debt (based on end-2022 figures)

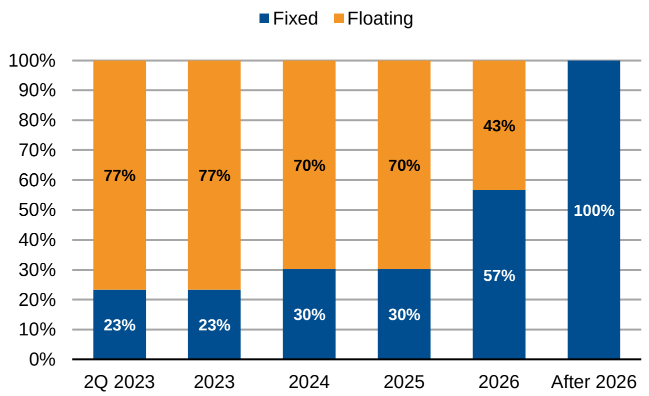
Scope-adjusted debt (NOK bn)		Portfolio market value (NOK bn)							
		89.8	82.3	**74.8**	67.3	59.9	52.4	44.9	37.4
	Δ%	20%	10%	**0%**	-10%	-20%	-30%	-40%	-50%
5.4	-30%	6.0%	6.6%	7.2%	8.0%	9.0%	10.3%	12.0%	14.4%
6.6	-15%	7.3%	8.0%	8.8%	9.7%	11.0%	12.5%	14.6%	17.5%
7.7	**0%**	8.6%	9.4%	**10.3%**	11.5%	12.9%	14.7%	17.2%	20.6%
8.9	15%	9.9%	10.8%	11.9%	13.2%	14.8%	16.9%	19.8%	23.7%
10.0	30%	11.2%	12.2%	13.4%	14.9%	16.7%	19.1%	22.3%	26.8%
11.2	45%	12.5%	13.6%	14.9%	16.6%	18.7%	21.3%	24.9%	29.9%
12.3	60%	13.7%	15.0%	16.5%	18.3%	20.6%	23.6%	27.5%	33.0%
13.5	75%	15.0%	16.4%	18.0%	20.0%	22.5%	25.8%	30.1%	36.1%

Sources: Aker ASA, Scope

Strong liquidity, supported by NOK 5.4bn of undrawn credit lines

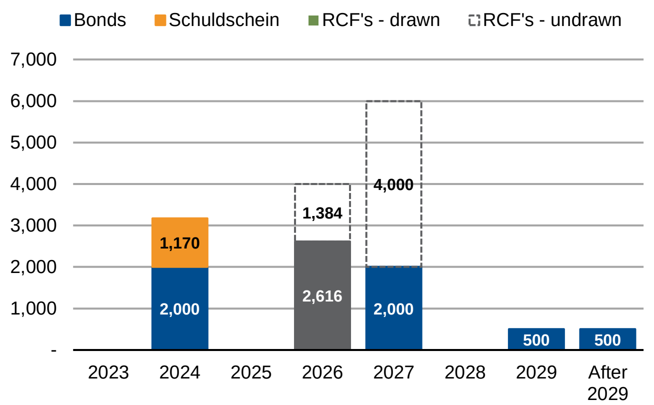
The liquidity profile remains strong. At Q2 2023, Aker had a total cash position of NOK 876m and committed credit lines of NOK 8.0bn, of which 5.4bn was undrawn. The company's liquidity is further supported by its strong ability to balance cash inflows and outflows, its liquid portfolio with around 75% of asset values being listed assets, its strong relationships with banks and investors, and its consistently low LTV, which limit refinancing risk. We assume upcoming debt maturities of NOK 3.1bn in 2024 will at least be partly refinanced with similar debt instruments in order to maintain some cushion on available credit lines.

Figure 13: Interest rate exposure of outstanding debt at Q2 2023



Sources: Aker ASA, Scope

Figure 14: Maturity schedule and undrawn revolving credit facilities (RCF's) at Q2 2023 (NOK m)



Sources: Aker ASA, Scope

Balance in NOK m	2022	2023E	2024E
Unrestricted cash (t-1)	4,001	1,264	611
Open committed credit lines (t-1)	3,000	5,428	5,384
Free operating cash flow	2,393	2,525	2,615
Short-term debt (t-1)	999	-	3,158[4]
Coverage	**940%**	**No ST debt**	**273%**

Supplementary rating drivers

No adjustment for supplementary rating drivers

No adjustments have been made for parent support, peer context or governance and structure. Consequently, the ratings are unaffected by supplementary rating drivers.

Long-term and short-term debt ratings

Senior unsecured debt rating: BBB-

All of the issuer's senior unsecured long-term debt is issued at the level of Aker ASA and ranks pari passu. The senior unsecured debt is rated at BBB-, the same level as the issuer.

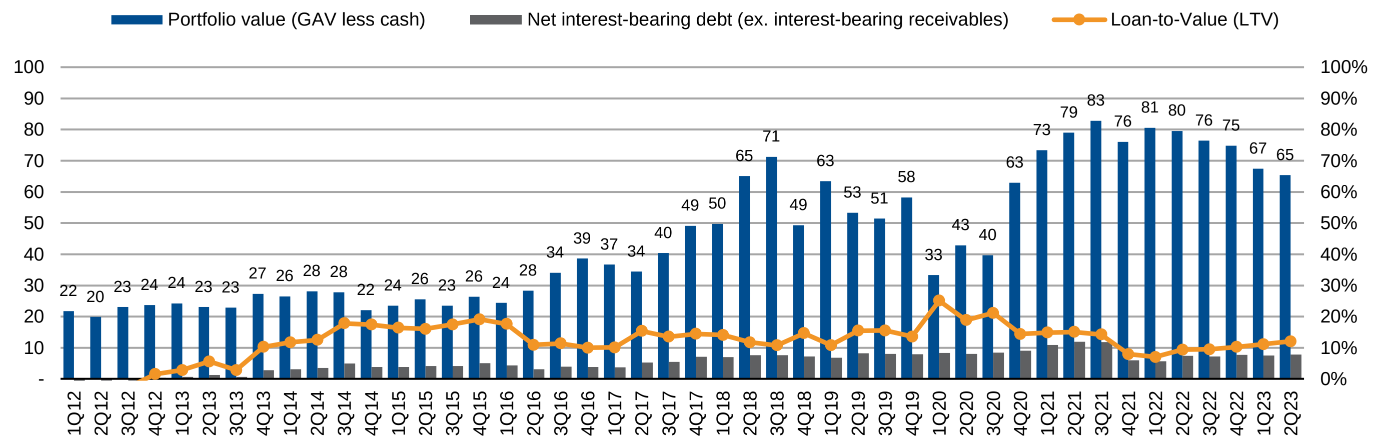
Short-term debt rating: S-2

The S-2 short-term debt rating is based on the BBB-/Stable issuer rating and supported by adequate liquidity, good banking relationships, and diversified access to external funding sources.

[4] Includes NOK 12m of capitalised loan fees

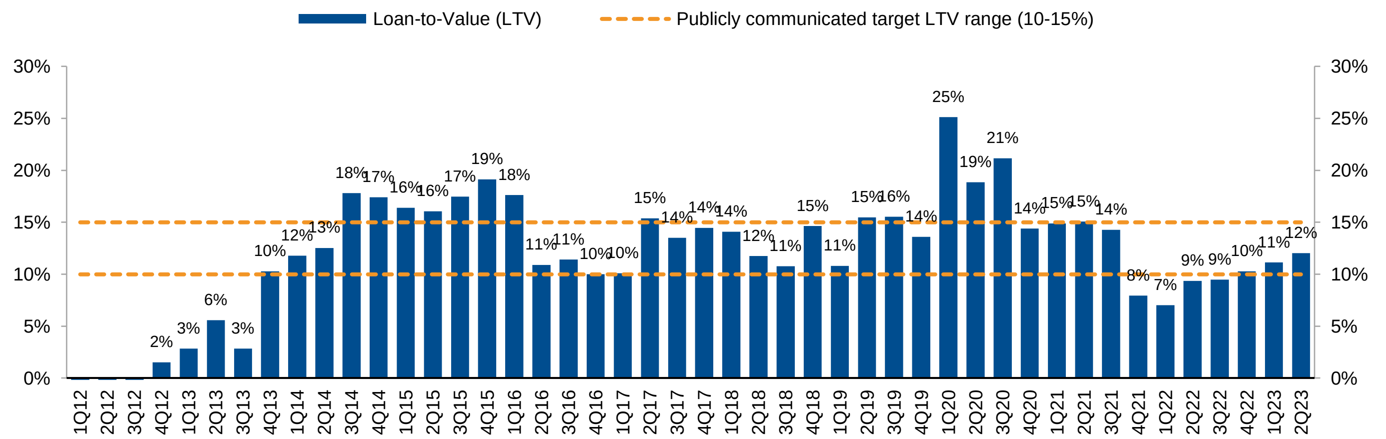
Appendix I: Quarterly time series of key portfolio metrics: ‘Aker ASA and holding companies’

Figure A1: Portfolio value (NOK bn, LHS), net debt (NOK bn, LHS) and LTV (RHS)



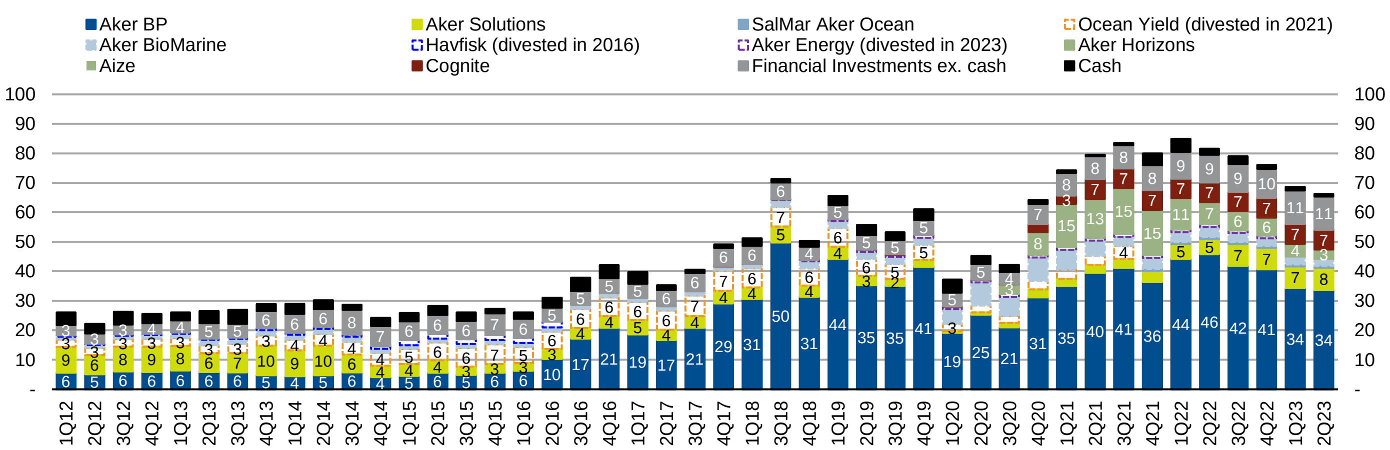
Sources: Aker ASA, Scope

Figure A2: LTV versus Aker’s publicly communicated normalised target range of 10-15%



Sources: Aker ASA, Scope

Figure A3: GAV by industrial investments (split to companies) and financial investments (split into cash and non-cash), NOK bn



Sources: Aker ASA, Scope

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