

Annual and Sustainability Report 2021



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About This Report

In its pursuit of best practice in good governance, Aker Clean Hydrogen strives to provide the most comprehensive and transparent disclosures. We believe that transparency is a foundation for building trust with our stakeholders. In this report, Aker Clean Hydrogen complies with relevant law and regulations, and adopts well-established international reporting frameworks.

This first annual report of Aker Clean Hydrogen is an integrated report, presenting the company's financial, environmental, social and governance (ESG) performance for the period from 1 January to 31 December 2021.

Reporting Entity

In this report the terms Aker Clean Hydrogen, Aker Clean Hydrogen group, and group are used as references to Aker Clean Hydrogen AS and all its direct and indirect subsidiaries.

Financial Reporting

Financial statements and notes are presented both for the consolidated accounts of Aker Clean Hydrogen group, and the parent company Aker Clean Hydrogen AS. Consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and associated interpretations, and

disclosure requirements pursuant to the Norwegian Accounting Act, both as of 31 December 2021. Parent company financials and notes have been prepared in accordance with the Norwegian Accounting Act.

Environment, Social and Governance Reporting

Aker Clean Hydrogen's ESG-reporting consists of a [Sustainability Progress Report](#) and a series of performance metrics, indicators and assessments appended at the very end of this report. The ESG part of the annual report has been prepared with reference to the new Global Reporting Initiative (GRI) standard from 2021. A materiality assessment was performed toward the end of 2021, and both the GRI Content Index and Materiality Assessment on material topics can be found in the [Appendix](#) to this report.

Disclosures contained within the report are aligned with the World Economic Forum's (WEF) Stakeholder Capitalism Metrics, the Sustainable Development Goals (SDGs) and the Sustainability Accounting Standards Board (SASB). WEF's metrics are built on the SDGs and serve in this report as an overarching framework. GRI and SASB standards provide a basis for a different approach to materiality and a way to reach all relevant stakeholders. Therefore, the different standards are complementary, and offer the most comprehensive and holistic overview of Aker Clean Hydrogen's ESG practices.

As a reflection of Aker Clean Hydrogen's climate-related risk and opportunities management, the company also reports according to the Task Force on Climate-Related Financial Disclosures (TCFD) framework. A complete climate-related assessment can be found in the appendix [TCFD Assessment](#).

The EU Taxonomy Regulation defines what can be classified as green economic activity, and is a relevant framework for Aker Clean Hydrogen's business activities. While the regulation is not in force in Norway, Aker Clean Hydrogen has adopted the framework and discloses its share of Turnover, Operation Expenditures and Capital Expenditures according to the taxonomy requirements.

While not mandated for Aker Clean Hydrogen, the Sustainable Finance Disclosure Regulation and its Principal Adverse Impact Indicators are applicable to many of Aker Clean Hydrogen's shareholders. Disclosure on these indicators is recognized as good practice, and Aker Clean Hydrogen therefore reports on the core indicators of the regulation. This disclosure can be found in the appendix [SFDR Principal Adverse Impact Indicators](#).

Aker Clean Hydrogen in Brief

At Aker Clean Hydrogen we develop, build, own and operate clean hydrogen, ammonia and methanol facilities globally. We industrialize clean hydrogen and thereby aim to solve industrial climate challenges within the hard-to-abate sectors. Our industrial target is to reach 5 GW net installed capacity by the end of this decade. By contributing to the decarbonization of shipping, transport, agriculture and more, we aim to remove close to ten million tons of CO₂ every year by 2030.



Integrated Clean Hydrogen Producer

Develop, build,
own and operate
hydrogen facilities



2 GW Net Capacity Project & Prospect Portfolio

Projects and prospects
in Norway, South
America and Africa

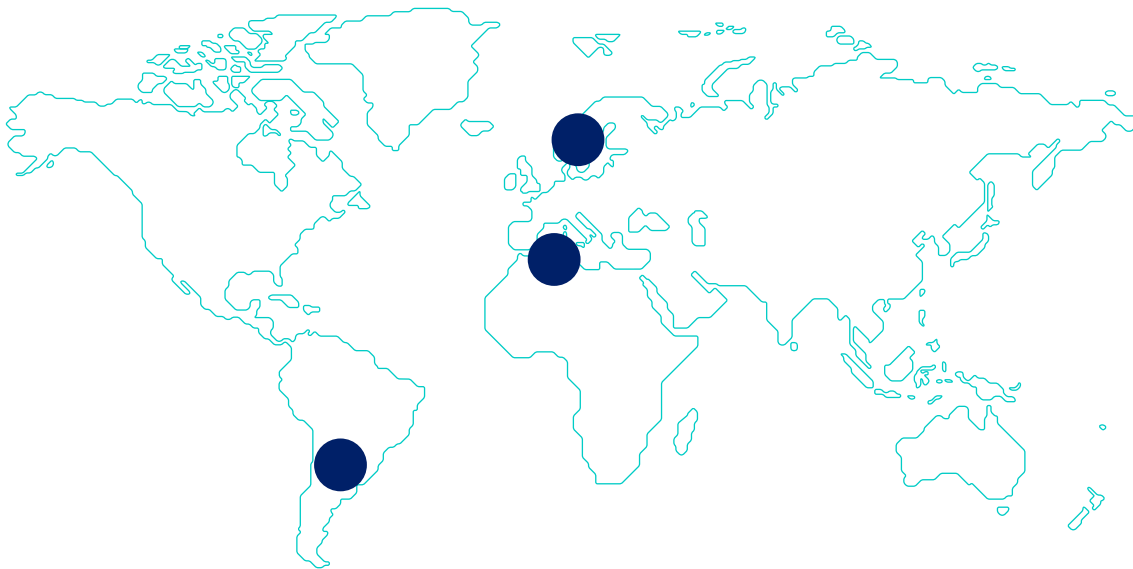


Target of 5 GW Net Installed Clean Hydrogen Capacity in 2030

Meaningful impact of
removing 9.4 million tons
CO₂ emissions per year

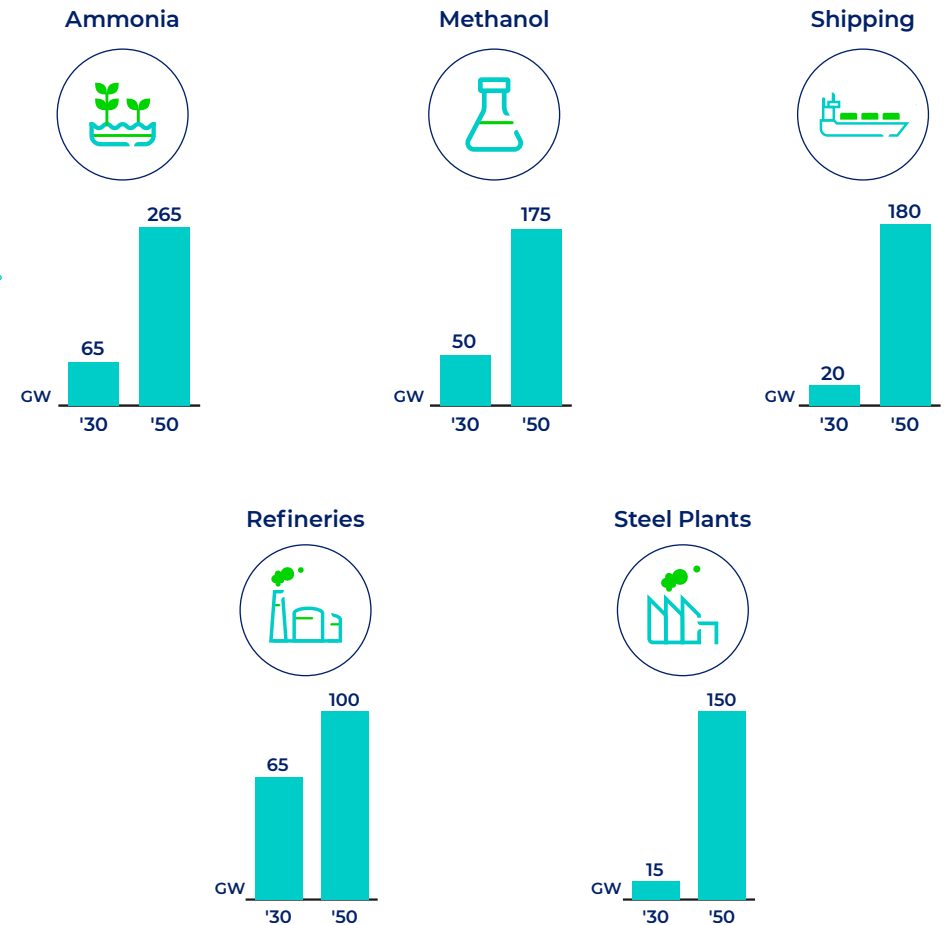
Maturing Projects Globally

Aker Clean Hydrogen is currently developing projects in Norway, South America and Africa. Our projects range from green ammonia production and decarbonization of the Arctic, replacing fossil fuels in manufacturing industries, to establishing green value chains along the Norwegian coastline, Chile and Uruguay. By year-end 2021 we have established a strong and promising portfolio of clean hydrogen projects and prospects with a total net capacity of 2.0 GW under development, an increase of 1.1 GW from the IPO in March 2021.



Targeting Hard-to-Abate Sectors

Ammonia, methanol, shipping, refining and steel production all have material CO₂ emissions and a clear need to decarbonize. Hydrogen is one of few viable decarbonization routes for these industries, presenting significant opportunities for Aker Clean Hydrogen. These markets are projected to grow substantially and are forecast to reach 200 GW in 2030, and 850 GW in 2050. Aker Clean Hydrogen is taking a structured approach to target these markets.



CEO Letter



CEO Knut Nyborg

Dear reader,

What an eventful year to look back on! Building a global player within the emerging clean hydrogen economy is definitely a demanding journey to embark on – and we're just getting started. At Aker Clean Hydrogen, we take great pride in helping create a more sustainable future. By decarbonizing shipping, transport, steel industry, agriculture and more, we aim to remove close to ten million tons of CO₂ every year by 2030. We have buckled up and joined the race toward zero emissions, and although the race to zero is a marathon, the first year really felt like a sprint.

Maturing our projects and adding new green business opportunities to our market funnel is the core of our business. Aker Clean Hydrogen's industrial target is to reach 5 GW of net installed capacity by the end of this decade and we have established a strong and promising portfolio of clean hydrogen projects and prospects with a total net capacity of 2 GW already under development.

We are engaging in a wide range of green and blue hydrogen and ammonia projects – from Berlevåg north of the Arctic circle, to Chile in South America – 13,000 km apart. One of the first projects we launched was Hegra, short for Herøya Green Ammonia, together with our partners Yara and Statkraft. Here we are developing Europe's largest green ammonia facility by converting Yara's existing ammonia plant to a 480 MW green ammonia plant. Hegra is one of Norway's

“ What an eventful year to look back on! Building a global player within the emerging clean hydrogen economy is definitely a demanding journey to embark on – and we're just getting started.

largest industrial climate initiatives and will reduce CO₂ emissions by 800,000 tonnes annually.

In June, the Norwegian government issued a white paper showing a forward leaning strategy on supporting hydrogen hubs along the Norwegian coast. Several of our projects are well-positioned to become important future Norwegian hydrogen hubs to be developed in close collaboration with local authorities. A great example is our Aukra project. Together with our partners Shell and CapeOmega, we aim to start producing blue hydrogen from the gas resources entering the Nyhamna facility.

Another example is our project in Berlevåg. Based on green power from Raggovidda wind farm, we and our partner Varanger Kraft aim to decarbonize the Arctic and off-grid societies, by producing green ammonia.

We made great progress on our portfolio during the past year. Several of our existing projects have been matured further, and we have added new projects in Uruguay, Chile and Norway into the portfolio. We expect to be ready to make a firm decision to start building the first plant on at least one project during 2022.

Sustainability is an integral part of our business. Reporting on sustainability is a natural part of our annual report, so that you can have a closer look at how we strive to continuously improve our business to become a leader among peers. Aker Clean Hydrogen is a participant in United Nations Global Compact, supporting the Ten Principles on human rights, labor, environment and anti-corruption.

As the calendar marks 2022, it feels strange to still be addressing the global pandemic, but with the recent omicron variant of the Covid-19 virus on the rise, it is safe to say that we are still battling the pandemic. For us at Aker Clean Hydrogen, this represents a challenge as we have to balance our strong focus on health, safety, security and environment (HSSE) with preventing the virus from spreading, while at the same time welcoming our new colleagues and continuing to build upon the entrepreneurial culture that has emerged within our walls. In 2021 we went from 0 to 39 employees and strengthened our domain expertise within hydrogen, ammonia and the broader renewables area by attracting top talent from established players. I'm really proud of the great team we have built, and how all of the employees of Aker Clean Hydrogen have coped with the challenges of handling the pandemic while building the company and our portfolio of projects.

Bending the cost curve is high on our agenda going forward. At Aker Clean Hydrogen we enjoy great benefits from being part of the wider Aker group, accessing

domain expertise within sectors such as oil and gas, offshore, big data and digitalization, enabling us to be a front-runner in the efforts of cutting costs. That is how we will make clean hydrogen affordable.

A modular architecture enabling reuse is also important for safety as it improves both fabrication, construction and operations. This, combined with our HSSE culture and tools and solutions developed from decades of operational leadership in the oil and gas sector, we have the right setup to make the clean hydrogen value chain safer.

The future winners in the hydrogen economy are those who manage to both understand the end-user's hurdles, and remove them by smart and modular system solutions, operations and customer-oriented business models. That is how we will make the clean hydrogen transition easy.

Going into 2022, our priorities remain the same. Making clean hydrogen affordable, safe and easy.

Best regards,
Knut Nyborg, CEO



Green Ammonia Berlevåg

Board of Directors' Report

Aker Clean Hydrogen was launched in the first half of 2021 as a pure-play industrial clean hydrogen producer to serve a fast-growing global market for hydrogen and ammonia – both blue and green. The company has a specific focus on solving industrial climate challenges, especially within so-called hard-to-abate sectors, such as energy, transport and mobility, and industry and heating. Ammonia, methanol, shipping, refineries and steel are examples of target applications. The 2030 target of Aker Clean Hydrogen is to reduce CO₂ emissions by 9.4 million tons and reach a net production capacity of 5 GW.

Strategy

Aker Clean Hydrogen aims to deliver affordable hydrogen, safe and easy. The company is an industrial clean hydrogen producer with a “develop, build, own & operate” business model. With a lean and efficient execution model and unique end-to-end asset integration and optimization capabilities, Aker Clean Hydrogen aims to emerge as the most efficient hydrogen value chain integrator on a global scale.

Aker Clean Hydrogen will utilize the strong competence and experience of the Aker system to be a preferred industrial asset developer and operator. Our strong commercial, technical and operational teams delivers a range of services through all phases from origination to operations, creating asset value for ourselves and our partners and at the same time revenue for Aker Clean Hydrogen also in the early phases of development.

Within origination and asset development we are actively using the Aker family companies, partners and relations to secure attractive land plots and affordable power feedstock. We focus on securing affordable electricity and natural gas to our green and blue hydrogen and ammonia facilities, as well as biogenic CO₂ required to produce clean methanol from hydrogen. We have a strong team with long experience from sourcing power PPA's, and we have already managed to secure affordable energy in several of our projects. In addition, we do have strong renewable power partners such as our sister company Mainstream Renewable Power as well as external partners like Statkraft and Varanger Kraft.

On the technical side we provide safe and lean specifications and system solutions from feedstock to end-users. For the production facilities we strongly believe in re-use as a key enabler to drive down cost, delivery time and risk. Re-use will also continuously improve the efficiency in developing new assets. Over time, the asset value will continue to increase over and above the development expenditure we invest in the assets. The Aker system and the Aker Clean Hydrogen team has vast experience in this and we are now developing standardized and modularized plant architecture in close collaboration with our strategic vendors. Our services related to project execution includes management of the project team from the owners' side, safe and effective orchestration of all project phases, capitalizing on the Aker industrial legacy and our smart digital tool portfolio. We also aim to digitalize the value chain from origination to operation, minimizing costs, and maximizing value and safety through the project's lifecycle.

“

Our 2030 target is to reduce CO₂ emissions by 9.4 million tons and reach a net production capacity of 5 GW.

Aker Clean Hydrogen aims to take a strong role in selected steps of the value chain and integrate partners to complement own capabilities. The company will take the following roles along the value chain:

- **Energy and feedstock supply:** Secure market-leading access to competitively priced renewable energy in priority markets and optimize it for hydrogen production
- **OEM technology:** Partner with leading OEMs for mature areas like power, control, ammonia etc. while maintaining optionality for areas where strong development in performance and prices is expected, such as e.g. electrolyzers
- **EPC:** Partnership model with chosen EPC partner
- **Hydrogen operations:** Market-leading, low cost, safe and reliable hydrogen production operator
- **Conversion and storage:** Strong ability to select, integrate and operate conversion and storage technology
- **Midstream:** Strong ability to select transport and storage solutions to optimize value chain
- **End sectors:** Long-term offtake commitments with end users, secured through a value proposition based on flexibility and deep understanding

The company has successfully developed an initial project and prospect portfolio with its partners in 2021. Going into 2022, Aker Clean Hydrogen will continue to further develop its market funnel of opportunities, pipeline, prospects and projects.

Market Outlook

Clean hydrogen is key to meet the goal of net zero emissions by 2050. Demand for low-carbon hydrogen is expected to grow exponentially in the years to come. The key drivers behind the growth in demand are:

- Demand for emission-free products from consumers and businesses
- Rising cost of emitting CO₂ and a strong regulatory push towards complete decarbonization of the economy
- Improving economics of low-carbon hydrogen production

Recent geo-political developments including the conflict in Ukraine has resulted in renewed ambitions towards faster deployment of clean hydrogen in Europe from 5.6 mt to 20 mt by 2030. Under the REPowerEU initiative, a Hydrogen Accelerator is envisaged to develop infrastructure, storage facilities and ports, and replace demand for Russian gas with additional 10 mt of imported renewable hydrogen from diverse sources and additional 5 mt of domestic renewable hydrogen. The developments will be accompanied with measures to reduce the time taken for permitting and grid connections.

Consumers are increasingly demanding low-carbon products, and this represents a key driving force to decarbonize industries and associated value chains. As an example, global shipping company Maersk ordered eight large container vessels (nominal capacity of 16,000 TEU's) in 2021 for USD 1.4bn with the ability to run on carbon neutral methanol. Maersk cited customer demand and carbon targets as key drivers for this investment.

During 2021, the European emissions trading system (ETS) price rose from around EUR 30 per tonne at the start of the year to over EUR 80 by year-end. This was driven mainly by a stricter EU policy, reduction in emission allowances, more stringent climate policies globally and increased energy demand. During the year, another 13 countries launched hydrogen strategies, bringing the total number of countries with a strategy for

development of hydrogen to 26 according to Bloomberg New Energy Finance. This represents a considerable regulatory push.

In July 2021, The EU launched the "fit for 55" legislative proposals, aiming to cut greenhouse gas emissions by 55 percent by 2030 and to net zero by 2050. One of the key measures here is to include aviation and shipping in ETS. In addition, the EU proposed targeted shares of renewable fuels (like hydrogen) and other important proposals such as the carbon border adjustment mechanism are expected to support the demand for low-carbon hydrogen.

Aker Clean Hydrogen is investing significantly to lower the cost and improve safety of developing low-carbon hydrogen plants. Combined with low-cost renewable power, green hydrogen is expected to become cost competitive vs. grey hydrogen. The dynamics in the market is changing due to recent geo-political turmoil, and may make green hydrogen competitive compared to grey alternatives sooner than originally anticipated. Most grey products have seen soaring prices on the back of the weakened gas supply security. The REPowerEU initiative aims to further accelerate the development of renewable power in the EU, providing important feedstock also for green hydrogen.

Strong demand growth is expected in a range of end-use applications, and Aker Clean Hydrogen is targeting hard-to-abate industries with five key end-use applications:

- **Ammonia** for fertilizer and industrial use presents a large opportunity given the large existing market for gray ammonia today. Gray ammonia production releases 1.8 percent of the global CO₂ emissions and has a clear need to decarbonize. Aker Clean Hydrogen is currently developing Hegra, one of the world's first industrial size green ammonia for green fertilizer plants

in the world, together with Yara and Statkraft.

- **Methanol** for industrial use, with a large existing market for gray methanol today, and Aker Clean Hydrogen can become an early mover as end-to-end integrator of biogenic CO₂ capture and low-carbon methanol production. The company's presence in regions with biogenic CO₂ and access to Aker Carbon Capture's technology are key to develop this market.
- **Shipping** represents 2.5 percent of the global greenhouse emissions. Low-carbon hydrogen, ammonia and methanol are expected to play an important role in decarbonizing this sector. Aker Clean Hydrogen is leveraging its early-mover position in groundbreaking projects to supply green fuels for shipping to further build a position in this market.
- **Iron and steel production** is the industrial sector with the largest CO₂ emissions (7-8 percent of the global green house gas emissions). Replacing carbon with hydrogen in the iron reduction process could produce emission free green DRI, which is subsequently converted into steel. Hydrogen based DRI production could lead to the creation of new value chains and opportunities for relocation of iron and steel production to locations with high-renewable potential. Approximately 22 mt of clean hydrogen will be required by 2030 to meet one-third of the global steel demand through emission free production methods (hydrogen based DRI).
- **Refineries** are large users of gray hydrogen today, with a clear need to decarbonize. Aker Clean Hydrogen will leverage its Aker heritage and partnerships to build a position in this market.

Projects

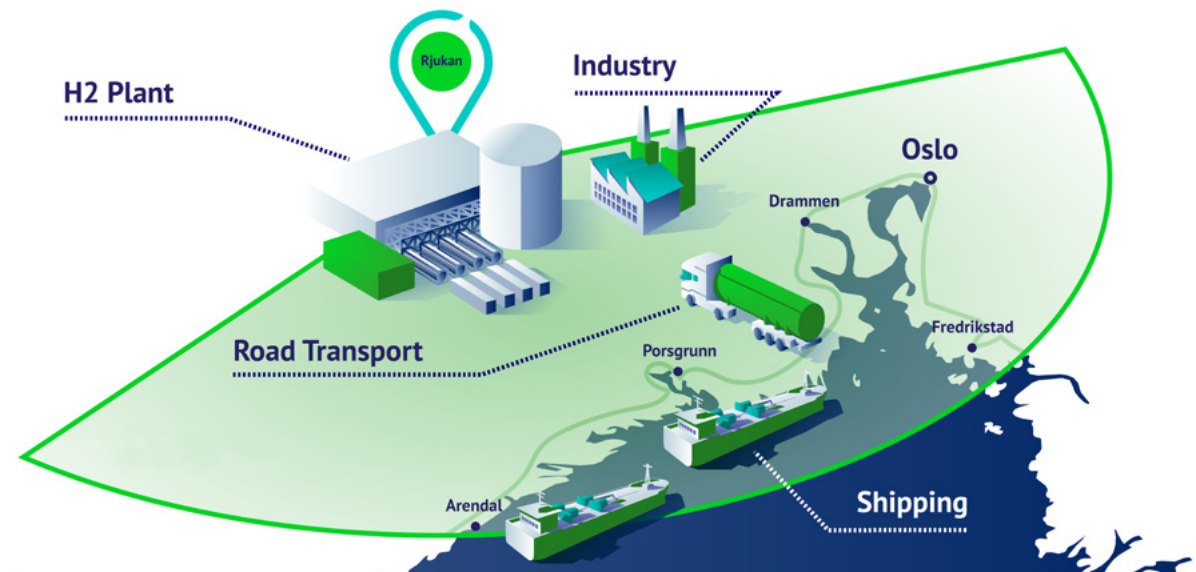
Aker Clean Hydrogen has established a strong and promising portfolio of clean hydrogen projects and prospects with a total net capacity of 2 GW under development. This represents an increase of 1.1 GW

from the initial public offering in 2021. Projects include the partnership with Norwegian industrial pioneers, Yara and Statkraft, for electrification of the ammonia plant at **Herøya**, which has the potential to remove about 800,000 tonnes of annual greenhouse gas (GHG) emissions. This could be the largest climate initiative in Norwegian industrial history. The partnership also forms the basis for what could become a new green export industry by producing emission-free ammonia for CO₂-intensive industries, including green fertilizer for the agriculture industry and emission-free green ammonia for shipping.

Aker Clean Hydrogen and the local renewable energy company Varanger Kraft have established a joint venture company, Green Ammonia Berlevåg AS, with the purpose of building a 100MW green hydrogen and ammonia plant in **Berlevåg** in Northern Norway. The

project's objective is to decarbonize arctic shipping and off-grid power plants. Green Ammonia Berlevåg has strong value chain partners in the leading marine technology company Wärtsilä and Grieg, the Norwegian ship owner and maritime innovation company. In 2021 Green Ammonia Berlevåg completed the concept select phase, and is now working to secure grid permits and maturing dialogues with offtakers in preparation for the next phases.

In May, Aker Clean Hydrogen and the municipality of **Aukra** announced plans to realize a hydrogen production facility on the island in Western Norway. The Aukra Hydrogen Hub project will rely on access to natural gas from the local gas processing plant, and the CO₂ will be permanently stored. The clean blue hydrogen can be used to decarbonize local industrial processes, provide emission-free fuel for sea and road transport,



Aker Clean Hydrogen aims to be an early mover through the Rjukan project, which will enable distribution of hydrogen at competitive prices in Eastern Norway.

and for export to European hydrogen consumers. Aker Clean Hydrogen has secured strong development partners in Shell and CapeOmega to realize the project. In February, Aker Clean Hydrogen, Tinn municipality and Rjukan Næringsutvikling AS announced a cooperation agreement aimed at developing a hydrogen factory in **Rjukan**. The project will contribute to local job creation and local industrial offtake opportunities, and realize a value chain for manufacturing industry, heavy transportation and green shipping in Eastern Norway. In June, Aker Clean Hydrogen invested in a private placement in Meraker Hydrogen AS, resulting in a 20 percent ownership share. The company intends to build a plant in Kopperå in **Meråker** municipality, producing up to 10 tonnes of green hydrogen per day, equivalent to 23 MW of installed electrolyzer capacity. Production start is expected in 2024.

Outside Norway, Aker Clean Hydrogen is focused on developing opportunities in South America. In February, Aker Clean Hydrogen and Mainstream Renewable Power signed a Letter of Intent to explore the development of green hydrogen and low-cost ammonia production in **Chile**, combining Aker Clean Hydrogen's hydrogen project development capabilities and Mainstream's position as a leading renewable energy developer in the South American country. The aim is to produce green ammonia for local demand and export. Aker Clean Hydrogen has signed a Memorandum of Understanding with a large international infrastructure company to jointly explore export opportunities.

Aker Clean Hydrogen also works to develop emission-free shipping in the Antarctica, through the development of a new green ammonia facility in Uruguay. The collaboration with Aker BioMarine, the Antarctic krill-harvesting company, has proven to be an enabler for a future zero-emission value chain, leading to a partnership for Power-to-X projects with local leading

energy player Acodike Supergas. In parallel, Aker Clean Hydrogen is exploring green methanol production opportunities, by combining green hydrogen with abundant biogenic CO₂ resources in the country.

Collaboration and Partnerships

Forming partnerships and collaborating with prospective customers and suppliers of technologies and solutions are central to Aker Clean Hydrogen's strategy, both to broaden capabilities across the project portfolio and drive the transition to zero emissions. In the past year, several partnerships have been established to tackle decarbonization efforts in hard-to-abate sectors.

The Zeeds (Zero Emission Energy Distribution at Sea) initiative kicked off its collaboration in January 2019 with the aim of making shipping carbon neutral. Aker Clean Hydrogen is working with Zeeds partners such as Wärtsilä, Store Norske and Grieg to decarbonize the arctic by establishing a solid green value chain with the green ammonia project in Berlevåg as a basis.

Aker Clean Hydrogen and Kuehne+Nagel announced a joint effort to accelerate green container shipping. Through The Mass Balance Concept, Kuehne+Nagel's customers will have the opportunity to become carbon neutral in any trade lane, through Aker Clean Hydrogen's green fuels. Kuehne+Nagel will handle the booking of contracts for environmentally friendly containers, and Aker Clean Hydrogen's role will be to deliver green fuel and support in the development of necessary infrastructure.

In an effort to decarbonize offshore supply, Aker Clean Hydrogen and Aker BP have launched a collaboration. Offshore supply is currently the largest emitter of CO₂ in domestic shipping, with Aker BP being a dominant platform supply vessel (PSV) charterer on the Norwegian Continental Shelf. The aim of the collaboration is that Aker

Clean Hydrogen supply clean fuel to Aker BP's chartered PSVs.

Several other partnerships and collaborations have been established across the project portfolio:

| Project | Partners |
|----------|--|
| Hegra | Yara Statkraft |
| Berlevåg | Varanger Kraft Wärtsilä Grieg |
| Aukra | Shell CapeOmega Aukra Municipality |
| Rjukan | Rjukan Næringsutvikling Tinn Municipality |
| Chile | Mainstream Renewable Power Major international infrastructure company |
| Uruguay | Aker BioMarine Acodike Supergas |

Innovation and Technology

Continued technology development will be a key enabler for the company's long-term competitive advantage. Cost reduction and cost leadership are key in executing the company's strategy, as it will improve project economics and lower the investment hurdle for customers.

The gross research, development and innovation (RD&I) spend in 2021 was NOK 20.1 million, all of which was expensed to P&L. The main activity has been related to the digitalization and standardization projects, supporting the cost focus in the company's strategy. The company did not receive external funding to support these RD&I initiatives.

Organization

Aker Clean Hydrogen has from the start in February 2021 built a forceful and capable organization aiming to capture and accelerate growth opportunities in the hydrogen market space. By end of 2021, 39 employees are working in the company and 7 are waiting to get started. In addition, 33 full-time equivalent contract staff from amongst others Aker Solutions are supporting the establishment and growth of the company. Primary focus areas in 2021 have been establishing a management team, building the organization, securing strong ammonia and hydrogen domain expertise, and getting new employees onboarded in an efficient manner.

The company's leadership capabilities have been strengthened through the year. Knut Nyborg has led Aker Clean Hydrogen as Chief Executive Officer since the company was launched. Nyborg is also holding the role as Chief Commercial Officer. Kristoffer Dahlberg was appointed Chief Financial Officer in June 2021. In addition the company has established a strong management team including Chief Technology Officer, Chief Project Officer, Director of People & Organization, Director of Policy & Sustainability, General Counsel, and strong operations and HSSEQ competence.

Safeguarding Diversity and Equal Opportunity

Aker Clean Hydrogen embraces diversity and equal opportunity for all and is strongly committed to building an inclusive environment for all employees.

Aker Clean Hydrogen's diverse workforce represents 17 nationalities, and offers a wide range of competencies and insights. Men have traditionally dominated the energy industry, and this is also reflected in the Aker Clean Hydrogen organization. Women represent 31% of the workforce and 17% of the Executive Management Team. Employee age ranges from 28 to 59, blending young talents with a highly experienced workforce.

Aker Clean Hydrogen seeks to promote further diversity through clear policies, guidelines for recruitment and strong awareness amongst employees and management.

The company has introduced procedures for handling whistle-blower cases. All allegations of discrimination will be investigated, and feedback is provided to any whistle-blower whose identity is known. No such cases have been reported in 2021.

Leadership, Culture, and Engagement

Aker Clean Hydrogen's ambition is to offer professional development, worldwide career opportunities, competitive compensation and benefits, and a healthy work-life balance for its employees.

In 2021 the foundation for a prosperous and sustainable company culture has been established. All employees were actively involved in establishing the company's purpose:

Aker Clean Hydrogen exists to accelerate planet-positive impact, and does this by industrializing clean hydrogen, enabling hard-to-abate sectors to go green. The result of Aker Clean Hydrogen's work is affordable and clean hydrogen made safe and easy.

A collective effort involving all employees was also undertaken to formulate the company's values:

Dare to change, Embrace collaboration and Solid commitments

The Covid-19 pandemic introduced new ways of working, and Aker Clean Hydrogen has met these challenges with a digitally connected, collaborative and mobile workplace for all employees. The pandemic has been a strain on both employees and management

31%

Female Employees

17%

Female Leaders

17

Nationalities

during the start-up phase of the company. To limit negative effects, a comprehensive series of measures have been implemented in accordance with national recommendations, Aker group-wide requirements and individual needs.

Employee health and well-being is of major importance to Aker Clean Hydrogen, and as part of the Aker family several proactive and health-promoting measures are available to our employees. In 2021, sickness absence in Aker Clean Hydrogen was 0.9 percent. There were no work-related injuries or near misses during the year.

The company is using a set of key performance indicators (KPIs) based on the company's strategy to ensure that employees and management work toward common goals to accelerate performance and results.

Structures for individual performance development and follow-up will be implemented during 2022.

Further information about people and organization to be found in the [Respect for People](#) section in the Sustainability Progress Report.

Sustainability

A concerted effort is made to ensure that all parts of Aker Clean Hydrogen and its operations are sustainable. This requires that environmental, social and governance-related impacts are assessed when taking business decisions. As the company is in a start-up phase without plants in operation, sustainability efforts are focused on developing tools for decision making, business development, and partner screening. Aker Clean Hydrogen is also embedding sustainability into the way the company runs its projects, and evaluates and selects its suppliers.

The Code of Conduct sets out the principles by which Aker Clean Hydrogen manages its environmental impact. The code states that Aker Clean Hydrogen shall act responsibly with an ambition to reduce direct and indirect negative influences on the external environment. The company shall adhere to relevant international and local laws and standards, strive to minimize its environmental impact, and take a sustainable approach in its day-to-day operations. Aker Clean Hydrogen's aim is to support its customers and the industry to be better environmental performers through its products and services.

The company is focused on establishing governance for circularity and reducing waste and CO₂ emissions, especially in own operations and through the supply chain. Special attention is given to the potential impact on indigenous people in rural areas when new supply chains are developed. It is also imperative that the company balance the development of hydrogen production and value chain, with habitats and species within the local ecosystems.

Further information on Aker Clean Hydrogen's sustainability efforts can be found in the [Sustainability Progress Report](#) section of the annual report.

Health, Safety, Security and Environment (HSSE)

Aker Clean Hydrogen is committed to zero harm to people, assets and the environment. The HSSE culture is founded on the principle that safe operations and environmental impact are a personal responsibility for all employees. The cornerstone of this objective is a strong, structured and company-wide HSSE system, based on high standards for HSSE management and leadership. Regular audits are applied to identify, isolate and help address potential shortcomings.

HSSE during execution, operations and maintenance is a key driver for the aforementioned standardized and modular architecture. Repetitive deliveries, reuse, consistent test philosophies, and minimization of time and operations on site all have a proven effect on HSSE performance.

HSSE at Aker Clean Hydrogen is based on the view that all incidents can be prevented. While nearly all activities were office-based during the first year of operations, the company introduced a methodology and reporting structure, which include metrics such as Lost Time Injury Frequency (LTIF) and Total Recordable Injuries Frequency (TRIF). The purpose is to drive improvement across the company from 2021 onwards, as on-site activity levels will increase in line with the execution of industrial projects.

Aker Clean Hydrogen is connected to the Aker Global Security Operations Center. This core team of security professionals operates a 24/7 Center, servicing all Aker group companies. No security incidents were reported by Aker Clean Hydrogen during 2021.

Emergency Preparedness and Response

The company's capabilities within crisis management were established in 2021. An Aker Clean Hydrogen emergency telephone number has been established, allowing all employees to easily report serious incidents and receive immediate assistance. Aker Clean Hydrogen will implement RAYVN, a cloud-based system for managing critical events. The roll-out of the system includes introductory training sessions and desktop drills for key staff and management.

Quality

Aker Clean Hydrogen is in the process of implementing a quality management system in accordance with ISO 9001, with an aim to obtain the certification in 2022. Quality management will be implemented in all phases of project development, planning and execution, as well as during operation of production facilities.

In 2021, the main focus has been on setting requirements for quality assurance in the supply chain.

Corporate Governance

Establishing good corporate governance at Aker Clean Hydrogen has been a key priority for the Board of Directors during the first year of operation. This includes implementing a governance structure, an initial base of governing documents, and clear division of responsibilities and authorities. Good corporate governance will ensure sustainable operations and value creation over time, benefiting shareholders, employees and other stakeholders.

The Board of Directors is accountable for ensuring that the company sets the standards for corporate governance, and that the Executive Management Team conducts its business according to those standards. The Board of Directors holds exclusive authority under the company's authorization matrix to approve matters of significance, and receives reports regularly from the CEO and CFO on performance within the various business operations.

Aker Clean Hydrogen has adopted a Code of Conduct, outlining the company's commitments and requirements for ethical business practices and personnel conduct. The Code of Conduct describes what Aker Clean Hydrogen expects from its employees,

subsidiaries, subcontractors, representatives and partners. It explains the company's policies in a number of areas of particular importance such as corruption, conflict of interest, protecting the environment and human rights. The Code of Conduct is available on the company's website.

Aker Clean Hydrogen has a total of nine policies, providing guidance within key business areas. These policy documents define commitment and express the expected behavior across the company within areas such as health, safety, security and environment (HSSE), sustainability, project execution, quality, governance and finance.

Directors and officers of Aker Clean Hydrogen AS are covered under an Aker group Director & Officer's Liability Insurance. The insurance covers personal legal liabilities including defense and legal costs. The officers and directors of the parent company and all subsidiaries globally (owned more than 50%) are covered by the insurance. The cover also includes employees in managerial positions and employees who become named in a claim or investigation.

More information about Aker Clean Hydrogen's corporate governance is provided in in the [Corporate Governance Report](#).

Group Financial Performance

Aker Clean Hydrogen presents its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. All amounts below refer to the consolidated financial statements for the group, unless otherwise stated. The financial statements cover the period from incorporation on 1 January 2021 to 31 December 2021.

In the period, the company had revenues of NOK 14.2 million. Operating loss ended at negative NOK 160.5 million and was primarily driven by costs relating to maturing the project portfolio, business development activity and the strategic standardization and digitalization initiatives. Net financial items amounted to NOK 9.5 million and Aker Clean Hydrogen's share of loss from equity-accounted investees was recognized by NOK 9.3 million. Total loss for the period was NOK 160.2 million, or negative NOK 0.29 per share.

Total assets of the group amounted to NOK 2,828 million as of 31 December 2021, of which NOK 2,003 million was cash and cash equivalents. Net current operating assets ended at negative NOK 10.8 million. The company has no interest bearing debt. Total equity amounted to NOK 2,774 million at year-end 2021, giving an equity ratio of 98 percent.

Cash flow from operating activities ended at negative NOK 138.4 million. Cash flow from investing activities ended at negative NOK 790.7 million, reflecting investments in marketable securities of NOK 700 million and equity-accounted investees of NOK 88.3 million. Cash flow from financing activities was NOK 2,932 million, largely due to net proceeds from share issuance in March 2021.

Parent Company and Allocation of Net Loss

The parent company Aker Clean Hydrogen AS is the ultimate parent company in the Aker Clean Hydrogen group, and its business is the ownership and management of its subsidiaries. Aker Clean Hydrogen AS has outsourced all company functions to its indirect subsidiary Aker Clean Hydrogen Operating Company AS.

Aker Clean Hydrogen AS had a net loss of NOK 5,157 million in the year, mainly explained by the impairment of shares in subsidiaries of NOK 5,161 million. The company is currently in a growth phase and not in a position to pay dividend. The board thereby proposes the following allocation of net loss (amounts in NOK million):

| | |
|-------------------------|----------------|
| Dividends: | — |
| To retained earnings: | (5,157) |
| Total allocated: | (5,157) |

Risk Factors

Aker Clean Hydrogen aims to build a global presence and have operations within the hydrogen and hydrogen derivatives markets. This exposes the company to financial risk, in addition to market risks, legal and compliance risks, climate risk, project, political, ethical and operational risks.

In 2021, the company implemented an enterprise risk management system to identify and address risks and opportunities in a systematic manner.

The hydrogen market provides both opportunities and risks that may affect the company's operations, performance, finances, reputation and share price. External factors such as pandemics, market conditions, political decisions and the climate, may create substantial business risk along with the more classical risk factors related to operations and finance. Key risk factors are further described below.

Market Risks

The market outlook for hydrogen and associated segments has improved over time, driven by an increased understanding that clean hydrogen will play a crucial role in reducing climate effects from certain hard-

to-abate sectors. Increased regulatory support through 2021 and so far 2022 is expected to drive and increase the development of hydrogen project going forward.

Aker Clean Hydrogen is committed to industrializing clean hydrogen production and to drive down the cost of hydrogen to make it commercially attractive for main target industries.

The main market risks are:

- Demand for green hydrogen, ammonia and methanol is lower than expected driven by technological, commercial, regulatory, risks or other factors
- Lack of governmental support for improving demand, and lack of subsidies for stimulating supply
- Direction of pricing of CO2 emissions, especially in relation to post COVID-19 and the impact of the Fit-for-55 package from EU
- Uncertainty around the ability for global equipment and services supply chain to scale up with the required capabilities, speed and quality without creating price pressure
- Negative effects on the global economy, energy markets and inflation levels following increased geopolitical turbulence

Ethical and Political Risks

Aker Clean Hydrogen has limited exposure to countries associated with high political risk, corruption, or violation human rights. Aker Clean Hydrogen could, nevertheless, potentially become involved in unethical behavior, either directly or through third-parties or partners.

Aker Clean Hydrogen has implemented policies and procedures in accordance with domestic and international standards, anchored in the Code of Conduct available on the company website. The company has a zero tolerance for corruption and works

continuously with preventive measures to avoid such behavior. Training in ethics is conducted, as a minimum, annually for all employees.

Aker Clean Hydrogen practices the same requirements with its suppliers. The company has established a Business Integrity Compliance (BIC) and whistleblower channel to ensure reporting of any concerns from employees. Compliance training of all permanent personnel was conducted in 2021 and will continue annually.

Operational Risks

In 2021 the primary operational activities were limited to studies, and the operational risk was therefore low. However, going forward Aker Clean Hydrogen will engage in a wide range of asset development activities, and the company's projects will be rather complex from a technology point of view, with extensive sourcing, sub-contracting and project management activities. Many parallel projects will challenge the company's organization, and potentially cause delays with consequences for customers and suppliers.

Aker Clean Hydrogen has initiated several actions to mitigate operational risks, including aligning more resources to the most critical projects, systematically re-using materials and solutions from one project to the next, and pursuing a partnership model in project execution.

Some key factors that may have a material adverse effect on business operations are:

- Loss of business from a significant customer, delivery issues or alterations to project backlog
- Competitiveness and ability to develop a significant market position Aker Clean Hydrogen's ability to build up and retain necessary competence as activity levels increase
- Commercialization of new technology

- Partnerships, joint ventures and other types of cooperation that expose the company to risks and uncertainties outside its control
- Non-delivery from or disputes with a key supplier
- Significant delays or quality issues impacting project delivery or performance
- Cyber security issues leading to system downtime or significant loss of intellectual property
- Inability to achieve targeted standardization, digitalization, modularization and cost reduction ambitions

Financial Risks

Aker Clean Hydrogen is exposed to a variety of financial risks such as currency risk, interest rate risk, tax risk, price risk, credit and counterparty risk, liquidity risk and capital risk as well as risks associated with access to and terms of financing. Financial risks may affect the group's income and the value of any financial instruments held.

The objective of financial risk management is to manage and control financial risk exposures and volatility, thereby increasing the predictability of earnings and minimizing potential adverse effects on Aker Clean Hydrogen's financial performance. Risk management is performed in every project in order to identify, evaluate and hedge financial risks under policies approved by the board of directors.

In Europe, Aker Clean Hydrogen is expected to have most of the revenue in euros, and major cost elements (e.g. power) will likely also be paid in euro. To the extent these cash flows balance in timing and size, the company will have a natural hedge against currency exposure. For uncovered positions and other financial risk exposures, Aker Clean Hydrogen and its subsidiaries will use financial derivative instruments as a hedge.

Capital and financial risk management is further described in notes 15 Capital Management and 16 Financial Risk Management and Exposure to the financial statements.

Climate-related Risk

Aker Clean Hydrogen is exposed to climate-related risks mainly due to its sites, logistics and supply chain. The climate-related financial risks for Aker Clean Hydrogen range from both physical acute and chronic ones, to regulatory, and technological. Even though the overall climate-related risk for Aker Clean Hydrogen 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 Clean

Hydrogen used the Taskforce on Climate-related Financial Disclosures (TCFD) framework.

The results of this assessment provides basis for Aker Clean Hydrogen's strategy, investments, financial planning, valuations, and allow stakeholders to comprehend Aker Clean Hydrogen's financial ramifications of climate-related exposure. The complete TCFD report can be found in the appendix of the annual report.


Going Concern

Russia's recent large-scale 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. There is also a risk that the COVID-19 pandemic may continue to have negative effects on the global economy. These risks make the going concern assumption more uncertain for most companies, including Aker Clean Hydrogen. However, the company has no external debt and a solid liquidity reserve as of 31 December 2021. Therefore, in accordance with the Norwegian Accounting Act, the Board of Directors confirms that the going concern assumption, on which the consolidated financial statements have been prepared, is appropriate.

The Board of Directors and CEO of Aker Clean Hydrogen AS
Oslo, 16 March 2022



Karl Johnny Hersvik
Chairman of the Board




Øyvind Eriksen
Director



Kjell Inge Røkke
Director



Kristian Monsen Røkke
Director



Knut Olaf Nyborg
CEO

Board of Directors



Karl Johnny Hersvik
Chairman of the Board

Karl Johnny Hersvik (born 1972) is currently Chief Executive Officer of Aker BP ASA, a position he has held since May 2014.

Prior to joining the Aker group, he served as Head of Research for Equinor. Mr. Hersvik has held a number of specialist and executive positions at Norsk Hydro and Statoil Hydro. He is currently the chairman of the board of among others Aker Energy AS and Aize Holding AS, as well as a board member of Cognite AS. Mr. Hersvik holds a Cand. Scient. (second cycle) degree in Industrial Mathematics from the University of Bergen.

Mr. Hersvik is elected for the period 2021-2023, and is considered a dependent director of the board. Mr. Hersvik is a Norwegian citizen.



Øyvind Eriksen
Director

Øyvind Eriksen (born 1964) is President and Chief Executive Officer 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.

Currently Mr. Eriksen is chairman of the board at Aker Horizons ASA, Aker BP ASA, Cognite AS, Aker Capital AS, Aker Holding AS, Rev Ocean Inc., deputy chairman of Aker Solutions ASA and a director of several companies, including Salmar Aker Ocean AS, Aker Carbon Capture ASA, The Resource Group TRG AS, and TRG Holding AS. He is currently also serving on the board of the nonprofit organizations Aker Scholarship, the VI foundation, and the Norwegian Cancer Society (Kreftforeningen).

Mr. Eriksen is elected for the period 2021-2023, and is considered a dependent director of the board. Mr. Eriksen is a Norwegian citizen.



Kjell Inge Røkke
Director

Kjell Inge Røkke (born 1958) is an entrepreneur and industrialist, and has been a driving force in the development of the Aker Group since the 1990s.

Mr. Røkke is the ultimate majority owner of the Aker Group and Aker Clean Hydrogen AS through his controlling share position in Aker Horizons ASA, Aker ASA, The Resource Group TRG AS and subsidiaries. He is chairman of the board at Aker ASA and a director of among others Aker Horizons ASA, Aker Offshore Wind AS, Aker Solutions ASA, Aker BP ASA and Cognite AS.

Mr. Røkke is elected for the period 2021-2023, and is considered a dependent director of the board. Mr. Røkke is a Norwegian citizen.



Kristian Mønsen Røkke
Director

Kristian Røkke (born 1983) is Chief Executive Officer of Aker Horizons AS and has extensive experience from offshore oil services, shipbuilding and M&A. More recently Mr. Røkke has gained substantial experience from renewable energy, climate solutions and green technologies. Mr. Røkke was Chief Investment Officer of Aker ASA prior to Aker Horizons, and CEO of Akastor ASA from August 2015 to December 2017.

Mr. Røkke is chairman of the board of Mainstream Renewable Power, Aker Offshore Wind AS, Philly Shipyard ASA and Ocean Data Foundation, and a board member of several companies, including Aker Carbon Capture ASA, TRG Holding AS and American Shipping Company ASA. Mr. Røkke holds an MBA from The Wharton School at University of Pennsylvania.

Mr. Røkke is elected for the period 2021-2023, and is considered a dependent director of the board. Mr. Røkke is a Norwegian citizen.



Charlotte Cecilie Solberg Håkonsen
Deputy Director

Charlotte Håkonsen (born 1979) is General Counsel in Aker ASA. Håkonsen came to Aker from the Norwegian law firm BÅHR, where she had worked since 2006, most recently as Partner. From 2014 to 2018, Håkonsen held the position as Head of Legal and Compliance at Akastor ASA.

Ms. Håkonsen has broad experience with contracts and transactions, including M&A and joint ventures, along with company law issues, corporate governance and compliance risk management. Ms. Håkonsen is board member of several holding companies within the Aker group, such as Aker Capital AS, Aker Capital Investments AS and Aker Holding AS. She is also on the board of the Seetee-companies and Aker Onshore Wind AS, and serves as a member of the audit committee in Cognite AS. Ms. Håkonsen holds a Cand.jur. degree from the University of Oslo.

Ms. Håkonsen is elected for the period 2021-2023, and is considered a dependent director of the board. She is a Norwegian citizen.

Sustainability Progress Report

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

Aker Clean Hydrogen is a young company with a solid industrial heritage from Aker. As the company is in a start-up phase with only early-phase development projects and no assets in operation, a concerted sustainability effort has been made to develop tools for decision making and business development, with particular attention to environmental, social and governance-related (ESG) aspects. This ensures that sustainability assessments are embedded in the company's projects and business development activities.

This report outlines Aker Clean Hydrogen's sustainability approach, some early achievements in 2021, and how the company intends to ensure that sustainability is integrated across all activities and operations going forward. The sustainability progress report also includes our reporting to the UN Global Compact. The 2021 sustainability report reflects both the fact that Aker Clean Hydrogen had only 10 months of operations in 2021 and that the hydrogen market remains in an early phase with limited industrial activity.



Foundation for Sustainability in Aker Clean Hydrogen

In 2021, Aker Clean Hydrogen initiated several key activities and analyses to allow a sound start for the sustainability work, such as materiality assessment and climate risk analysis based on the Task Force on Climate-related Financial Disclosures (TCFD) framework. By establishing a solid foundation in parallel with embedding sustainability in business decision making, we believe that we are moving forward with a strong basis for creating fit-for-purpose sustainability governance and tools.

Material ESG Topics

A materiality assessment is a four-step process, whereby the company identifies material risks and opportunities associated with sustainability. The process is aimed at improving risk management, strategy and resource allocation, and reporting and compliance.

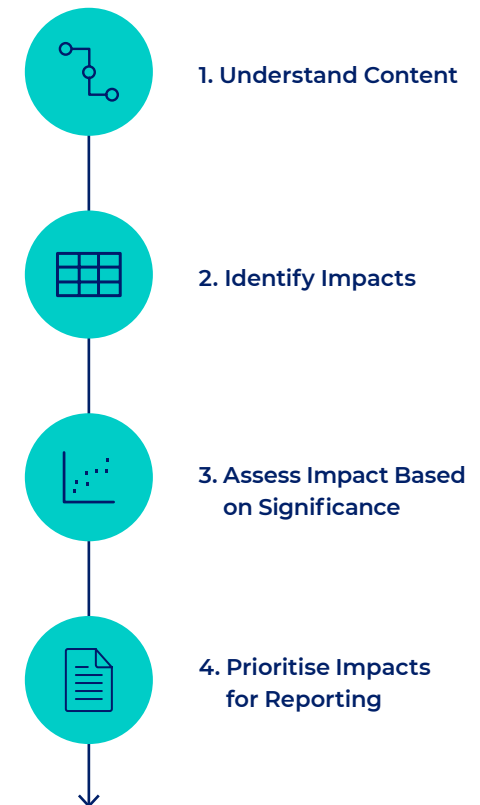
In December 2021, a materiality assessment was conducted to review the sustainability priorities within Aker Clean Hydrogen. The purpose was to identify material sustainability topics, enabling us to better manage the sustainability risks and opportunities

and to share the results with our stakeholders. Such assessment will also enable the organization to allocate resources to areas with the highest potential impact. To secure independence and integrity of the process, the materiality assessment was conducted by a reputable third-party organization.

Due to Aker Clean Hydrogen's short time in operations, the materiality assessment was based on workshops and discussions with key personnel in the company. The assessment resulted in a short-list of material issues,



A Four-Step Process



mainly related to new procedures and governmental documents to support the operational part of the company and new ESG guidelines for business development. The assessment method is supported by industry materiality reviews from the Sustainability Accounting Standards Board (SASB), Global Reporting Initiative (GRI) and relevant ESG rating agencies.

Aker Clean Hydrogen operates in a new industry with numerous stakeholders, including shareholders,

suppliers, national authorities, customers, non-governmental organizations and local communities. Our ambition in 2022 is to include stakeholder engagement when identifying the material topics for next year's sustainability report.

The figure below shows the identified material topics. Further information on the analysis is available in the [Materiality Assessment](#) in the appendix.

Material Topics Identified for Aker Clean Hydrogen

Environment:

- Energy Transition
- Greenhouse Gas Emissions
- Biodiversity and Ecosystem
- Resource Use and Circularity

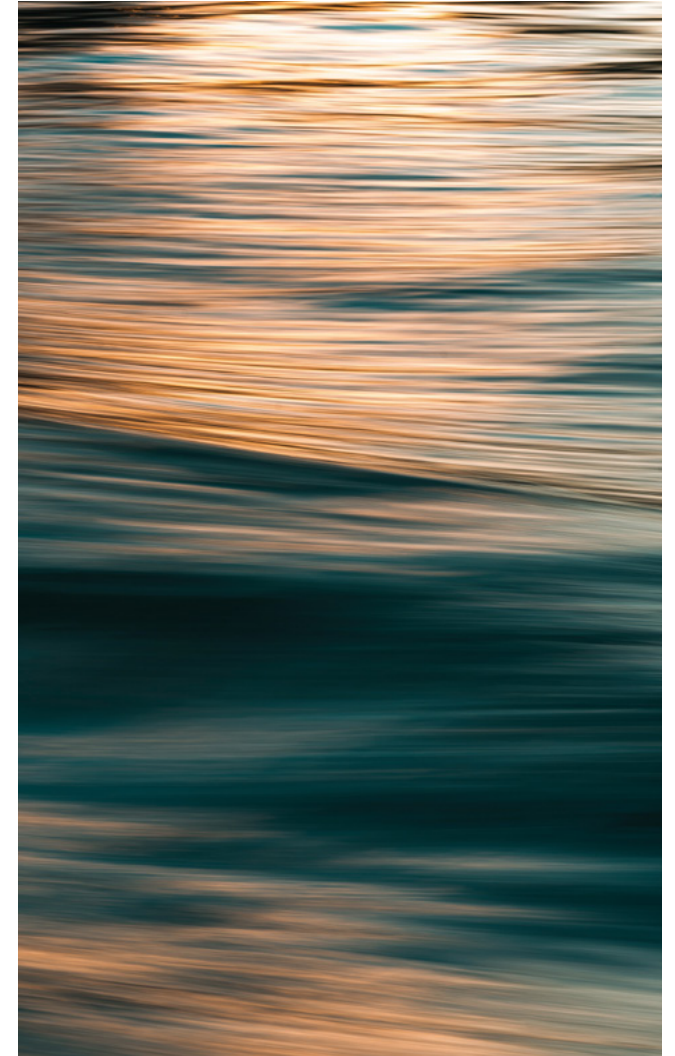
Social:

- Health and Safety
- Indigenous Rights
- Local Job Creation
- Local Community and Infrastructure
- Labor Rights
- Diversity, Equality and Inclusion

Governance:

- Business Ethics
- Integration of ESG Issues in Joint Ventures
- Tax Transparency
- Cooperation with Policy Makers and Regulators

The material topics form the basis for developing relevant Key Performance Indicators (KPIs) in 2022, and measuring and disclosing the company's ESG performance.



Contribution toward the UN's Sustainable Development Goals

Aker Clean Hydrogen recognizes the importance of the United Nations' 17 Sustainable Development Goals (SDG), and is committed to ensuring that the company's business model supports the implementation of these. Aker Clean Hydrogen focuses on actively contributing to the following six key Sustainable Development Goals.



SDG 7 Affordable and Clean Energy

- Aker Clean Hydrogen will directly contribute to the decarbonization of fossil energy, by enabling and building clean hydrogen production capacity globally.
- We contribute to target 7.2 of "substantially increasing the share of renewable energy in the global energy mix by 2030".



SDG 8 Decent Work and Economic Growth

- Aker Clean Hydrogen supports and respects internationally proclaimed human and labor rights. In our projects, we do not tolerate working conditions or treatment that conflict with international laws and practices. The same practice will be adopted for our projects in Chile or South Africa as for our projects in Norway. The company will implement effective systems to minimize the risk of infringement on human and labor rights in own operations and supply chain.
- Aker Clean Hydrogen plans to cooperate actively with the foundation Stiftelsen Vi during 2022 to ensure that people with disabilities are given equal opportunities for work and performance as non-disabled.
- As Aker Clean Hydrogen will likely pass 50 employees in 2022, a workplace environment committee will be formed to ensure a prosperous and sustainable work environment for employees, partners and guests.



SDG 9 Industry, Innovation and Infrastructure

- By building a new sector and value chain in hydrogen production, Aker Clean Hydrogen contributes to target 9.4 to upgrade infrastructure and retrofit industries to make them sustainable.
- Aker Clean Hydrogen will drive down the cost of hydrogen production through long-term partnerships with key suppliers and extensive use of benchmarking to bring down cost. Standardization and digitalization will be further developed in cooperation with other Aker companies, enabling a more cost efficient value chain and lower operational and capital expenditure.



SDG 12 Responsible Consumption and Production

- Circularity is key when it comes to designing our solutions. Through the ambition of setting targets for reducing material consumption in the full value chain, Aker Clean Hydrogen will contribute to target 12.2 and 12.5.
- Oxygen and surplus heat are byproducts from the green hydrogen production, which may create green value chains with nearby industry and in local communities. We seek to utilize these byproducts and manage resources in a more efficient manner, contributing to an overall improvement of the profitability of our projects.



SDG 13 Climate Action

- By investing in clean energy production, Aker Clean Hydrogen is a key player in driving the transition to the low-carbon society. Our purpose is to provide clean hydrogen to hard-to-abate sectors like ammonia, steel, shipping, the maritime sector and heavy road transportation. Aker Clean Hydrogen will take a complete value chain approach to make sure that infrastructure, storage and technology are in place in order to utilize green hydrogen on a large scale.
- Our ambition is to scale production of clean hydrogen and develop 5 GW of production, avoiding 9.4 million tons of CO₂ equivalents per year by 2030.



SDG 17 Partnerships for the Goals

- The hydrogen market requires formation of a complete new value chain, from production to logistics, storage and often new technology, in order to utilize hydrogen as an energy carrier. To meet our target of mitigating climate change, we need to closely cooperate and draw on the competencies and strengths of our partners in the whole value chain and the wider hydrogen ecosystem. That is why collaboration across technology, academia, emitters, businesses and customers is crucial for creating sustainable and strong value chains that last.
- Together with Yara and Statkraft, Aker Clean Hydrogen will establish Europe's first large-scale green ammonia project in Norway by electrifying Yara's ammonia plant in Porsgrunn. This partnership also targets green hydrogen and green ammonia opportunities within shipping, agriculture and industrial applications. The project will contribute to annual CO₂ reductions equivalent to the emissions from more than 300,000 fossil-fuelled passenger cars.

Reporting on Climate-related Risk

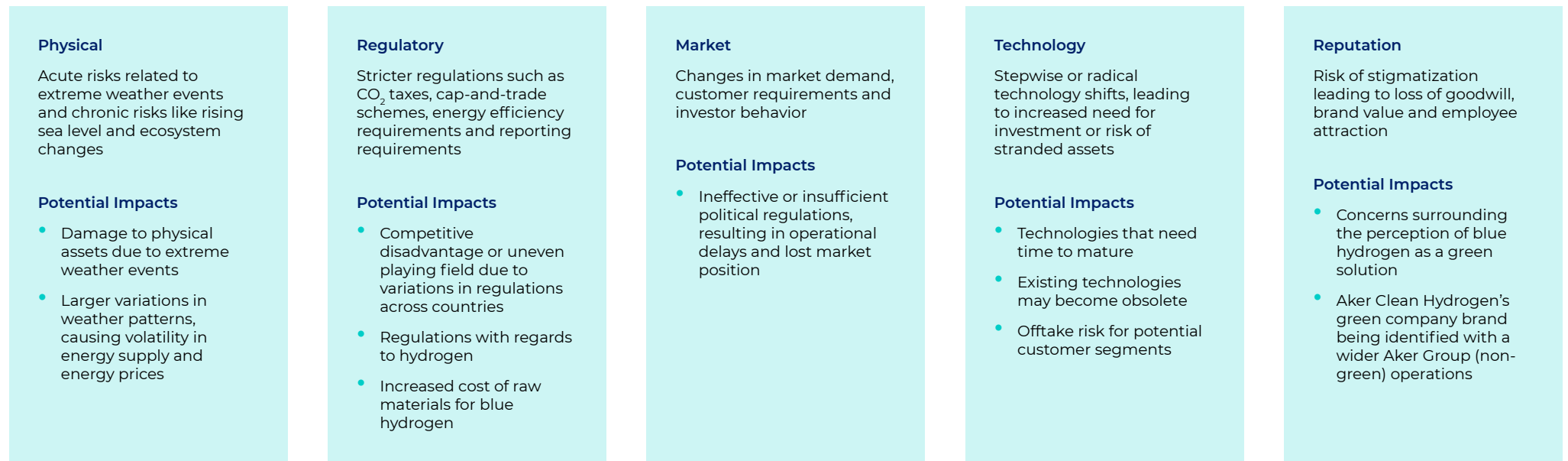
Aker Clean Hydrogen is committed to addressing climate-related financial risks. The Task Force on Climate-related Financial Disclosures (TCFD) has developed a framework to help public companies and other organizations disclose climate-related risks and opportunities more effectively through their existing reporting processes. Climate-related risks can be defined as physical risks, including extreme weather and natural disasters, that result from changes in our climate. They can also be transition risks, including emerging policy and legislation, technological innovation and market and reputational risks. Both types of risks are relevant to Aker Clean Hydrogen.

Aker Clean Hydrogen's first TCFD analysis was performed in December 2021. Several relevant risks and opportunities were identified and included in the company's risk management, strategy development and target setting. The risk level at this point in time is low due to limited physical assets and investments. As Aker Clean Hydrogen invests exclusively in renewable energy and technologies that make material contributions to reducing emissions, the overall climate-related financial risk is assessed as low. There is growing market demand in all climate-related policy scenarios and there are no potentially stranded assets.

As a newly established enterprise, Aker Clean Hydrogen is currently developing necessary processes and

systems, and may therefore at this stage appear less systematic, documented and structured than best practice. Moving forward, the company will continue to carefully monitor climate risk, and any gaps and recommendations identified will be assessed and implemented as the governance of the company is further developed. Identifying and realizing emerging commercial opportunities in a landscape of complex climate regulations and green finance, require careful attention and due diligence.

The figure below shows the main risks and opportunities identified, as well as the main possible impacts. For more information on the analysis, reference is made to the full [TCFD Assessment](#) in the appendix.



EU Taxonomy Status

Preparing for the EU Taxonomy

Aker Clean Hydrogen is closely monitoring the EU's work on Sustainable Finance and the EU Taxonomy regulation. The new legislative and non-legislative actions, introduced through the European Green Deal and the EU Sustainable Finance Action plan, will require financial market participants and companies to disclose, in a standardized format, the sustainability of their core activities and footprint from how they are carried out.

Member states of the EU Council approved the EU Taxonomy Climate Delegated Act in 2021, enabling the regulation to take effect from 1 January 2022. This marks a significant milestone in the transparency provided by companies and investors, which will be further strengthened by the forthcoming Corporate Sustainability Reporting Directive

The EU Taxonomy, a cornerstone of this work, establishes a classification system with criteria for which economic activities may be considered environmentally sustainable. The technical screening criteria that operationalize the EU Taxonomy qualify hydrogen production as sustainable when the lifecycle greenhouse gas emissions are lower than 3 tons of CO₂ equivalents per ton of hydrogen produced.

Going forward, Aker Clean Hydrogen plans to analyze and disclose how its operations align with the EU Taxonomy criteria. The company has also started assessing how the framework can be applied for internal risk management, financial planning, business development and strategy processes. The EU Taxonomy classification system is an integrated part of the sustainability compass for business and investment decisions that is currently under development.

Approach to Assessing Activities

1. Eligibility: All activities have been mapped out and defined as eligible or non-eligible, where the basis of Aker Clean Hydrogen's eligible activities lies within Manufacture of Hydrogen (3.10)

2. Substantial Contribution: All eligible activities have been subject to an assessment of their Substantial Contribution Criteria of less than 3 tons CO₂ eq. per ton H₂ produced. Power consumption and feedstock being the main contributor, the project portfolio footprint from this source ranges between 0-0.5 tons CO₂ per ton H₂, significantly below threshold.

3. Do No Significant Harm (DNSH): All activities that are considered to substantially contribute to an environmental objective, have been considered against currently defined DNSH criteria. The documentation process around DNSH has for most activities not been carried out yet, but it is expected that through existing procedures and planned measures, there will not be challenges in fulfilling these criteria.

4. Minimum Social Safeguards (MSS): Aker Clean Hydrogen is committed to protecting human rights, labor rights and sound working conditions, and to combat corruption. This is reflected in our Code of Conduct, through participation in/signing of formal initiatives such as the UN Global Compact, and through operational measures. The documentation process around MSS has for most activities not been carried out yet, but it is expected that through existing procedures and planned measures, there will not be challenges in fulfilling these criteria.



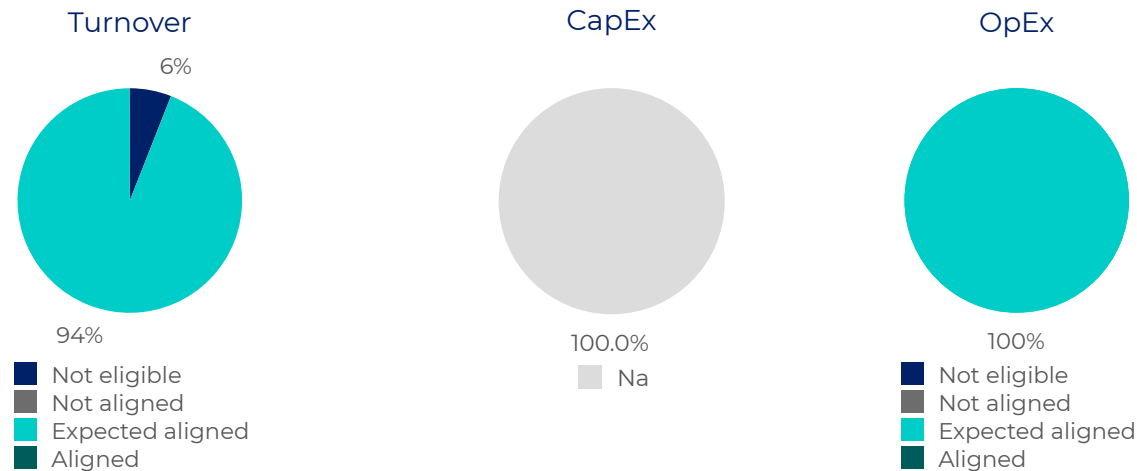
Taxonomy Accounting Policy

The key performance indicators (KPIs) presented in this report include Turnover, Capital Expenditures (CapEx) and Operating Expenses (OpEx) KPIs for the reporting period 2021. The KPIs have been calculated according to Annex 1 of the Art 8 Delegated act, and includes Aker Clean Hydrogen consolidated share of taxonomy eligible Turnover, CapEx and OpEx in relation to total Turnover, CapEx and OpEx, as presented in the consolidated financial statements. Further details on how the different KPIs have been calculated are explained in the green text box to the right.

Aker Clean Hydrogen has also chosen to report on the proportion of activities that are taxonomy-aligned, and the share of the KPIs that are defined as “expected aligned”. Expected alignment is assessed to be when a project is in an early phase, where the required studies and assessments are not documented to the extent to be able to claim full alignment, and where management believe the required documentation on alignment will be completed within 12 months.

Main KPIs - Determined in Accordance with Annex 1 of the Art 8 Delegated Act

Due to a services agreement with Aker Solutions, a share of the 2021 turnover is deemed not eligible. This is a one-off occurrence in relation to new Aker Clean Hydrogen employees supporting projects with their previous employer in a transitional period.



Turnover

The Turnover KPI has been calculated as the part of net turnover derived from taxonomy-eligible projects divided by the total net turnover. The total net turnover equals the external revenue according to the IFRS consolidated accounts.

OpEx

The OpEx KPI is defined as taxonomy-eligible OpEx (numerator) divided by total OpEx (denominator). It is important to point out that total OpEx in the OpEx KPI does not necessarily equal total OpEx from the consolidated financial statements, see more details below.

Denominator: The denominator in the OpEx KPI includes all direct non-capitalized cost that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditure relating to the day-to-day maintenance of fixed assets. The denominator include non-recognized research and development cost, cost related to short-term and low value assets (i.e., lease cost not covered by IFRS 16), and maintenance and repair cost on fixed assets. General overhead cost is not included. Cost related to training is also excluded.

Numerator: The numerator in the OpEx KPI includes the part of the denominator that is associated with taxonomy eligible activities, direct non-capitalized research and development cost.

Planet-positive Impact

Aker Clean Hydrogen is aiming to have a planet-positive impact, meaning we will take responsibility beyond complying with relevant legal statutes and standards for minimizing environmental impact.

Business Model Aligned with Paris Agreement

Aker Clean Hydrogen will develop, build, own and operate clean hydrogen at industrial scale globally. Hydrogen is a key measure to reduce global CO₂ emissions through avoided emissions in customer use phase. To meet the Paris agreement target, it is essential that we implement the use of hydrogen in shipping and the maritime sector, heavy road transportation, hard-to-abate industries such as steel production, and high-temperature processes such as production of plaster and asphalt. In the last years and particularly in 2021, pledges have been set across these industries. Many companies are now ready to take action in order to become carbon neutral, and transform their business models into sustainable operations.

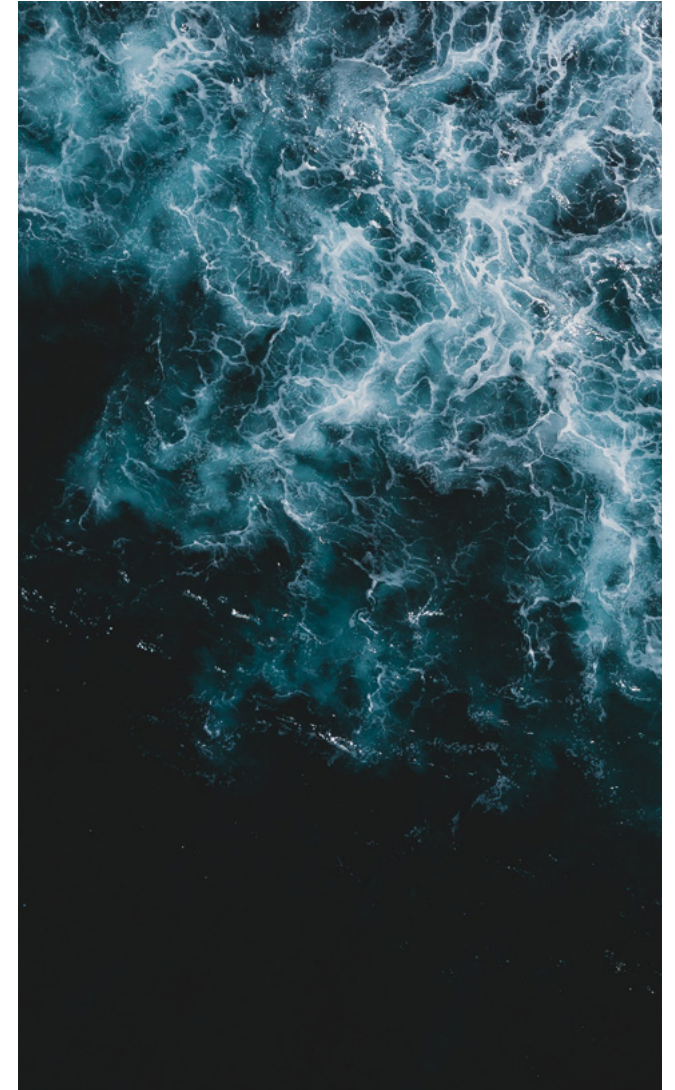
Aker Clean Hydrogen aims to drive value by being the most efficient hydrogen value chain integrator in this race. The company's business model is founded on supplying the energy needs of a low emission society, in other words directly aligned with the Paris agreement. We have a clear ambition to have a substantial environmental impact, with a target of net hydrogen production capacity of 5 GW by 2030, avoiding 9.4 million tons of CO₂ emissions globally per year.

We are actively developing our market funnel. Our most mature projects are described in the [Projects](#) section of the Board of Directors' Report.

Minimizing Own Footprint

Aker Clean Hydrogen believes that everyone must take part in the transition to a greener future. While the company is in the business of producing carbon neutral fuel, it is also in the process of setting targets for minimizing its own footprint across the value chain. Although the positive effects of producing clean hydrogen by far outnumber the footprint of construction and operation of our own facilities, we continuously strive to minimize the emissions from own projects and future operations.

Aker Clean Hydrogen will produce both green and blue hydrogen. To ensure that the lifecycle greenhouse gas emissions from the production of hydrogen are in accordance with the EU Taxonomy classification threshold (3 tons of CO₂ equivalents per ton of hydrogen), the sourcing of energy is key. Power used to produce green hydrogen must be based on renewable production. This could be secured through power purchase agreements (PPA) and certificates of origin. For blue hydrogen, the capture rate of CO₂ must be high, and the natural gas must be sourced from a low emission production process. For both blue and green hydrogen production, high energy efficiency must be secured through efficient use of power and gas at our production sites.



On the sales side, key drivers for potential emissions are transport of hydrogen by trucks and ships to end customers. For blue hydrogen, transport of CO₂ into storage must be taken into account.

Although we produce clean hydrogen to remove emissions, we need to closely assess the emissions generated through the construction phase of our facilities. To achieve this it is important to establish requirements toward our suppliers and the entire value chain.

We believe that a green supply chain requires multiple assessments and actions across various stakeholders. We will cooperate with our suppliers and collectively work out plans that can reduce the footprint of our projects. To some of our suppliers, this is a relatively novel focus, whereas others are more mature. We seek to understand the main drivers of carbon emissions in our projects and set appropriate targets and initiatives where we can influence. We have reached out to some of our suppliers and asked them to provide insight on the carbon footprint of the various parts that go into our hydrogen production plants. We have also developed pre-qualification questionnaires to assess suppliers on environmental aspects, as part of our procurement process.

We believe that construction cost, installation time and low-carbon emissions are not necessarily opposing forces that contradict each other. By making smart changes together with our supply chain partners we can help shift the industry to a more sustainable path.

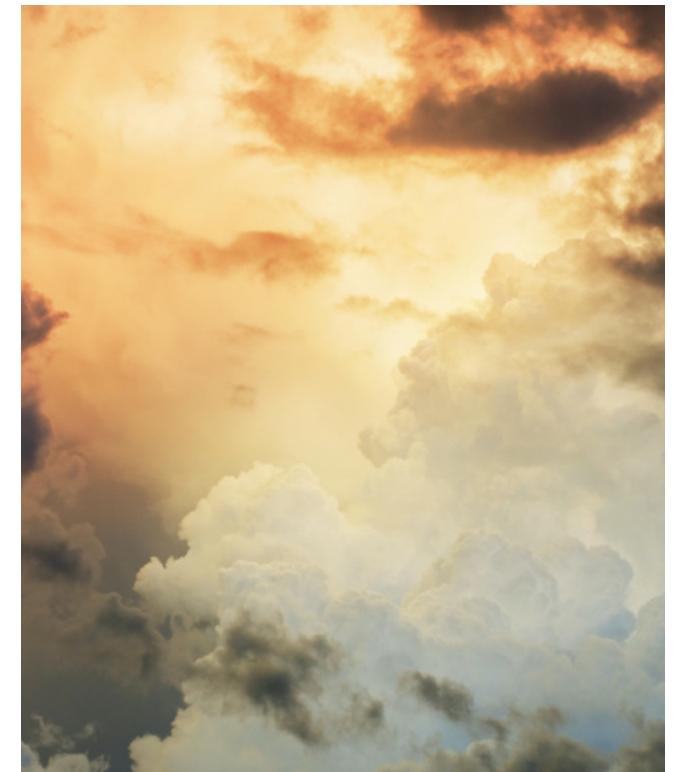
Commitments and Pledges

Aker Clean Hydrogen has made the following commitments and pledges for greenhouse gas emissions from own operations and value chain:

- **The Race to Zero. Aker Clean Hydrogen is committed to the Race to Zero through its majority owner Aker Horizons.** The Race to Zero initiative is an international movement committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner. This target is in line with global efforts to limit warming to 1.5°C and support investments aligned with net zero emissions by 2050 or sooner.
- **First Movers Coalition (FMC). Aker ASA, the majority owner of the Aker Group, is a founding member of this ground-breaking initiative, announced on COP26.** The Coalition is a buyers' club set to fast-track the development of emerging green technologies. The First Movers Coalition include some of the world's largest companies that intend to create predictability around demand for sustainable and low-carbon materials and products. The coalition covers a range of industrial sectors such as steel, shipping and trucking, thus also representing opportunities as these are key markets for Aker Clean Hydrogen. A clear market demand will help accelerate and scale green technologies, and this is exactly the type of tangible, real-life steps that can enable fast change. Aker Clean Hydrogen will take part in at least one sectoral commitment under the FMC initiative.
- **Ambition to commit to the Science Based Targets (SBT) initiative in 2022.** SBT is a set of goals that provide a clear route to reducing greenhouse gas emissions. An emission reduction target is defined as science-based if it is developed in line with the Paris Agreement's goals of limiting the global warming to well below 2°C above pre-industrial levels, and pursuing efforts to limit warming to 1.5°C.

Aker Clean Hydrogen's Own Greenhouse Gas Emissions in 2021

There were no emissions in Scope 1 for 2021. Scope 2 emissions included consumption of electricity, district heating and cooling for the office space. The scope 3 emissions, covering emissions from the supply chain, were limited to emissions from travels in 2021, since projects were in a planning phase without construction or operation activities. For GHG emissions accounting, reference is made to the [Full ESG Performance Metrics](#) in the appendix.



Environment and Water

World Economic Forum ranks biodiversity loss and ecosystem collapse as one of the top five environmental risks in the next 10 years. As Aker Clean Hydrogen has not yet started the production or construction of any sites, no environmental reporting is relevant for 2021.

In operation, large-scale build-out of hydrogen production will impact the natural environment. This build-out will require both production facilities for the hydrogen, storage tanks, logistics and end-user installations. Power requirement for green hydrogen could require use of land and water for renewable power production. A fast-growing hydrogen sector with a target to cut CO₂-emissions has to be developed while minimizing ecosystem impact and in balance with local habitats and species within these ecosystems. Spills from production and usage of hydrogen can potentially result in a severe impact on ecosystems. Production of green hydrogen requires fresh water in addition to a substantial amount of cooling. The cooling is normally done by using water as cooling medium. The water sources must therefore be carefully selected to minimize the use of water in water-stressed areas, in addition to recycled and replenished in a circular process to the largest extent possible.

A systematic approach to minimize negative consequences from our production plants and value chain will be an integrated part of our operations and business development. Environmental and social criteria for selecting and collaborating with suppliers to drive performance and emissions reductions, will be a key part of our sustainability efforts.

Aker Clean Hydrogen is closely monitoring the work that is being developed by the Taskforce on Nature-related Financial Disclosures (TNFD). The TNFD framework is

expected to be launched during the second half of 2023. Going forward, we will assess how the framework can be used for internal risk management, financial planning and strategy processes within Aker Clean Hydrogen.

Resource Availability and Solid Waste

Being a significant consumer of steel and energy carriers such as power and natural gas, we have a responsibility to utilize these resources in an efficient manner.

Green Value Chains for Byproducts

Oxygen and surplus heat are the main byproducts from green hydrogen production.

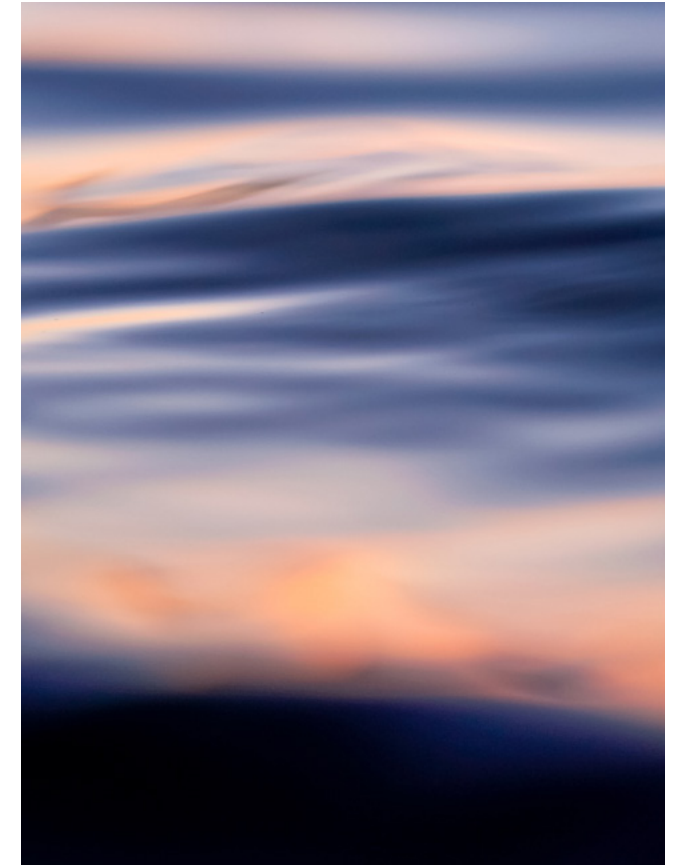
The surplus heat from hydrogen production goes with cooling water from the electrolysis process, with a potential usage in district heating. The oxygen can be utilized in fish farms or other nearby industries that require oxygen in their industrial processes.

Aker Clean Hydrogen's goal is to fully utilize these byproducts by developing offtake opportunities and searching for site locations where all value streams can be utilized in new green value chains. This will benefit both the environment and Aker Clean Hydrogen as a supplier.

Standardization

Circularity and reduction in materials and resource use will also be achieved through our standardization initiative. In order to reduce solid waste and improve resource availability, it is imperative to design for reuse and recycle, and minimize the extraction and use of raw materials, scarce materials, and non-recyclable materials and components across the supply chain. By using the same standard solutions and components across assets, we can develop a common pool of spare

parts and thereby reduce the number of units produced. To enhance the life-time of components, operational data is shared between entities to give improved trends for condition monitoring, enabling condition-based maintenance and refurbishment before component failure. Enhanced life-time and reduced number of units produced also result in lower carbon emissions in the supply chain.



Respect for People

31%

Female Employees

17%

Female Leaders

17

Nationalities

At Aker Clean Hydrogen we seek to foster our employees' and company's success by attracting and retaining diverse and world-changing talent that wants to make a difference. Aker Clean Hydrogen's ambition is to offer professional development, worldwide career opportunities, competitive benefits, and a healthy work-life balance for its employees.

Organization

Aker Clean Hydrogen spent the first months in operation on building a forceful and capable organization to capture and accelerate growth opportunities. By end of 2021, the company had 39 employees and another 7 waiting to get started. 17 nationalities were represented in the workforce, and 31% of the workforce were women. In the Executive Management Team (EMT) 17% were women by year-end.

We have secured strong ammonia and hydrogen domain expertise across the organization, with previous work experiences from Aker, Yara, Wood, DNV GL, ABB, Engie, Ørsted, Equinor, Elkem and other companies.

In addition to the permanent employees, Aker Clean Hydrogen had 31 contract staff at the end of 2021, including resources hired in from Aker Solutions.

Knut Nyborg has led Aker Clean Hydrogen as Chief Executive Officer since the company was launched. Nyborg joined from Aker Solutions, where he held various senior leadership positions, including Executive Vice President and member of the Executive Management Team.

Kristoffer Dahlberg was appointed Chief Financial Officer of Aker Clean Hydrogen in June 2021. Dahlberg joined the company from Aker BP, where he was Vice President, Business Controlling.

Working Environment

In 2021, the main working environment priority was building the organization while at the same time managing the global COVID-19 pandemic. The pandemic introduced new ways of working, and Aker Clean Hydrogen has met these challenges with a digitally-connected, collaborative and mobile workplace for all employees.

The working environment in Aker Clean Hydrogen was affected by being a start-up company with new employees joining throughout the year. Onboarding of new employees has been managed successfully by combining digital channels with physical meetings when possible.

To limit negative effects of the pandemic, a comprehensive series of measures have been implemented, all in accordance with national recommendations and Aker group-wide requirements. Under these new working conditions, emphasis has also been placed on mental health and physical activity. In cases where working from home has been challenging, Aker Clean Hydrogen has facilitated and arranged for alternative solutions.

From March until August, most work was conducted through digital channels. In August, people gradually returned to the office and the office was fully open

between October and early December 2021. From December all work has been conducted from home office in accordance with national requirements.

Aker Clean Hydrogen will reach 50 employees during 2022, and in accordance with the Norwegian Working Environment Act a workplace environment committee will be established to ensure a good, prosperous and sustainable work environment for our employees.

The company uses a clearly defined set of KPIs to ensure that employees and management work toward common goals to accelerate performance. Structures for development and follow-up of individual performance will be implemented in 2022.

Health and Well-being

Employee health and well-being is of major importance to us.

As a part of the Aker family, Aker Clean Hydrogen has several proactive and health-promoting measures available for our employees. Several of these offers are available through our occupational health service AKER Care, including physical therapy, ergonomic guidance, crisis support line, workouts, travel medicine and vaccines, personal health, and occupational health.

During COVID-19 employees have been offered vaccination, testing, mental health training and support from medical professionals, and flexible working arrangements.

In 2021, the total sickness absence in Aker Clean Hydrogen was 0.9 percent. There were no work-related injuries or near misses during the year.

Equality, Diversity and Inclusion

At Aker Clean Hydrogen, we embrace diversity and equal opportunity for all. We are committed to building an inclusive environment for all employees and a team that represents a variety of backgrounds, perspectives, skills and knowledge. We believe that diversity strengthens our ability to make good decisions and enables us to build a more profitable and sustainable business.

We seek to ensure diversity not only in gender but also in areas like age, nationality, ethnicity, education, skills, beliefs, background, experience, and knowledge.

Through our recruitment process, we have secured a diverse background of education, skills, experience, and knowledge represented in our team. In 2021, 31% of our workforce is female, we have 17 nationalities represented in the company, and the age range spanned from 28 to 59, blending young talents with a highly experienced workforce.

We are committed to encouraging the many individual contributions that our employees bring to the company, and allowing everyone to make full use of their talents and potential. We welcome, listen to and respect contributions from all our employees.



The company does not tolerate any form of discrimination. In 2022 we aim to have a Diversity and Inclusion Policy in place together with targeted actions to ensure a diverse, inclusive, and equal work environment.

There were no incidents of discrimination reported in 2021.

All open positions are announced in English to attract talent and ensure diversity. We actively seek to have female candidates represented in all interview processes.

Men and women in equal positions, with equal professional experience who perform equally well, shall receive equal pay in Aker Clean Hydrogen. The complexity of the job, discipline area and work experience will define the pay level of individual employees.

Aker Clean Hydrogen has a procedure for handling whistle-blower cases. All allegations of discrimination will be investigated, and feedback provided to any whistle-blower whose identity is known. By end of 2021, no such cases had been reported.

Culture and Skills for the Future

In 2021 Aker Clean Hydrogen established a fundament for building a prosperous and sustainable company culture. All employees have been engaged in the work of establishing a purpose for the company and company values to live by.

The purpose of Aker Clean Hydrogen is:

Aker Clean Hydrogen exists to accelerate planet-positive impact, and does this by industrializing clean hydrogen, enabling hard-to-abate sectors to go green. The result of Aker Clean Hydrogen's work is affordable and clean hydrogen made safe and easy.

The Aker Clean Hydrogen Company Values are:

- Dare to change
- Embrace collaboration
- Solid commitments

To succeed with the green energy transition, we seek people who dare to change their ways of working. We seek people who embrace collaboration by having an open, inclusive, and transparent mindset and who are eager to grow, learn and develop.

To ensure that we are on the right track, we will conduct regular pulse surveys to map the company culture and identify employee satisfaction and areas for improvement and focus. The first pulse survey will be conducted during spring 2022.

We aim to build a learning culture where people grow and develop on a personal level through responsibility, tasks, and training. In 2021 and early 2022 hydrogen and ammonia safety has been on the top of our training agenda. Through training and implementation of HSSEQ policies and applicable procedures and processes, we will build a robust safety culture to support future operations. We are well underway in building a highly qualified team to drive the green energy transition.

Our values

- Dare to Change
- Embrace Collaboration
- Solid Commitments

Prosperity for All

Creating a new industry brings opportunities for local communities and shared benefits for many different stakeholders. It also introduces challenges and concerns that must be addressed.

Job Creation and Education

Several of Aker Clean Hydrogen's facilities will be developed in rural areas or less populated communities, where depopulation is a challenge. Green energy projects stimulate long-term economic growth for these communities. Local businesses such as suppliers of components, construction companies, maintenance companies and logistics services can benefit directly from the construction of hydrogen facilities, while shops, restaurants, and hotels can experience increased footfall from those using local facilities.



To help local communities take full advantage of the job opportunities generated by hydrogen activities, we will collaborate with educational institutions to raise skill levels and develop educational offerings for local aspiring professionals, so that over time these communities can become powerhouses in the green energy industry.

Challenges and Concerns

For all our projects, we perform Environmental and Social Impact Assessments (ESIA) and Quantitative Risk Assessments (QRA) to control and minimize the impact from our facilities. However, with a new industry there will be challenges and concerns in the local communities:

- When establishing hydrogen facilities and their value chain, preservation of the rights of indigenous people is imperative. Special attention must be made when large land areas are required for renewable power production for the hydrogen facility.
- Transporting hydrogen and hydrogen products from the production facility to end users will in many instances be done by truck or boat. Communities can therefore experience increased strain on local infrastructure.
- Production of hydrogen can cause noise, especially when the hydrogen needs to be pressurized with the use of compressors.
- Hydrogen is more ignitable than hydrocarbons and highly explosive under pressure, which can cause safety concerns in the communities.

Aker Clean Hydrogen is in all its projects actively engaging with the local communities. We strive to have an open and transparent dialogue, and always take action to mitigate any adverse impact.

Innovation and Better Products

At Aker Clean Hydrogen we aim to drive value by being the most efficient hydrogen value chain integrator in the race toward zero emissions. We will drive down the cost of hydrogen production through further investment in our solutions and from our standardization and digitalization efforts. This will make hydrogen a viable solution to implement for more emitters. We seek to do this by:

- Leveraging innovative and efficient solutions
- Reducing costs across the value chain
- Creating mutually beneficial partnerships

We actively engage with clients and offtakers to help drive the innovation process for application of hydrogen in their processes and products. By making affordable clean hydrogen available in the market, we contribute to the acceleration of innovation and improvements required to make hard-to-abate sectors emissions free.

Good Governance

Aker Clean Hydrogen's governance structure is under development. However, we believe the success of our development projects and future production rests on achieving success the right way, that is by ensuring good governance through all parts of our operations and business activities. Further developing the governance structure will have a high focus in 2022.

Aker Clean Hydrogen's governing documents are published on ACHub, an internal open Teams site where employees get regular updates on the development of the company's governance.

Aker Clean Hydrogen exists to accelerate planet positive, thus seeing it is as essential to manage material aspects, with an extra emphasis on the environment. This is secured through making sustainability an integrated part of the company strategy and management system, operationalized through various business processes.

More information about our governance structure is provided in the [Corporate Governance Report](#).

Board of Directors and Executive Management

The Board of Directors of Aker Clean Hydrogen provides strategic guidance on sustainability, and monitors and approves the sustainability ambitions in our corporate strategy.

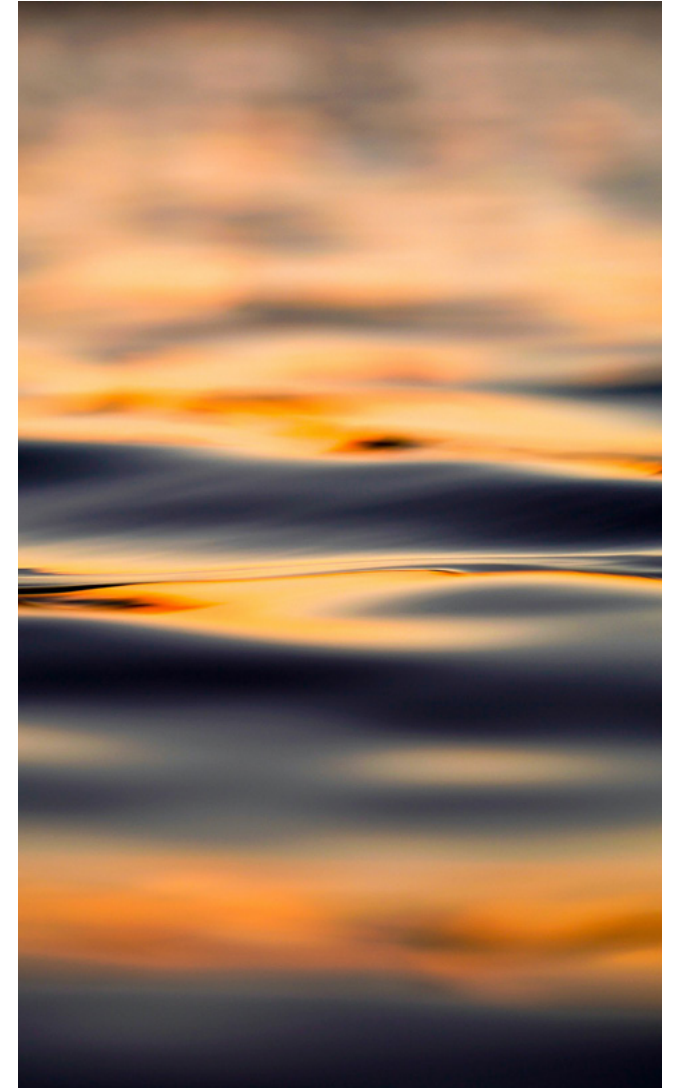
The Executive Management Team (EMT) is accountable for the sustainability program and approves the annual update of sustainability initiatives. Aker Clean

Hydrogen's sustainability ambitions will be linked to the most recent materiality assessment, which shall be reviewed and approved by EMT on an annual basis. It is the responsibility of EMT to ensure that sustainability is an integral part of Aker Clean Hydrogen's strategy and annual objectives.

Sustainability ambitions are communicated to the Board of Directors for approval and subsequently operationalized by EMT. Executing the company's sustainability ambitions is a line management responsibility, and sustainability issues including climate-related risks and opportunities are regularly discussed by EMT. Going forward, sustainability progress will also be reported quarterly to Aker Clean Hydrogen's audit committee, which will become operational in 2022.

Ethical Behavior

Aker Clean Hydrogen's Code of Conduct outlines the company's commitments and requirements for ethical business practices and personnel conduct. A summary description of the Code of Conduct is found in the Board of Director's Report, and the code is available on the company's website.



Management System

Aker Clean Hydrogen's management system is under development. The responsibility for management system will sit with the Chief Operating Officer position, which is filled from early 2022.

The company has developed a capital value process (CVP), which defines business and investment decisions in stages with related requirements and checklists.

Aker Clean Hydrogen believes that commercial viability of our future production sites is tightly linked to minimizing the environmental and social impact of those production facilities. Understanding emerging sustainability themes and how they impact our business is key in the development of our business. Therefore, evaluations of the environmental and social impacts of the company's future operations along the full value chain will become important selection criteria for the development of production facilities. A first version of a sustainability compass will be included in the CVP in 2022. This compass will ensure that environmental and social impacts and opportunities become key decision criteria for business and investment decisions.

Sustainability Policy

In 2022 we will develop a sustainability policy, which will define our commitments and behaviors on sustainability, including our commitment to the ten principles of the UN Global Compact within the areas of human rights, labor, environment, and anti-corruption. The policy will be a part of the company's management system.

We believe that establishing partnerships in the hydrogen value chain is key in order to deliver on our ambition to actively contribute to mitigating

climate change. We recognize that establishing such partnerships come with certain ESG challenges, which we will need to assess, address and mitigate.

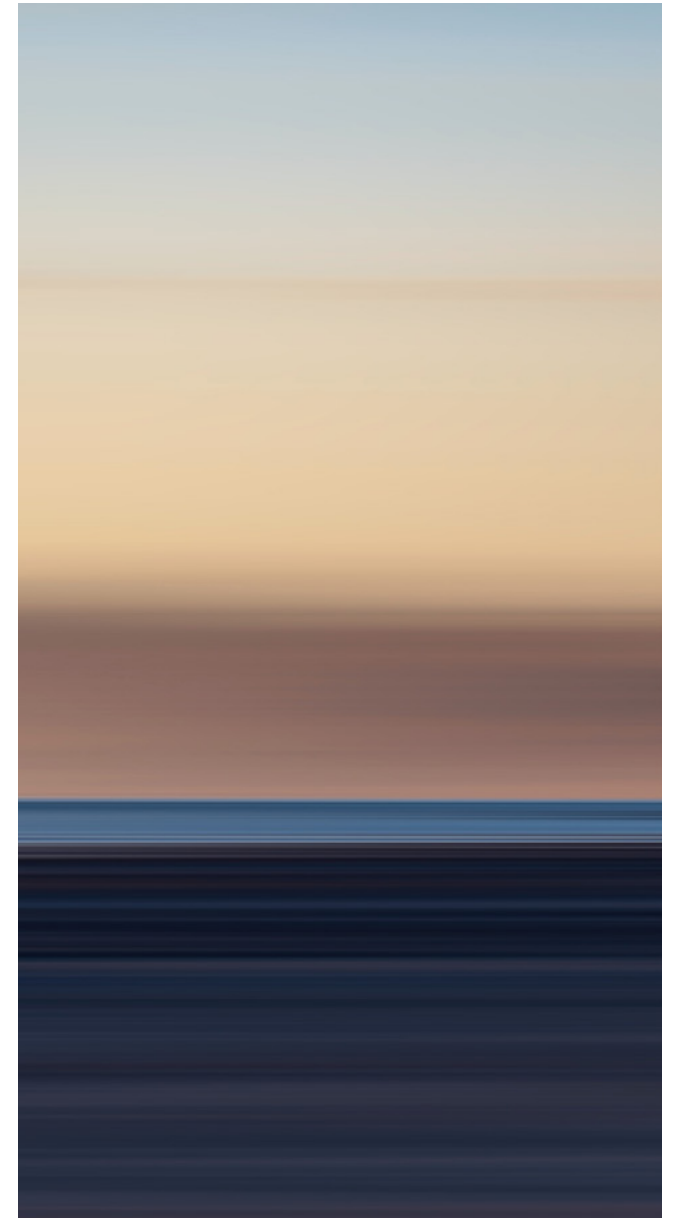
HSSE Preparedness

Aker Clean Hydrogen is committed to building a zero-incident safety culture, and will throughout 2022 build and implement an HSSEQ management system that will support both projects and future operations. As part of this we will establish HSSE and Quality policies, along with relevant targets and objectives for the company. The management system will be built on the frameworks from ISO 9001, 14001 and 45001, and Aker Clean Hydrogen aims to have its management system certified in 2023.

Supply Chain Governance

To promote supply chain governance for Aker Clean Hydrogen and ensure that value is maintained across the contracting lifecycle, the supply chain function employs an integrated and organized approach to procurement activities. This includes developing sustainability assessment criteria for suppliers in line with the material topics and the sustainability policy, which will be completed in 2022.

The success of the supply chain function will be further enhanced through the digitalization of the procurement processes and implementation of adequate contract administration tools, thus providing additional benefits from a sustainability perspective, such as reduced risk and improved supplier relationships. These are all key priorities to promote supply chain excellence and build our organization to a leader in this field.



An aerial photograph of a beach. The ocean is a deep, vibrant blue, with white, frothy waves crashing onto the shore. The sand is a warm, golden-brown color, showing some ripples and textures. The text is overlaid on the left side of the image.

Financials and Notes

For the Year Ended 31 December

Consolidated Financials and Notes

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Income Statement and Other Comprehensive Income

Consolidated statement for the year ended 31 December

| <i>Amounts in NOK thousand</i> | Note | 2021 |
|--|-------------|------------------|
| Revenues | 4 | 14,218 |
| Materials, goods and services | | (9,121) |
| Salary and other personnel costs | 13 | (42,957) |
| Other operating expenses | 5 | (119,772) |
| Depreciation | 12 | (2,831) |
| Operating profit (loss) | | (160,463) |
| Financial income | | 10,477 |
| Financial expenses | | (997) |
| Foreign exchange gain (loss) | | 64 |
| Net financial items | | 9,545 |
| Share of profit (loss) equity-accounted investees | 8 | (9,278) |
| Profit (loss) before tax | | (160,196) |
| Income tax benefit (expense) | 6 | — |
| Profit (loss) for the period | | (160,196) |
| Other comprehensive income | | — |
| Total comprehensive income | | (160,196) |
| Earnings (loss) per share in NOK (basic and diluted) | 7 | (0.29) |

Balance Sheet

Consolidated statement for the year ended 31 December

| Amounts in NOK thousand | Note | 2021 |
|---------------------------------|------|------------------|
| Assets | | |
| Non-current assets | | |
| Right-of-use assets | 12 | 4,729 |
| Fixed assets | | 836 |
| Intangible assets | | 1,393 |
| Equity-accounted investees | 8 | 80,485 |
| Total non-current assets | | 87,442 |
| Current assets | | |
| Trade and other receivables | 9 | 35,708 |
| Marketable securities | 10 | 701,843 |
| Cash and cash equivalents | 11 | 2,003,262 |
| Total current assets | | 2,740,813 |
| Total assets | | 2,828,255 |

| Amounts in NOK thousand | Note | 2021 |
|--------------------------------------|------|------------------|
| Equity and liabilities | | |
| Equity | | |
| Share capital | | 687,755 |
| Other equity | | 2,086,296 |
| Total equity | 14 | 2,774,052 |
| Non-current liabilities | | |
| Pension liabilities | 13 | 1,920 |
| Non-current lease liabilities | 12 | 2,149 |
| Total non-current liabilities | | 4,069 |
| Current liabilities | | |
| Current lease liabilities | 12 | 3,607 |
| Current operating liabilities | 9 | 46,528 |
| Total current liabilities | | 50,135 |
| Total equity and liabilities | | 2,828,255 |

The Board of Directors and CEO of Aker Clean Hydrogen AS
Oslo, 16 March 2022

Karl Johnny Hersvik
Chairman of the Board

Øyvind Eriksen
Director

Kjell Inge Røkke
Director

Kristian Monsen Røkke
Director

Knut Olaf Nyborg
CEO

Cash Flow Statement

Consolidated statement for the year ended 31 December

| <i>Amounts in NOK thousand</i> | Note | 2021 |
|--|-------------|------------------|
| Profit before tax | | (160,196) |
| Adjustments for: | | |
| Depreciation | 12 | 2,831 |
| Share of profit (loss) equity-accounted investees | 8 | 9,278 |
| Accrued interests and foreign exchange | | (1,529) |
| Changes in net current operating assets | | 11,243 |
| Cash flow from operating activities | | (138,373) |
| Acquisition of property, plant and equipment | | (1,043) |
| Payments for capitalized development costs | | (1,417) |
| Acquisition of subsidiary | | (39) |
| Payment for investments in equity-accounted investees | 8 | (88,250) |
| Payment for investment in marketable securities | 10 | (700,000) |
| Cash flow from investing activities | | (790,749) |
| Payment of lease liability | 12 | (1,888) |
| Proceeds from share issue | | 3,002,623 |
| Transaction costs related to share issue | | (68,351) |
| Cash flow from financing activities | | 2,932,383 |
| Net cash flow in the period | | 2,003,262 |
| Cash and cash equivalent at the beginning of the period | | — |
| Cash and cash equivalent at the end of the period | | 2,003,262 |

Statement of Changes in Equity

Consolidated statement for the year ended 31 December

| <i>Amounts in NOK thousand</i> | Note | Share capital | Other paid-in capital | Other equity | Retained earnings | Total equity |
|---|------|----------------|-----------------------|--------------------|-------------------|--------------------|
| Profit (loss) for the period | | — | — | — | (160,196) | (160,196) |
| Other comprehensive income | | — | — | — | — | — |
| Total other comprehensive income | | — | — | — | (160,196) | (160,196) |
| Equity at incorporation 1 January 2021 | | 30 | — | — | — | 30 |
| Contribution-in-kind | | 500,000 | 7,500,000 | — | — | 8,000,000 |
| Share issues | | 187,725 | 2,814,897 | — | — | 3,002,623 |
| Transaction costs, share issues | | — | (68,351) | — | — | (68,351) |
| Continuity difference | | — | — | (8,000,054) | — | (8,000,054) |
| Equity as of 31 December 2021 | 14 | 687,755 | 10,246,546 | (8,000,054) | (160,196) | 2,774,052 |

Notes to the Financial Statements

1 Company Information

Aker Clean Hydrogen AS is an industrial clean hydrogen producer with a “develop, build, own & operate” business model.

Aker Clean Hydrogen AS is a limited liability company incorporated and domiciled in Norway and whose shares are admitted for trade on Euronext Growth under the ticker ACH. The registered office is located at Oksenøyveien 8 in Bærum, Norway. The largest shareholder is Aker Horizons Holding AS and the ultimate parent company is The Resource Group TRG AS.

The Company was incorporated on 1 January 2021 as a private limited liability company under the laws of Norway, for the purposes of being a holding company of the Group. On 24 February 2021, Aker Horizons Holding acquired 100 percent of the shares in the Company, which at this time was an empty holding company.

On 8 March 2021, the Company completed a private placement of 187,500,000 new shares toward certain new investors, raising gross proceeds of NOK 3.0 billion. In conjunction with the private placement, 100 percent of the shares in Aker Clean Hydrogen Holding AS (“Aker Clean Hydrogen Holding”) were transferred from Aker Horizons Holding AS by way of contribution-in-kind. First day of trading of the Company's shares on Euronext Growth was 11 March 2021.

The consolidated financial statements of Aker Clean Hydrogen AS and its subsidiary (collectively referred as Aker Clean Hydrogen or the group, and separately as group companies) for the year ended 31 December 2021 were approved by the board of directors and CEO on 16 March 2022. The consolidated financial statements will be authorized by the Annual General Meeting on 19 April 2022.

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

Functional and Presentation Currency

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

Basis of Measurement

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

Cash Flow Statement

The statement of cash flow is prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits 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 2021 and earlier application is permitted; however, the group has not early adopted the new or amended standards in preparing these consolidated financial statements and they are not expected to have a significant impact on the group's consolidated financial statements.

Judgments and Estimates

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

- Note 4 Revenue
- Note 6 Tax
- Note 8 Investments in Associates and Joint Ventures
- Note 12 Leases

3 Operating Segments

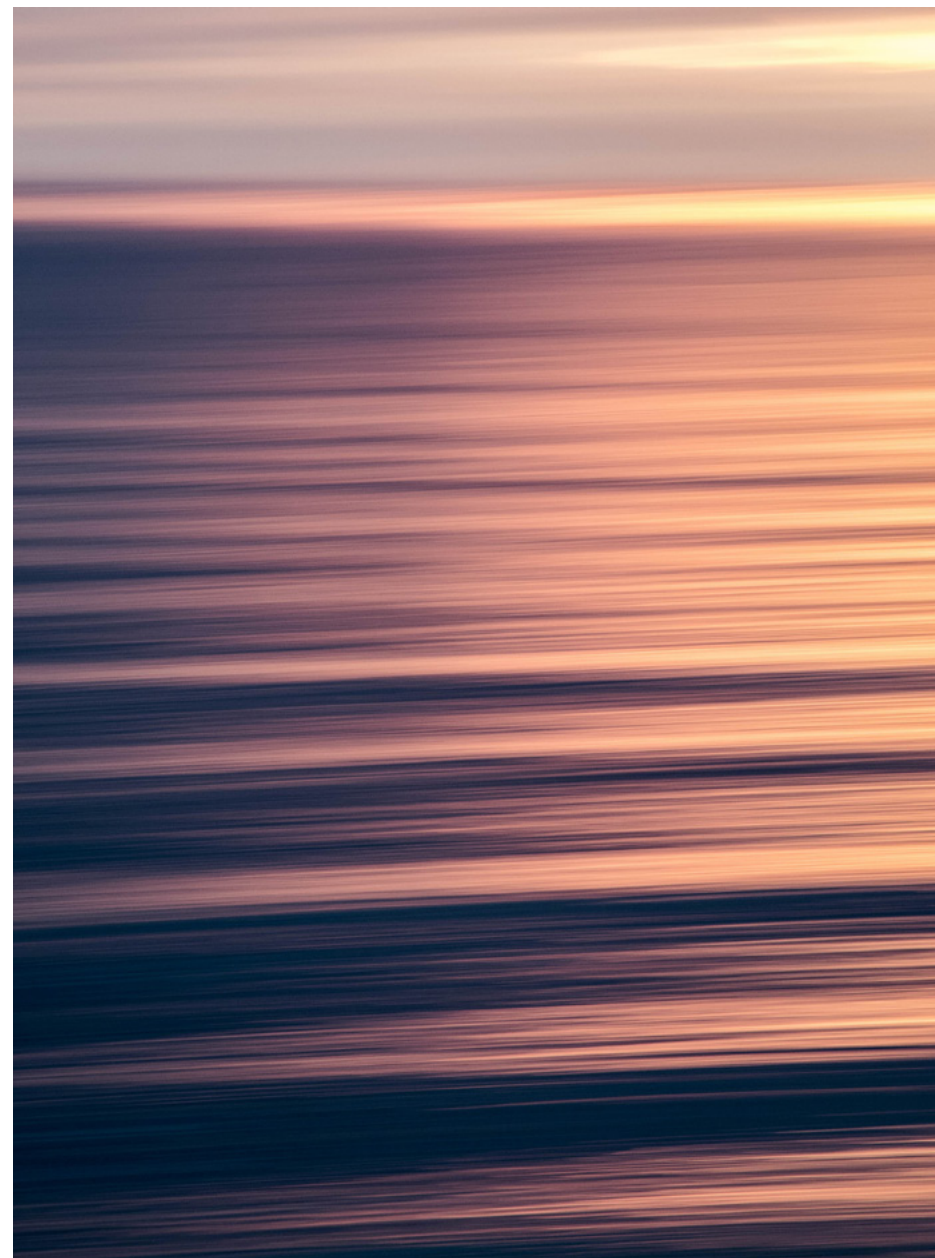
The Group's revenue relates to delivery of services for development projects within the clean hydrogen industry. The Aker Clean Hydrogen Group is delivering its services into projects developing and building production plants for both hydrogen and ammonia plants.

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 CEO (Chief Executive Officer) is the chief decision maker at Aker Clean Hydrogen, 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

All external revenue and non-current segment assets and capital expenditures were generated in Norway for the period ending 31 December 2021.



4 Revenue

The revenue in Aker Clean Hydrogen relates to delivery of services related to development projects within the clean hydrogen industry. Services are mainly delivered to associated 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 hydrogen and ammonia produced 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 site identification, business case assessment, concept studies and environmental studies. Subject to the positive outcome of such studies and analyses, Aker Clean Hydrogen advances to discussions and formal processes with appropriate parties, including local, regional and national government bodies, to secure land, permitting, grid connection and financial support. Final investment decision ("FID") is eventually undertaken when Aker Clean Hydrogen, together with its partners, deems the project in question attractive for development. Following FID and financial close, the project moves into the execution and construction phase.

Nature of Performance Obligations

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.

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.

Revenues

| <i>Amounts in NOK thousand</i> | 2021 |
|--------------------------------|---------------|
| Service revenue | 14,218 |
| Total | 14,218 |

5 Expenses

Expenses by Nature

| <i>Amounts in NOK thousand</i> | 2021 |
|--|----------------|
| IT | 18,810 |
| External consultants and hired-ins inclusive audit fees ¹ | 84,855 |
| Other operating expenses | 16,107 |
| Other operating expenses | 119,772 |

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

Fees to KPMG

| <i>Amounts in NOK thousand</i> | Aker Clean Hydrogen AS | Other group companies | Total |
|--------------------------------|-------------------------------|------------------------------|--------------|
| Audit | 157 | 132 | 289 |
| Other assurance services | 184 | — | 184 |
| Total | 341 | 132 | 473 |



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

Deferred Tax

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

Judgements and Estimates

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

Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. No net taxable income has been reported for the year presented and no deferred tax assets have been recognized as uncertainty for future taxable income exists.

Effective Tax Reconciliation

| <i>Amounts in NOK thousand</i> | | 2021 |
|---|--------|-------------|
| Profit (loss) before tax | | (160,196) |
| Expected tax expense | 22.0% | 35,243 |
| Tax effects of: | | |
| Permanent differences | (8.1)% | 12,929 |
| No recognition of deferred tax assets | 30.1% | (48,172) |
| Total income tax benefit (expense) | | — |

Deferred Tax Positions

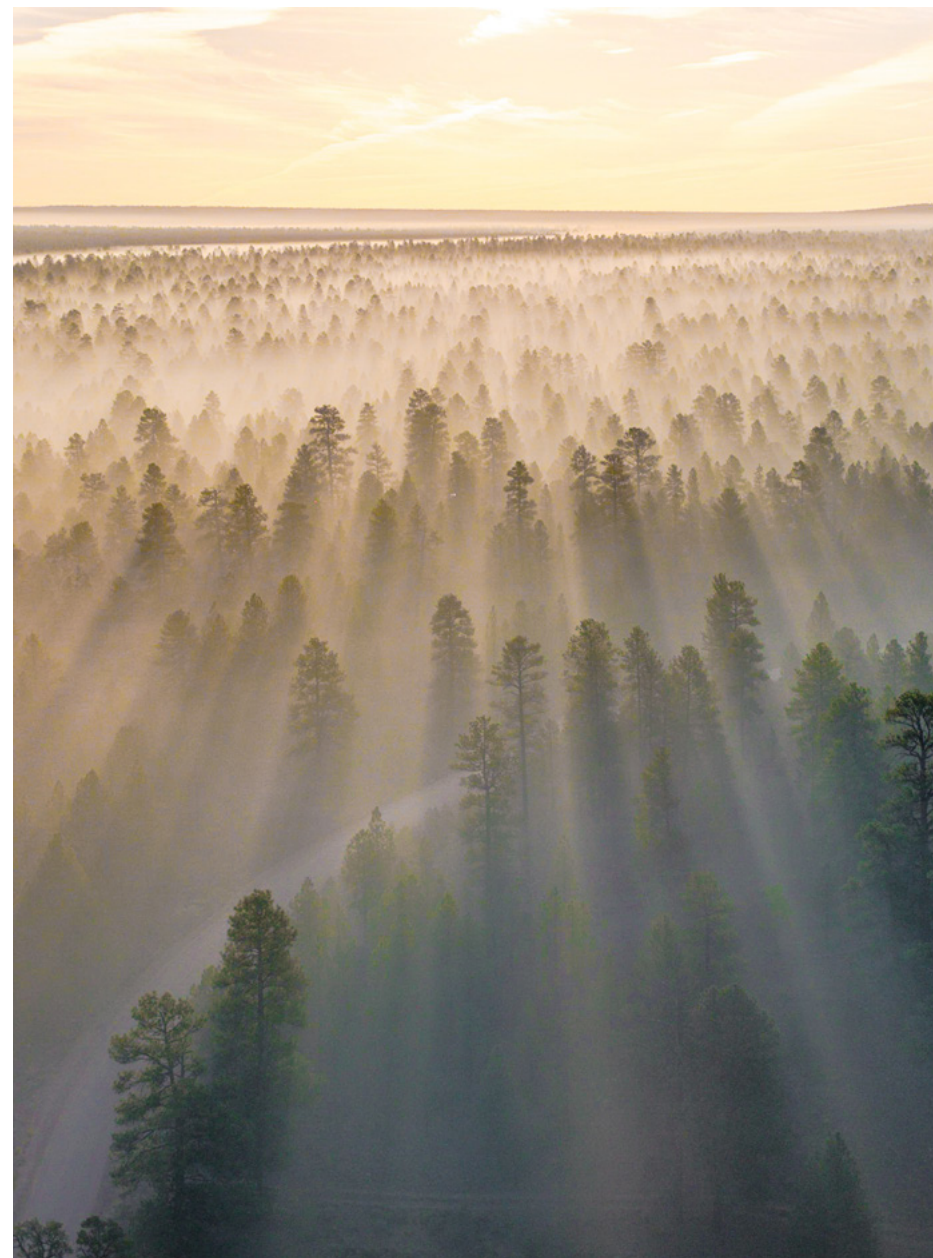
| <i>Amounts in NOK thousand</i> | | 2021 |
|--|--|-------------|
| Pension liabilities | | 1,920 |
| Property, plant and equipment | | 2 |
| Tax loss carry forwards | | 219,874 |
| Total deferred tax positions | | 221,796 |
| Not recognized in the balance sheet ¹ | | (221,796) |
| Deferred tax asset (liability) | | — |

¹⁾ No deferred tax has been recognized as the company is newly founded and has no history of taxable profits

7 Earnings per Share

Aker Clean Hydrogen AS holds 687,755,412 ordinary shares as of 31 December 2021. The company holds no treasury shares.

| <i>Amounts in NOK thousand</i> | 2021 |
|---|--------------------|
| Profit (loss) for the period | (160,196) |
| Basic/ diluted earnings per share (NOK) | |
| Issued ordinary shares at incorporation | 3,000 |
| Effect of shares issued in March 2021 | 561,507,449 |
| Weighted average number of issued ordinary shares for the year | 561,510,449 |
| Earnings (loss) per share in NOK (basic and diluted) | (0.29) |



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

See note [18 Related Parties](#) for more information about transactions and balances between Aker Clean Hydrogen and equity-accounted investees.

Investments in Associates and Joint Ventures

| <i>Amounts in NOK thousand</i> | Principal place of business | Ownership¹ | 2021 |
|--------------------------------|------------------------------------|------------------------------|---------------|
| Green Ammonia Berlevåg AS | Berlevåg, Norway | 50.0% | — |
| Greenstat ASA | Bergen, Norway | 20.8% | 79,187 |
| Meraker Hydrogen AS | Meråker, Norway | 20.0% | 1,297 |
| Total | | | 80,485 |

1) Voting rights correspond to ownership interest

Joint Ventures Accounted for Using Equity-Method

Green Ammonia Berlevåg AS

Green Ammonia Berlevåg is developing Aker Clean Hydrogen and Varanger Kraft's project to build a green hydrogen and ammonia plant in Berlevåg, Norway.

Aker Clean Hydrogen holds 50 percent of the shares in Green Ammonia Berlevåg, and the partner Varanger Kraft holds the remaining 50 percent. During 2021, Aker Clean Hydrogen has participated with NOK 7.5 million in an equity contribution totaling NOK 15 million. As of 31 December 2021, Aker Clean Hydrogen's share of loss in Green Ammonia Berlevåg amounts to NOK 9 million. As such, NOK 1.5 million has been recognized as a liability, included in other current liabilities, ref note 9 Current Operating Assets and Liabilities.

Associates Accounted for Using Equity-Method

Greenstat ASA

Greenstat was established 19 January 2015 as a subsidiary company of Christian Michelsen Research (now NORCE). Greenstat develops and run sustainable energy and technology projects, in addition Greenstat seeks to participate and invest in companies that contribute to the transition from fossil fuels to renewable energy and consumption, in part or completely.

Aker Clean Hydrogen participated in two private placements in Greenstat during 2021, contributing a total of NOK 79 million. Aker Clean Hydrogen holds 20.8 percent in Greenstat as of 31 December 2021.

Meraker Hydrogen AS

Meraker Hydrogen was established during the summer of 2020 with the ambition of establishing green hydrogen production in the municipality of Meråker, Norway. Aker Clean Hydrogen holds 20 percent in Meraker Hydrogen.

Summary of Financial Information for Principal Associates and Joint Ventures

| Amounts in NOK thousand | Note | Green Ammonia Berlevåg AS | Greenstat ASA |
|---|------|---------------------------|---------------|
| | | 2021 | 2021 |
| Revenue | | — | 2,087 |
| Operating cost | | (18,054) | (17,386) |
| Interest income | | 30 | 144 |
| Total comprehensive income (100%) | | (18,024) | (15,155) |
| Group's share of total comprehensive income | | (9,012) | (3,082) |
| Current assets | | 11,584 | 169,405 |
| Cash and cash equivalents | | 10,723 | 165,827 |
| Non-current assets | | — | 65,793 |
| Current liabilities | | (14,579) | (2,326) |
| Net assets (100%) | | (2,994) | 232,872 |
| ACH's share of net assets | | (1,497) | 48,533 |
| Goodwill | | — | 30,654 |
| Reclassification of negative share to current liabilities | 9 | 1,497 | — |
| ACH's carrying amount of the investment | | — | 79,187 |

9 Current Operating Assets and Liabilities

Accounting Principles

Current Operating Assets

Trade and other receivables are recognized at the original invoiced amount, less impairment losses. The invoiced amount is considered to be approximately equal to the value derived if the amortized cost method would have been used. Impairment losses are estimated based on the expected credit loss method (ECL) for trade receivables, contract assets (with or without a significant financing component) and other receivables.

Current Operating Liabilities

Trade and other payables are recognized at the original invoiced amount. The invoiced amount is considered to be approximately equal to the value derived if the amortized cost method would have been used.

Judgments and Estimates

Judgment is involved when determining the impairment losses on doubtful receivables. The impairment is based on individual assessments of each customer and default risk in the industry and the country in which the customer operates.

Trade and other receivables

| <i>Amounts in NOK thousand</i> | Note | 2021 |
|--------------------------------|-------------|---------------|
| Trade receivables | 18 | 4,967 |
| Customer contract asset | | 10,837 |
| Public duty and tax refund | | 5,212 |
| Other receivables | 18 | 130 |
| Prepaid expenses | | 14,562 |
| Total | | 35,708 |
| | | — |

Trade and other payables

| <i>Amounts in NOK thousand</i> | | 2021 |
|--|---|---------------|
| Trade payables | | 22,766 |
| Accrued expenses | | 18,633 |
| Liability related to equity-accounted investee | 8 | 1,497 |
| Public duty and tax | | 3,632 |
| Total | | 46,528 |

10 Marketable Securities

Accounting principles

Marketable securities are classified as a financial asset measured at amortized cost.

| <i>Amounts in NOK thousand</i> | 2021 |
|--------------------------------|----------------|
| Marketable securities | 701,843 |
| Total | 701,843 |

Marketable securities include the group's investment in money market funds. The underlying investments in the fund are all made in investment grade bonds, and the majority of the investments relates to bonds issued by Norwegian financial institutions or municipalities. The investments are all available for withdrawal upon short notice, without penalties.

11 Cash and Cash Equivalents

Accounting Principles

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less and are subject to an insignificant risk of changes in fair value.

Restricted cash comprises cash that is held for a specific purpose and therefore not available to the Company for immediate or general business use.

| <i>Amounts in NOK thousand</i> | 2021 |
|----------------------------------|------------------|
| Interest-bearing deposits | 2,001,164 |
| Restricted cash | 2,099 |
| Cash and cash equivalents | 2,003,262 |

Restricted cash relates to withheld employee tax .

12 Leases

In 2021, the Group entered into a property lease contract for its offices at Fornebu, Norway. See note 18 Related Parties for more information about the lease contract. No other material lease agreements existed for previous periods presented.

Accounting Principles

The lease liability represents the net present value of the lease payments to be made over the remaining lease period. The right-of-use asset is depreciated over the lease term and is subject to impairment testing. The cash outflows for leases under IFRS 16 is presented as repayment of lease liabilities within financing activities in the cash flow statement. Interest paid is classified as cash outflows within operating activities.

Judgments and Estimates

The property lease, in which the group is a lessee, contain extension or termination options exercisable before the end of the non-cancellable period. These options are used to provide operational flexibility for the group. In determining the lease term, the group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The most relevant factors to be considered as “creating economic incentive” include significant leasehold improvement, alternatives for the leased property and the costs and business disruption required to replace the leased assets.

The lease term assessment requires management’s judgment and is made at the commencement of the leases. The lease term is reassessed if an option is actually exercised or the group becomes obliged to exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the group’s control.

Right-of-use assets (ROU)

| <i>Amounts in NOK thousand</i> | | 2021 |
|--------------------------------|--|--------------|
| Additions | | 7,329 |
| Depreciation | | (2,601) |
| Total | | 4,729 |

Lease liability

| <i>Amounts in NOK thousand</i> | | 2021 |
|--------------------------------|--|--------------|
| Additions | | 7,329 |
| Lease payments | | (1,888) |
| Accrued interest | | 314 |
| Total | | 5,755 |

| | |
|-----------------------------|-------|
| Current lease liability | 3,607 |
| Non-current lease liability | 2,149 |

Maturity of lease liabilities

| <i>Amounts in NOK thousand</i> | | 2021 |
|---|--------------|-------------|
| Maturity within one year | 3,607 | |
| Maturity 1-5 years | 2,405 | |
| Total undiscounted lease liability | 6,011 | |

Lease payments recognized in the income statement

| <i>Amounts in NOK thousand</i> | | 2021 |
|--|--|-------------|
| Expenses related to short term leases and low value assets | | 195 |

13 Employee Benefits

| <i>Amounts in NOK thousand</i> | 2021 |
|---|---------------|
| Salaries and wages | 37,328 |
| Social security costs | 3,628 |
| Pension costs | 1,850 |
| Other employee benefits | 151 |
| Salary and other personnel costs | 42,957 |

The company has 39 full time employees as of 31 December 2021.

Accounting Principles

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

The Group's Pension Plans

The company does not have any defined benefit plans.

Defined Contribution Plan

All employees are offered participation in a defined contribution plan. The annual contributions expensed for the Norwegian plans in 2021 were NOK 1,291 thousand. The estimated contribution expected to be paid in 2022 is NOK 2,272 thousand.

Compensation Plan

Employees in Aker Clean Hydrogen that were employed by Aker Solutions in 2008 when the company changed to defined contribution plan are part of a compensation plan. The compensation amount is adjusted annually in accordance with the adjustment of the employees' pensionable income, and accrued interest according to market interest. The compensation plan is an unfunded plan and is calculated using an earned balance method. The liability related to this plan amounted to NOK 1,920 thousand as of 31 December 2021.

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 Clean Hydrogen 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.

14 Capital and Reserves

Share Capital

The total number of outstanding shares is 687,755,412 at par value NOK 1.00 per share. All issued shares are fully paid. Aker Clean Hydrogen AS has one class of shares, ordinary shares, with equal rights for all shares. The holders of ordinary shares are entitled to receive dividends and are entitled to one vote per share at general meetings.

Other Paid-in Capital

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

Other Equity

Other equity include negative NOK 8,000 million in continuity difference from the common control transaction which transferred the shares in Aker Clean Hydrogen Holding AS to Aker Clean Hydrogen AS, referred to in note 1 Company Information. The continuity difference relates to the difference between the fair value of the transaction and the book value of net assets contributed in kind.

15 Capital Management

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

Investment Policy

Aker Clean Hydrogen'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 Clean Hydrogen has a strong focus on its liquidity situation in order to meet its short-term working capital needs. Aker Clean Hydrogen had a liquidity reserve at 31 December 2021 of NOK 2,705 million being marketable securities and cash and cash equivalents.

16 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 customer or through escalation clauses with customers.

Climate-related Risk

Aker Clean Hydrogen is exposed to climate-related risks mainly due to its sites, logistics and supply chain. The climate-related financial risks for Aker Clean Hydrogen range from both physical acute and chronic ones, to regulatory, and technological. Even though the overall climate-related risk for Aker Clean Hydrogen 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 Clean Hydrogen used the Taskforce on Climate-related Financial Disclosures (TCFD) framework. The results of this assessment inform Aker Clean Hydrogen's strategy, investments, financial planning, valuations, and allow stakeholders to comprehend Aker Clean Hydrogen's financial ramifications of climate-related exposure. Full Aker Clean Hydrogen's TCFD report can be found in the appendix of the annual report.

Guarantees

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

17 Group Companies

Accounting Principles

The consolidated statements include all entities controlled by Aker Clean Hydrogen 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.

Group Companies

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

| Company | Location | Country | 2021 |
|--|----------|---------|---------|
| | | | Percent |
| Aker Clean Hydrogen Holding AS | Oslo | Norway | 100 |
| Aker Clean Hydrogen Operating Company AS | Oslo | Norway | 100 |
| AH FIRE AS | Oslo | Norway | 100 |
| AH SYV AS | Oslo | Norway | 100 |
| Aker Clean Hydrogen Argos AS | Oslo | Norway | 100 |

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.

Aker Clean Hydrogen AS at 31 December 2021 is a parent company with control of the group entities as listed in note 17 Group Companies. Any transactions between the parent company and the group entities are eliminated in the consolidated financial statements.

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

The largest shareholder of Aker Clean Hydrogen AS is Aker Horizons Holding AS (previously Aker Horizons 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 Clean Hydrogen AS. In this respect, all entities controlled by Aker ASA and entities which Kjell Inge Røkke and his close family controls through The Resource Group TRG AS are considered related parties to Aker Clean Hydrogen AS and referred to as "Aker entities" in this note.

Significant Related Party Transactions

Agreements with related parties to Aker

Aker Solutions

Aker Clean Hydrogen has entered into a Term Sheet agreement with Aker Solutions detailing the main principles for a cooperation with Aker Solutions and further outlining four global frame agreements to be entered into between the parties for provision of (i) engineering, procurement and construction services; (ii) fabrication services; (iii) technical services, including engineering services; and (iv) operation and maintenance services. The purpose of these frame agreements is to ensure Aker Clean Hydrogen access to capabilities and manpower while maintaining needed flexibility in the cost base. All agreements are subject to a 5-year term with an option to renew for 3 + 3 years.

On 1 March 2021, Aker Clean Hydrogen entered into a frame agreement with Aker Solutions for personnel hire to cover sale of hours and secondment of personnel from Aker Solutions to the company. The agreement is subject to a 5-year term with an option to renew for 3 + 3 years.

Agreements with Aker entities

Aker Horizons Holding

The group has entered into a cooperation and shared service agreement with Aker Horizons Holding AS, a subsidiary of Aker ASA. The agreement includes financing and accounting services, business development and M&A support and other support functions. Further, the group has entered into a sublease agreement with Aker Horizons Holding AS for its headquarter offices at Fornebu. The contract term is eighteen months starting February 2021, with option for one additional year.

Aker ASA

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

Aize AS/Cognite 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 associates/joint ventures

The group has entered into a service agreement with the joint venture Green Ammonia Berlevåg AS, whereby Aker Clean Hydrogen will provide services to the associate on demand.

Below is a summary of transactions and balances between Aker Clean Hydrogen and significant related parties.

| <i>Amounts in NOK thousand</i> | Aker entities | Related parties to Aker | Joint Ventures | Total |
|----------------------------------|----------------------|--------------------------------|-----------------------|--------------|
| Income statement | | | | |
| Revenues | — | 842 | 13,376 | 14,218 |
| Operating expenses | (47,832) | (51,744) | — | (99,576) |
| Interest expense ¹ | (686) | — | — | (686) |
| Interest expense lease liability | (314) | — | — | (314) |
| Balance sheet | | | | |
| Trade and other receivables | — | 810 | 14,011 | 14,821 |
| Trade and other payables | (15,056) | (3,978) | — | (19,034) |
| Lease liabilities | 5,755 | — | — | 5,755 |

¹ Interest expense to Aker entities relates to a shareholder loan of NOK 65 million given by parent company Aker Horizons Holding AS. The loan was repaid in full in March 2021.

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 seven meetings in 2021. In addition, certain matters were processed by way of circulation of documents.

| <i>Amounts in NOK thousand</i> | Period | Board fees |
|---|---------|------------|
| Karl Johnny Hersvik (Chairman) ¹ | Mar-Dec | 333 |
| Kjell Inge Røkke ¹ | Mar-Dec | 250 |
| Øyvind Eriksen ¹ | Mar-Dec | 250 |
| Kristian Monsen Røkke ¹ | Mar-Dec | 250 |

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, Øyvind Eriksen, Karl Johnny Hersvik and Kristian Røkke will as per Aker policies be paid to their respective employer companies

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.

| <i>Amounts in NOK thousand</i> | Job title | Base salary | Variable pay | Other benefits | Total taxable remuneration | Pension benefit earned |
|----------------------------------|-----------|--------------|--------------|----------------|----------------------------|------------------------|
| 2021 | | | | | | |
| Knut Nyborg ¹ | CEO | 2,628 | 2,800 | 15 | 5,444 | 79 |
| Kristoffer Dahlberg ² | CFO | 900 | 410 | 7 | 1,317 | 47 |
| Total | | 3,528 | 3,210 | 22 | 6,761 | 126 |

¹ Employment from 1 January 2021

² Employment from 1 June 2021

Directors' and CEO's Shareholding

Shares in Aker Clean Hydrogen owned by directors and members of the executive management group and their related parties as of 31 December 2021 are listed below. The overview does not include indirect ownership in the company.

| | Job title | 2021 |
|-------------|-----------|--------|
| Knut Nyborg | CEO | 13,125 |

Parent Company Financials and Notes

| | |
|---------------------------------|-----------|
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Income Statement

Statement for the period ended 31 December

| <i>Amounts in NOK thousand</i> | Note | 2021 |
|-------------------------------------|-------------|--------------------|
| Revenues | | — |
| Operating expenses | 4 | (6,080) |
| Operating profit (loss) | | (6,080) |
| Impairment of shares | 7 | (5,161,000) |
| Financial income | | 10,144 |
| Net financial items | | (5,150,856) |
| Profit (loss) before tax | | (5,156,935) |
| Tax benefit (expense) | 9 | — |
| Profit (loss) for the period | | (5,156,935) |

Balance Sheet

Statement for the period ended 31 December

| Amounts in NOK thousand | Note | 2021 |
|---------------------------------|------|------------------|
| Assets | | |
| Non-current assets | | |
| Investment in group companies | 7 | 3,139,000 |
| Total non-current assets | | 3,139,000 |
| Current assets | | |
| Current operating assets | | 25 |
| Marketable securities | 5 | 701,843 |
| Cash and cash equivalents | 6 | 1,937,842 |
| Total current assets | | 2,639,711 |
| Total assets | | 5,778,711 |

| Amounts in NOK thousand | Note | 2021 |
|-------------------------------------|------|------------------|
| Equity and liabilities | | |
| Equity | | |
| Share capital | | 687,755 |
| Share premium | | 10,246,546 |
| Retained earnings | | (5,156,935) |
| Total equity | 3 | 5,777,366 |
| Current liabilities | | |
| Current operating liabilities | | 1,344 |
| Total current liabilities | | 1,344 |
| Total equity and liabilities | | 5,778,711 |

The Board of Directors and CEO of Aker Clean Hydrogen AS
Oslo, 16 March 2022



Karl Johnny Hersvik
Chairman of the Board



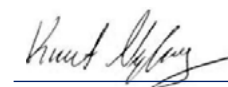
Øyvind Eriksen
Director



Kjell Inge Røkke
Director



Kristian Monsen Røkke
Director



Knut Olaf Nyborg
CEO

Cash Flow

Statement for the year ended 31 December

| <i>Amounts in NOK thousand</i> | Note | 2021 |
|--|-------------|--------------------|
| Profit (loss) before tax | | (5,156,935) |
| Changes in operating assets and liabilities | | 1,319 |
| Unrealized financial gains | | (1,814) |
| Impairment of shares | 7 | 5,161,000 |
| Cash flow from operating activities | | 3,570 |
| Investment in group companies | | (300,000) |
| Acquisition of marketable securities | | (700,000) |
| Cash flow from investing activities | | (1,000,000) |
| Proceeds from share issues | 3 | 3,002,623 |
| Transaction costs related to share issues | 3 | (68,351) |
| Cash flow from financing activities | | 2,934,272 |
| Net cash flow in the period | | 1,937,842 |
| Cash and cash equivalent at the beginning of the period | | — |
| Cash and cash equivalent at the end of the period | | 1,937,842 |

1 Company Information

Aker Clean Hydrogen AS is the parent company in the Aker Clean Hydrogen Group, and is domiciled in Norway. On 11 March 2021, the Company was made available for trading on Euronext Growth (Oslo) under the ticker ACH.

2 Basis of Accounting

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

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

Functional Currency and Presentation Currency

The parent company's financial statements are presented in NOK, which is Aker Clean Hydrogen AS' 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.

3 Shareholders Equity

Accounting Principles

Any 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.

| <i>Amounts in NOK thousand</i> | Share capital | Share premium | Retained earnings | Total equity |
|--|----------------------|----------------------|--------------------------|---------------------|
| Equity at incorporation 1 January 2021 | 30 | — | — | 30 |
| Contribution-in-kind | 500,000 | 7,500,000 | — | 8,000,000 |
| Share issue | 187,725 | 2,814,897 | — | 3,002,623 |
| Transaction costs, share issue | — | (68,351) | — | (68,351) |
| Profit (loss) for the period | — | — | (5,156,935) | (5,156,935) |
| Total equity as of 31 December 2021 | 687,755 | 10,246,546 | (5,156,935) | 5,777,366 |

The share capital of Aker Clean Hydrogen AS is divided into 687,755,412 shares with a nominal value of NOK 1. All issued shares are fully paid. The shares can be freely traded.

4 Expenses

Expenses

Aker Clean Hydrogen AS has no employees and hence no personnel expenses. The CEO is employed by Aker Clean Hydrogen Operating Company AS.

Remuneration to and shareholding of CEO and Board of Directors are described in note 19 Management Remuneration in the consolidated financial statements of Aker Clean Hydrogen group.

| <i>Amounts in NOK thousand</i> | 2021 |
|--------------------------------|-------------|
| Audit | 157 |
| Other assurance services | 184 |
| Total | 341 |

5 Marketable Securities

Marketable securities are classified as a financial asset measured at amortized cost.

Marketable securities include the group's investment in money market funds. The underlying investments in the fund are all made in investment grade bonds, and the majority of the investments relates to bonds issued by Norwegian financial institutions or municipalities, and available for withdrawal upon short notice, without penalties.

| <i>Amounts in NOK thousand</i> | 2021 |
|--------------------------------|----------------|
| Marketable securities | 701,843 |
| Total | 701,843 |

6 Cash and Cash Equivalents

Accounting Principles

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less and are subject to an insignificant risk of changes in fair value.

| <i>Amounts in NOK thousand</i> | 2021 |
|----------------------------------|------------------|
| Interest-bearing deposits | 2,003,262 |
| Cash and cash equivalents | 2,003,262 |

7 Investment 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.

Impairment of Shares

An impairment assessment was carried out based on the negative development in the share price during 2021. The calculation of the recoverable amount has been estimated based on a combination of company and third-party estimates. As a result of the impairment assessment, an impairment of NOK 5,161 million has been recognized on the shares in Aker Clean Hydrogen Holding AS.

| <i>Amounts in NOK thousand</i> | Share capital | Number of shares held | Owner-ship | Book value |
|--------------------------------|----------------------|------------------------------|-------------------|-------------------|
| Aker Clean Hydrogen Holding AS | 120 | 120 | 100% | 3,139,000 |

8 Related Parties

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

Transactions with Related Parties

Remuneration to CEO and Board of Directors are described in note [19 Management Remuneration](#) in the consolidated financial statements of Aker Clean Hydrogen.

9 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.

| <i>Amounts in NOK thousand</i> | 2021 |
|------------------------------------|-------------|
| Profit (loss) before tax | (5,156,935) |
| Adjustments for: | |
| Impairment of shares in subsidiary | 5,161,000 |
| Permanent differences | (68,351) |
| Taxable income (loss) | (64,286) |

10 Shareholders

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

| Company | Nominee | Number of shares held | Ownership |
|---------------------------------|----------------|------------------------------|------------------|
| Aker Horizons Holding AS | | 531,280,000 | 77.20% |
| Folketrygdfondet | | 23,550,000 | 3.40% |
| BNP Paribas Securities Services | Nominee | 11,456,475 | 1.70% |
| Fjarde AP-Fonden | Nominee | 8,000,000 | 1.20% |
| Credit Suisse International | Nominee | 7,364,359 | 1.10% |



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Independent Auditor's Report

To the General Meeting of Aker Clean Hydrogen AS

Opinion

We have audited the financial statements of Aker Clean Hydrogen AS, which comprise:

- The financial statements of the parent company Aker Clean Hydrogen 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 Clean Hydrogen AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2021, the income statement, 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:

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
Statsautoriserte revisorer - medlemmer av Den norske Revisorforening

| | | | | |
|---------|-----------|--------------|--------------|-----------|
| Oslo | Drammen | Knarvik | Sandefjord | Tromsø |
| Alta | Elverum | Kristiansand | Sandnessjøen | Trondheim |
| Arendal | Finnsnes | Mo i Rana | Stavanger | Tynset |
| Bergen | Hamar | Molde | Stord | Tønsberg |
| Bodø | Haugesund | Skien | Straume | Ålesund |



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 Corporate Governance Report and Sustainability Progress Report.

Responsibilities of Management for the Financial Statements

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional 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, 16 March 2022

KPMG AS

Vegard Tangerud
State Authorised Public Accountant



Corporate Governance Report

Corporate Governance Report

Effective corporate governance provides the foundation for responsible business conduct and value creation, which in turn is a prerequisite for Aker Clean Hydrogen to succeed. Establishing a corporate governance platform has therefore been a focus area for Aker Clean Hydrogen's management and employees during the first year of operation.

Aker Clean Hydrogen is majority-owned by Aker Horizons. Aker Horizons is an active owner with clearly defined strategic goals and engagement through the board room and direct dialogue with management to drive corporate development and promote shareholder value. The active ownership provides purpose and direction.

Corporate Governance

This corporate governance report and Aker Clean Hydrogen's governance system are established by the Board of Directors. The purpose is to ensure satisfactory control of the company's activities and an effective division of responsibilities among Aker Clean Hydrogen's owners, board and executive management.

Business Purpose

As expressed in the company's articles of association, Aker Clean Hydrogen's business purpose is to "by itself or together with other parties, invest in and develop companies and businesses within development and production of hydrogen facilities, hydrogen technology, hydrogen and infrastructure related to production of hydrogen, and other related businesses." The board

has prepared goals, strategies and a risk profile for the company. The company has adopted a policy for how it integrates the interests of people, the planet and prosperity for all stakeholders into its value creation with a clear planet positive purpose. In the [Sustainability Progress Report](#) Aker Clean Hydrogen describes how sustainability is integrated into the company's business operations, and how the company progresses on key topics. The board evaluates Aker Clean Hydrogen's targets, strategies and its risk profile minimum annually.

Board Authorizations

The board holds exclusive authority under the company's authorization matrix to approve matters of significance. The board has granted authority to the CEO to handle day-to-day management within the company's budget and strategy.

Equal Treatment of Shareholders

The company has a single class of shares, and all shares carry equal rights. Aker Clean Hydrogen has developed guidelines for transaction agreements and other agreements not forming part of ordinary operations involving Aker Clean Hydrogen and other companies in the Aker-system. Additional information on transactions with related parties can be found in note 18 Related Parties to the consolidated financial statements.

Shares and Negotiability

There are no restrictions on owning, trading or voting for shares in Aker Clean Hydrogen.

Annual General Meetings

Aker Clean Hydrogen encourages all its shareholders to participate in general meetings. Through the general meeting, shareholders exercise the highest authority in the company. The annual general meeting for 2022 will take place on 19 April.

Board of Directors

In accordance with the Norwegian Accounting Act, the board of Aker Clean Hydrogen is elected by the annual general meeting (AGM). The current board comprises four members. The composition of the board is presented in the [Board of Directors](#) section, with accompanying information about the board members' qualifications, membership in board committees and an assessment of their independence. None of the board members serve as executives in Aker Clean Hydrogen.

As Aker Clean Hydrogen is a newly established company that does not currently have a nomination committee, the nomination of board members is done by Aker Clean Hydrogen's main shareholder, Aker Horizons.

The company does not have a corporate assembly.

Board Committees

Aker Clean Hydrogen will establish an audit committee in 2022. The board has considered whether Aker Clean Hydrogen should have a compensation committee, and has concluded that it is currently not necessary.

Risk Management and Internal Control Governing Principles

The Board of Aker Clean Hydrogen establishes the overall principles for governance and control in Aker Clean Hydrogen through the adoption of various governing documents. For particularly important areas of group-wide relevance, the Aker-system ensures that similar governing documents are implemented throughout the group portfolio companies. For example, Aker's and Aker Horizons' Code of Conduct expresses expectations of the portfolio companies' respective codes of conduct. The same applies to important areas such as anti-corruption, sustainability and supplier conduct.

Aker Clean Hydrogen has implemented a whistleblowing channel for reporting of serious matters, such as potential breaches of ethical guidelines and violations of the law. Contact information and further information about the whistleblowing channel is available in the Code of Conduct published on the company website.

Risk Management and Internal Control

The Board will be carrying out a risk-based review of the company's portfolio annually going forward. Prior to the annual risk reporting to the board, the Audit Committee will review the reported main risks and relevant risk mitigating measures. The Audit Committee will also review the company's in-house reporting systems, internal control and overall risk management.

Aker Horizons has established a procedure for internal control in financial reporting (ICFR) that has been implemented in all major companies in the Group, including in Aker Clean Hydrogen. The procedure requires annual risk assessment, mapping and implementation of key controls, and processes for monitoring that key controls are performed as intended. The experience so far is that the ICFR procedure sets

a framework for more targeted and consistent work with ICFR. In connection with the process of preparing Aker Clean Hydrogen's financial statements, clearing meetings are held between the management of Aker Clean Hydrogen and Aker Horizons with the main purpose of ensuring quality in financial reporting. The clearing meetings focus on significant valuation items, off-balance sheet items, related transactions, new or modified accounting principles, internal control in financial reporting, and special topics in the annual report. External auditors are normally present in these meetings.

From 2022, the Audit Committee will prepare a preliminary review of the quarterly and annual financial statements, focusing on items involving valuation items and the application of new accounting principles, as well as any material related-party transactions.

Sustainability Reporting

In the process of preparing Aker Clean Hydrogen's annual sustainability reporting, meetings are held between Aker Clean Hydrogen and Aker Horizons with the main purpose of ensuring the quality of the sustainability reporting and aligning the sustainability reporting within the group.

Board Remuneration

Board remuneration reflects the board's responsibilities and expertise, time spent and the complexity of the business. Remuneration does not depend on Aker Clean Hydrogen's financial performance, and there are no option programs for any of the board members. It is the annual general meeting that determines the board's remuneration. Information about board remuneration in 2021 can be found in note [19 Management Remuneration](#) to the consolidated financial statements.



Remuneration of Executive Management

Information about remuneration to executive management is provided in note [19 Management Remuneration](#) to the consolidated accounts. Remuneration paid to the CEO is subject to approval by the board.

The CEO determines the remuneration payable to key executives in accordance with board guidelines. Aker Clean Hydrogen has no stock option programs. The remuneration for executive management includes a fixed annual salary, standard employee pension and insurance schemes and a variable pay element. Aker Clean Hydrogen has a share bonus award program for employees. Share awards are subject to specified conditions and goal achievement. Further information about employee compensation is presented in note [13 Employee Benefits](#) to the consolidated financial statements.

Information and Communications

Aker Clean Hydrogen's reporting of financial, sustainability and other information is based on transparency and equal treatment of shareholders. All stock exchange notifications and press releases are published on the company website, www.akercleanhydrogen.com. Stock exchange notices are also made available at www.newsweb.no under the company ticker "ACH". The company organizes presentations in connection with its financial reporting. These meetings are generally broadcast directly as an online webcast. The company's financial calendar is published on Aker Clean Hydrogen's website.

Auditor

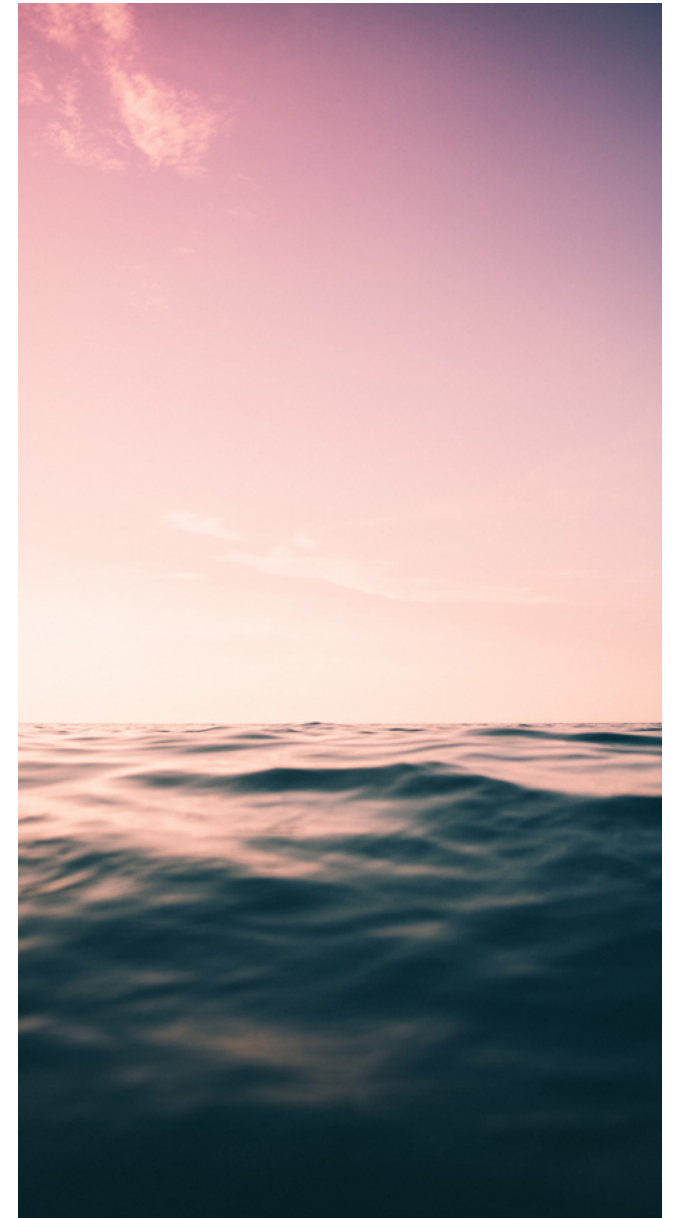
The auditor has provided the board with a written confirmation that the requirement of independence is met. The auditor makes an annual presentation of the audit plan to the Board, and will participate in meetings of the Audit Committee and in the board meeting that deals with the annual accounts. Together with the board, the auditor reviews any material changes in the company's accounting principles and assessments of material accounting estimates.

There have been no disagreements between the auditor and management on any material issues.

Starting in 2022, the auditor will report to the Audit Committee with an assessment of the internal controls on the financial reporting process. The outcome of this review is presented to the board.

The Board of Directors meets with the auditor without representatives of executive management being present.

The remuneration paid to the auditor in 2021 for both audit and other services is presented in note [5 Expenses](#) to the consolidated financial statements.



Appendix



Full ESG Performance Metrics

Planet

| Theme | Indicator name | Description | Unit | Input |
|--------------------------|---|--|---|----------|
| [Portfolio] Commitment | Net Zero commitment - climate - formal | Has a formal initiative to front a Net Zero Commitment on climate been joined? (E.g. the Race to Zero) | Y/N | Y |
| EU Taxonomy | Total turnover main | Turnover considered according to EU Taxonomy (main) – total | NOK | 13376189 |
| EU Taxonomy | Total CapEx main | CapEx considered according to EU Taxonomy (main) – total | NOK | 94% |
| EU Taxonomy | Total OpEx main | OpEx considered according to EU Taxonomy (main) – total | NOK | 57648516 |
| EU Taxonomy | Eligible turnover main | EU Taxonomy eligible turnover (main) | NOK | 100% |
| EU Taxonomy | Eligible CapEx main | EU Taxonomy eligible CapEx (main) | NOK | 0 |
| EU Taxonomy | Eligible OpEx main | EU Taxonomy eligible OpEx (main) | NOK | 0 |
| EU Taxonomy | Aligned turnover main | EU Taxonomy aligned turnover (main) | NOK | 13376189 |
| EU Taxonomy | Aligned CapEx main | EU Taxonomy aligned CapEx (main) | NOK | 94% |
| EU Taxonomy | Aligned OpEx main | EU Taxonomy aligned OpEx (main) | NOK | 57648516 |
| EU Taxonomy | Expected aligned turnover main | EU Taxonomy expected aligned turnover (main) | NOK | 100% |
| EU Taxonomy | Expected aligned CapEx main | EU Taxonomy expected aligned aligned CapEx (main) | NOK | 0 |
| EU Taxonomy | Expected aligned OpEx main | EU Taxonomy expected aligned aligned OpEx (main) | NOK | 0 |
| Greenhouse Gas Emissions | GHG Scope 1 | Scope 1 emissions | Tonnes CO2e | 0 |
| Greenhouse Gas Emissions | GHG Scope 2: Location-based | Scope 2 emissions - location-based | Tonnes CO2e | 0.9 |
| Greenhouse Gas Emissions | GHG Scope 2: Market-based | Scope 2 emissions - market-based | Tonnes CO2e | 28.35 |
| Greenhouse Gas Emissions | GHG Scope 3: Location-based (if relevant) | Scope 3 emissions - location-based (if the distinction is relevant) | Tonnes CO2e | 6.4 |
| Greenhouse Gas Emissions | GHG Scope 3: Market-based (if relevant) | Scope 3 emissions - market-based (if the distinction is relevant) | Tonnes CO2e | 6.4 |
| Greenhouse Gas Emissions | GHG intensity | GHG intensity value | Tonnes CO2e | N/A |
| Greenhouse Gas Emissions | GHG intensity denominator | GHG intensity denominator (e.g. ton CO2 captured, MWh produced) | N.A. | N/A |
| Greenhouse Gas Emissions | GHG Offsets - value | Co2e "offset" through offsetting mechanisms, nature-based solutions and/or carbon removal technologies | Tonnes CO2e | 0 |
| Greenhouse Gas Emissions | GHG Offsets - unit | Unit of solution utilized for offsetting (e.g. capture/removal/nature-based capacity restored) | N.A. | N/A |
| Energy use | Non-renewable energy consumption | Non-renewable energy consumption | % | 1.435 |
| Energy use | Renewable energy consumption | Renewable energy consumption | % | 98.565 |
| Energy use | Non-renewable energy production | Non-renewable energy production | % | 0 |
| Energy use | Renewable energy production | Renewable energy production | % | 0 |
| Energy use | Energy consumption intensity - high impact sectors only | Energy consumption intensity per high impact climate sector ('high impact climate sectors' means the sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council) | GWh /m revenue (currency defined next cell) | 0 |
| Biodiversity | Total land occupation | Land occupation from own and portfolio companies operations (hectares) | Hectares | 0.08 |

| | | | | |
|----------------------|--|--|----------------------------|--|
| Biodiversity | Sites in key biodiversity areas - number | Number of operational sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA) | # sites | 0 |
| Biodiversity | Measures for biodiversity | Share of operations/sites in biodiversity sensitive areas covered by effective measures | % | 0 |
| Biodiversity | Threatened species | Share of sites/operations that affect threatened species (IUCN Red List) | % | 0 |
| Biodiversity | Biodiversity conservation/restoration - value | Conservation/reforestation efforts - value | Value (unit defined below) | 0 |
| Biodiversity | Biodiversity conservation/restoration - unit | Denominator of biodiversity offsets value (land area concerned, protection/restoration, duration of protection, other properties of area) | N.A. | 0 |
| Water | Operations in areas of high water stress | Sites/operations located in areas of high or extremely high baseline water stress (according to WRI Aqueduct water risk atlas tool) | Y/N | 0 |
| Water | Water withdrawn - total | Report for operations where material, mega litres of water withdrawn | Mega litres | 0.389 |
| Water | Water withdrawn from high water stress | Report for operations where material, percentage of water withdrawn in regions with high or extremely high baseline water stress | % high water stress | 0 |
| Pollution | Emissions to water | Emissions to water | Tonnes | 0 |
| Waste | Hazardous waste generated | Hazardous waste generated | Tonnes | 0.006 |
| Waste | Total waste - tonnes | Total waste - tonnes | Tonnes | 2.0055 |
| Waste | Non-recycled waste - tonnes | Non-recycled waste - tonnes | Tonnes | 0.94 |
| Waste | Non-recycled waste - proportion of all waste generated | Non-recycled waste - proportion of all waste generated | % | 45.5 |
| Climate risk | TCFD assessment | Has a TCFD-assessment been undertaken and disclosed? | Y/N | Y |
| Fossil fuel exposure | Share of revenue from fossil fuels | Share of revenue from activities within the fossil fuel sector | % | 0 |
| Fossil fuel exposure | Exposure to fossil fuels through real estate assets | Share of revenue from real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels | % | 0 |
| Fossil fuel exposure | Exposure to energy-inefficient real estate assets | Share of revenue from energy inefficient real estate asset | % | 0 |
| Climate change | TCFD implementation | <p>Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050</p> | N.A. | <p>Gaps and recommendations identified in the TCFD analysis will be assessed and implemented as the governance of the company is established. As the company was established in 2021 and the first TCFD analysis was done in December same year, a timeline is not yet set for the implementation. But as Aker Clean Hydrogen is committed to addressing climate-related risks, the implementation of gaps and findings has high attention, and timeline will be reported in sustainability progress report for 2022.</p> <p>Aker Clean Hydrogen plans to commit to the Science Based Target initiative, thus will be setting GHG emission target in line with the Paris agreement. GHG emission target of 9.4 mill tCO₂ avoided in customer use phase is set aligned with Paris agreement.</p> |

People

| Theme | Indicator Name | Description | Unit | Input |
|----------------------|---|--|-----------------|-------|
| Diversity /employees | Employee type - permanent current year | Number of employees by employment type - permanent employees (current year) | # persons | 38 |
| Diversity /employees | Employee type - permanent previous year | Number of employees by employment type - permanent employees (previous year) | # persons | 0 |
| Diversity /employees | Employee type - temporary | Number of employees by employment type - temporary employees | # persons | 0 |
| Diversity /employees | Employee type - part-time | Number of employees by employment type - part-time employees | # persons | 1 |
| Diversity /employees | Employee type - involuntary-part time | Number of employees by employment type - involuntary part-time employees | # persons | 0 |
| Diversity /employees | Employee gender - male | Number of male employees | # persons | 27 |
| Diversity /employees | Employee gender - female | Number of female employees | # persons | 12 |
| Diversity /employees | Employee age - under 30 | Percentage of employees under 30 years old | % | 3 |
| Diversity /employees | Employee age - 30-50 | Percentage of employees 30-50 years old | % | 72 |
| Diversity /employees | Employee age - over 50 | Percentage of employees over 50 years old | % | 26 |
| Diversity /employees | Management female | Percentage of women in management | % | 17 |
| Diversity /employees | Management male | Percentage of men in management | % | 83 |
| Diversity /employees | Nationalities | Number of different nationalities amongst employees | # nationalities | 17 |
| Diversity /employees | Gender pay equality | Pay equality women to men (average salary in the organization regardless of employment level) | Ratio | 0.909 |
| Diversity /employees | Pay level - male | Ratios of standard entry-level wage by gender compared to local minimum wage: Male entry wage / local minimum wage | Ratio | N/A |
| Diversity /employees | Pay level - female | Ratios of standard entry-level wage by gender compared to local minimum wage: Female entry wage / local minimum wage | Ratio | N/A |
| Diversity /employees | CEO pay level | Ratio of CEO's total annual compensation to median total annual compensation of all employees (excluding the CEO): CEO salary/ Median salary excl. CEO | Ratio | 2.7 |
| Diversity /employees | Employees - permanent - female | Percentage of employees per employment type - female - permanent | % | 28 |
| Diversity /employees | Employees - temporary - female | Percentage of employees per employment type - female - temporary | % | 0 |
| Diversity /employees | Employees - part-time - female | Percentage of employees per employment type - female - part-time | % | 3 |
| Diversity /employees | Employees - permanent - male | Percentage of employees per employment type - female - permanent | % | 6900 |
| Diversity /employees | Employees - temporary - male | Percentage of employees per employment type - female - temporary | % | 0 |
| Diversity /employees | Employees - part-time - male | Percentage of employees per employment type - female - part-time | % | 0 |
| Diversity /employees | Male parental leave | Mean number of weeks of paid parental leave per gender - male | Weeks | 0.2 |
| Diversity /employees | Female parental leave | Mean number of weeks of paid parental leave per gender - female | Weeks | 0 |
| Diversity /employees | Training - all | Average hours of training per person that the organization's employees have undertaken during the reporting period - total | Hours | 20 |
| Diversity /employees | Training - men | Average hours of training per person that the organization's employees have undertaken during the reporting period - men | Hours | 20 |

| | | | | |
|-----------------------|--|---|-----------------------------|------|
| Diversity /employees | Training - women | Average hours of training per person that the organization's employees have undertaken during the reporting period - women | Hours | 20 |
| Diversity /employees | Training expenditure | Average training and development expenditure per full time employee | Currency (define next cell) | 3056 |
| Diversity /employees | Hours worked | Number of hours worked on average | Hours per week | 37.5 |
| Employee satisfaction | Participation in employee satisfaction survey | Employee participation in employment satisfaction survey (% of total) | % | N/A |
| Employee satisfaction | Employee satisfaction level | Employee satisfaction level (%) (based on survey) | % | N/A |
| Health and Safety | Fatalities - number - employees | The number of fatalities as a result of work-related injury among employees - number | # fatalities | 0 |
| Health and Safety | Fatalities - rate - employees | The rate of fatalities as a result of work-related injury among employees- rate per million hours worked | Rate per million hours | 0 |
| Health and Safety | Fatalities - number - non-employees | The number of fatalities as a result of work-related injury among contractors, service providers and suppliers - number | # fatalities | 0 |
| Health and Safety | Fatalities - rate - non-employees | The rate of fatalities as a result of work-related injury among contractors, service providers and suppliers - rate per million hours worked | Rate per million hours | 0 |
| Health and Safety | Lost time injuries (LTI) - number - employees | The number of lost time injuries (LTI) among employees | # injuries | 0 |
| Health and Safety | Lost time injuries frequency (LTIF) -employees | The rate of lost time injuries (LTIF) among employees - rate per million hours worked | Rate per million hours | 0 |
| Health and Safety | Lost time injuries (LTI) - number - non-employees | The number of lost time injuries (LTI) among contractors, service providers and suppliers | # injuries | 0 |
| Health and Safety | Lost time injuries frequency (LTIF) - non-employees | The rate of lost time injuries (LTIF) among contractors, service providers and suppliers - rate per million hours worked | Rate per million hours | 0 |
| Health and Safety | Recordable injuries (TRI) - number - employees | The number of recordable work-related injuries (TRI) among employees | # injuries | 0 |
| Health and Safety | Recordable injuries frequency (TRIF) - employees | The rate of recordable work-related injuries (TRIF) among employees - per million hours worked | Rate per million hours | 0 |
| Health and Safety | Recordable injuries (TRI) - number - non-employees | The number of recordable work-related injuries (TRI) among contractors, service providers and suppliers | # injuries | 0 |
| Health and Safety | Recordable injuries frequency (TRIF) - non-employees | The rate of recordable work-related injuries (TRIF) among contractors, service providers and suppliers - per million hours worked | Rate per million hours | 0 |
| Health and Safety | Sickness absence | Sickness absence (%) | % | 0.86 |
| Human rights | Violation of human rights conventions | Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises | # violations | 0 |
| Human rights | Processes to comply with human rights | Processes and compliance mechanisms to monitor compliance with UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (Yes/No). | Y/N | N |
| Human rights | Controversial weapons | Manufacture or selling controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons). (Yes/No) | Y/N | N |

| | | | | |
|------------------------|--|--|-----------|---|
| Human rights | Human rights training - Employees | Total percentage of employees who have received training on the organization's human rights policies and procedures | % | 66 |
| Diversity /employees | Employee type - contractors | Number of employees by employment type - contractors | # persons | 11 |
| Dignity and equality | Risk for incidents of child, forced or compulsory labour | An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to type of operation (such as manufacturing plant) and type of supplier; or countries or geographic areas with operations and suppliers considered at risk. | N.A. | |
| Health and safety | Health and safety | An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services and the scope of access provided for employees and workers | N.A. | Non-occupational medical healthcare is provided by Aker Care. Here the workers have access to general physician, occupational health care, psychologist, physiotherapist and nurse services. Aker Care is available for all employees |
| Diversity and equality | Measures to advance equality and prevent discrimination | Description of policies, procedures and standards to advance equality and prevent discrimination, harassment (including sexual harassment) and violence. | N.A. | Code of Conduct |
| Diversity and equality | Measures to assess involuntary part-time | Description of how involuntary part time work has been assessed and the results of the assessment. | N.A. | Aker Clean Hydrogen does not have any part time work as per today |
| Diversity and equality | Measures to assess work of equal value | Description of how work of equal value has been assessed, whether union representatives have been involved in the assessment and the results of the assessment. | N.A. | Work equality has not been assessed in 2021 |
| Human rights | Measures to monitor human rights compliance | Describe processes and compliance mechanisms to monitor compliance with UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises | N.A. | As of today Aker Clean Hydrogen only operates in Norway. Mechanisms to monitor compliance with UN Global Compact Principles and Organisation for Economic Cooperation and Development for human rights will be introduced in the company as operation of facilities is initiated. |
| Health and safety | Work-related injuries | Most common work-related injuries | N.A. | |

Governance

| Theme | Indicator name | Description | Unit | Input |
|--------------------------------------|---|--|---|-------|
| Corruption | Anti-corruption training - Governance body | Total percentage of governance body members who have received training on the organization's anti-corruption policies and procedures | % | 0 |
| Corruption | Anti-corruption training - Employees | Total percentage of employees who have received training on the organization's anti-corruption policies and procedures (if relevant, broken down by region) | % | |
| Corruption | Anti-corruption training - Business partners | Total percentage of business partners who have received training on the organization's anti-corruption policies and procedures (if relevant, broken down by region) | % | 0 |
| Ethical conduct and integrity | Ethical conduct and integrity training | % of staff completing ethics and integrity training (including permanent staff and hired-ins in exposed positions) | % | 66 |
| Compliance with laws and regulations | Legal proceedings related to unlawful conduct | # of legal proceedings associated with corruption, fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, other economic crime, malpractice or violations of other related industry laws or regulations that ended with a penalty | # proceedings | 0 |
| Board composition | Board members | Total amount of board members | # board members | 4 |
| Board composition | Board gender diversity - number | Female (or other gender minority) board members - number | # female directors | 0 |
| Board composition | Board gender diversity - percent | Female (or other gender minority) board members - percent | % | 0 |
| Board composition | Board ESG competence - number | Board members with ESG competence - number | # directors with ESG competence | 1 |
| Board composition | Board ESG competence - percent | Board members with ESG competence - percent | % | 25 |
| Board composition | Board executive positions - number | Board members with executive positions in the company - number | # directors with exec. Positions | 0 |
| Board composition | Board executive positions - percent | Board members with executive positions in the company - percent | % | 0 |
| Board composition | Board independence - number | Independent board members - number | # independent directors | 0 |
| Board composition | Board independence - percent | Independent board members - percent | % | 0 |
| Board composition | Board tenure | Average tenure on the Board of Directors | Years | 1 |
| Board composition | Board membership of under-represented social groups - number | Underrepresented social groups board members - number | # directors from underrepresented social groups | 0 |
| Board composition | Board membership of under-represented social groups - percent | Underrepresented social groups board member - percent | % | 0 |
| Board composition | Board stakeholder representation - number | Stakeholder board members - number | # stakeholder directors | N/A |
| Board composition | Board stakeholder representation - percent | Stakeholder board members - percent | % | N/A |
| Board composition | Board employee representation - number | Employee board members - number | # employee representative directors | 0 |
| Board composition | Board employee representation - percent | Employee board members - percent | % | 0 |
| Board composition | Board age diversity - under 30 - number | Board members aged under 30 - number | # directors under 30 | 0 |
| Board composition | Board age diversity - under 30 - percent | Board members aged under 30 - percent | % | 0 |
| Board composition | Board age diversity - 30-50 - number | Board members aged 30-50 - number | # directors 30-50 | 2 |

| | | | | |
|-------------------|---|--|---------------------|---|
| Board composition | Board age diversity - 30-50 - percent | Board members aged 30-50 - percent | % | 50 |
| Board composition | Board age diversity - over 50 - number | Board members aged over 50 - number | # directors over 50 | 2 |
| Board composition | Board age diversity - over 50 - percent | Board members aged over 50 - percent | % | 50 |
| Board meetings | Board meetings | Number of board meetings held | # meetings | 7 |
| Board meetings | Board meeting attendance | Directors average meeting attendance (%) | % | |
| Company purpose | | The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental, and social issues. Corporate purpose should create value for all stakeholders, including shareholders. | N.A. | Aker Clean Hydrogen exists to accelerate planet positive, we do this by industrializing clean hydrogen, enabling hard to abate sectors to go green. The result of our work is affordable clean hydrogen made safe and easy. |

Prosperity

| Indicator Theme | Indicator Name | Description | Unit | Input |
|-----------------------|--|---|-------------|-----------|
| Economic contribution | Economic Value - Revenue | Direct economic value generated and distributed (EVGandD) – on an accrual basis, covering the basic components for the organization's global operations - Revenue | NOK | 14218000 |
| Economic contribution | Economic Value - Operating costs | Direct economic value generated and distributed (EVGandD) – on an accrual basis, covering the basic components for the organization's global operations - Operating costs | NOK | 174681000 |
| Economic contribution | Economic Value - Employee wages and benefits | Direct economic value generated and distributed (EVGandD) – on an accrual basis, covering the basic components for the organization's global operations - Employee wages and benefits | NOK | 42957340 |
| Economic contribution | R&D expenditure | Total costs related to research and development | NOK | 20100000 |
| Economic contribution | Total tax paid | The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes and other taxes that constitute costs to the company | NOK | -17561717 |
| Job creation | New hires number - total | Total number of new employee hires during the reporting period | # employees | 39 |
| Job creation | New hires rate - total | Total rate of new employee hires during the reporting period (new hires/ total employees excl. new hires) | Ratio | 1 |
| Job creation | New hires number - male | Total number of new employee hires during the reporting period - male | # employees | 26 |
| Job creation | New hires rate - male | Total rate of new employee hires during the reporting period - male | Ratio | 0.67 |
| Job creation | New hires number - female | Total number of new employee hires during the reporting period - female | # employees | 13 |
| Job creation | New hires rate - female | Total rate of new employee hires during the reporting period - female | Ratio | 0.33 |
| Job creation | New hires number - under 30 | Total number of new employee hires during the reporting period - age under 30 | # employees | 1 |
| Job creation | New hires rate - under 30 | Total rate of new employee hires during the reporting period - age under 30 | Ratio | 0.03 |
| Job creation | New hires number - 30-50 | Total number of new employee hires during the reporting period - age 30-50 | # employees | 28 |
| Job creation | New hires rate - 30-50 | Total rate of new employee hires during the reporting period - age 30-50 | Ratio | 0.72 |
| Job creation | New hires number - over 50 | Total number of new employee hires during the reporting period - age over 50 | # employees | 10 |
| Job creation | New hires rate - over 50 | Total rate of new employee hires during the reporting period - age over 50 | Ratio | 0.26 |
| Job creation | Employee turnover number - total | Total number of employee turnover during the reporting period | # employees | 0 |
| Job creation | Employee turnover rate - total | Total rate of employee turnover during the reporting period (turnover/ total employees excl. turnover) | Ratio | 0 |
| Job creation | Employee turnover number - male | Total number of new employee hires during the reporting period - male | # employees | 0 |
| Job creation | Employee turnover rate - male | Total rate of employee turnover during the reporting period - male | Ratio | 0 |
| Job creation | Employee turnover number - female | Total number of employee turnover during the reporting period - female | # employees | 0 |
| Job creation | Employee turnover rate - female | Total rate of employee turnover during the reporting period - female | Ratio | 0 |
| Job creation | Employee turnover number - under 30 | Total number of employee turnover during the reporting period - age under 30 | # employees | 0 |
| Job creation | Employee turnover rate - under 30 | Total rate of employee turnover during the reporting period - age under 30 | Ratio | 0 |

| | | | | |
|--------------|------------------------------------|---|-------------|---|
| Job creation | Employee turnover number - 30-50 | Total number of employee turnover during the reporting period - age 30-50 | # employees | 0 |
| Job creation | Employee turnover rate - 30-50 | Total rate of employee turnover during the reporting period - age 30-50 | Ratio | 0 |
| Job creation | Employee turnover number - over 50 | Total number of employee turnover during the reporting period - age over 50 | # employees | 0 |
| Job creation | Employee turnover rate - over 50 | Total rate of employee turnover during the reporting period - age over 50 | Ratio | 0 |

SFDR Principal Adverse Impact Indicators

| Indicator Name | Unit | Input |
|--|---|--------|
| GHG intensity | Tonnes CO2e | N/A |
| GHG intensity denominator | N.A. | N/A |
| Non-renewable energy consumption | % | 1.435 |
| Renewable energy consumption | % | 98.565 |
| Non-renewable energy production | % | 0 |
| Renewable energy production | % | 0 |
| Energy consumption intensity - high impact sectors only | GWh /m revenue (currency defined next cell) | 0 |
| Total land occupation | Hectares | 0.08 |
| Measures for biodiversity | % | 0 |
| Activities negatively affecting biodiversity-sensitive areas | | 0 |
| Emissions to water | Tonnes | 0 |
| Hazardous waste generated | Tonnes | 0.006 |
| Share of revenue from fossil fuels | % | 0 |
| Exposure to fossil fuels through real estate assets | % | 0 |
| Exposure to energy-inefficient real estate assets | % | 0 |
| Violation of human rights conventions | # violations | 0 |
| Processes to comply with human rights | Y/N | N |
| Controversial weapons | Y/N | N |

GRI Content Index

Aker Clean Hydrogen has reported the information cited in this GRI content index for the period of 19 February 2021 to 31 December 2021 with reference to the GRI Standards.

| GRI 2: General Disclosures 2021 | Location |
|--|---|
| 2-1 Organizational details | Corporate Governance Report. ACH in Brief. Headquarters: Oksenøyveien 8, 1325 Lysaker, Norway |
| 2-2 Entities included in the organization's sustainability reporting | ACH in Brief. Board of Directors Report - Projects. |
| 2-3 Reporting period, frequency and contact point | About the report |
| 2-5 External assurance | Currently no external assurance of the sustainability report, we will consider this as part of our Sustainability policy during 2022. |
| 2-6 Activities, value chain and other business relationships | Board of Directors' Report, Projects |
| 2-7 Employees | Full ESG Performance Matrix |
| 2-8 Workers who are not employees | Sustainability Progress Report, Respect for people |
| 2-9 Governance structure and composition | Board of Directors' Report, Corporate Governance |
| 2-10 Nomination and selection of the highest governance body | Sustainability Progress report, Good Governance |
| 2-11 Chair of the highest governance body | Sustainability Progress report, Good Governance |
| 2-12 Role of the highest governance body in overseeing the management of impacts | Sustainability Progress report, Good Governance |
| 2-13 Delegation of responsibility for managing impacts | Sustainability Progress report, Good Governance |
| 2-14 Role of the highest governance body in sustainability reporting | Sustainability Progress report, Good Governance |
| 2-16 Communication of critical concerns | Board of Directors Report, Risk factors |
| 2-19 Remuneration policies | Corporate Governance Report, Board Remuneration & Remuneration of Executive Management |
| 2-20 Process to determine remuneration | Corporate Governance Report, Board Remuneration & Remuneration of Executive Management |
| 2-21 Annual total compensation ratio | Full ESG Performance Matrix |
| 2-22 Statement on sustainable development strategy | CEO Letter, Board of Directors Report |
| 2-23 Policy commitments | Sustainability Policy, Good Governance |
| 2-26 Mechanisms for seeking advice and raising concerns | Board of Directors Report, Risk factors |
| 2-27 Compliance with laws and regulations | Full ESG Performance Matrix |
| 2-29 Approach to stakeholder engagement | Sustainability Progress report, Material ESG topics |
| GRI 3: Material Topics 2021 | Location |
| 3-1 Process to determine material topics | Foundation for Sustainability in ACH, Material ESG topics |
| 3-2 List of material topics | Foundation for Sustainability in ACH, Material ESG topics |
| 3-3 Management of material topics | Foundation for Sustainability in ACH, Material ESG topics |

| Topic Standards | Location |
|---|--|
| GRI 205: Anti-corruption 2016 | |
| 3-3 Management of material topic | BOD report, Ethical and Political risks |
| 205-1 Operations assessed for risks related to corruption | BOD report, Ethical and Political risks |
| GRI 207: Tax 2019 | |
| 3-3 Management of material topic | Note 6 - Tax |
| 207-1 Approach to tax | Note 6 - Tax |
| GRI 301: Materials 2016 | |
| 3-3 Management of material topic | Sustainability Progress report, Environment and Water |
| 301-1 Materials used by weight or volume | Sustainability Progress report, Environment and Water |
| GRI 302: Energy 2016 | |
| 3-3 Management of material topic | Sustainability Progress report, Environment and Water |
| 302-1 Energy Consumption within the organization | Full ESG Performance Matrix |
| 302-3 Energy intensity | Full ESG Performance Matrix |
| GRI 304: Biodiversity 2016 | |
| 3-3 Management of material topic | Sustainability Progress report, Environment and Water |
| 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | Full ESG Performance Matrix |
| GRI 305: Emissions 2016 | |
| 3-3 Management of material topic | Sustainability Progress report, Business Model Aligned with Pars Agreement |
| 305-1 Direct (Scope 1) GHG emissions | Full ESG Performance Matrix |
| 305-2 Energy indirect (Scope 2) GHG emissions | Full ESG Performance Matrix |
| 305-3 Other indirect (Scope 3) GHG emissions | Full ESG Performance Matrix |
| GRI 306: Waste 2020 | |
| 3-3 Management of material topic | Sustainability Progress report, Resource Availability and Solid waste |
| 306-1 Waste generation and significant waste-related impacts | Full ESG Performance Matrix |
| 306-2 Management of significant waste-related impacts | Sustainability Progress report, Resource Availability and Solid waste |
| GRI 308: Supplier Environmental Assessment 2016 | |
| 3-3 Management of material topic | Sustainability Progress report, Minimizing Own Footprint |
| 308-1 New suppliers that were screened using environmental criteria | Sustainability Progress report, Minimizing Own Footprint |
| 308-2 Negative environmental impacts in the supply chain and actions taken | No negative environmental impacts recorded in the reporting period. |
| GRI 403: Occupational Health and Safety 2018 | |
| 3-3 Management of material topic | Sustainability Progress report, HSSE preparedness |
| 403-1 Occupational health and safety management system | Full ESG Performance Matrix |

| | |
|--|---|
| GRI 405: Diversity and Equal Opportunity 2016 | |
| 3-3 Management of material topic | BOD's report, Diversity and Equal opportunity |
| 405-1 Diversity of governance bodies and employees | Full ESG Performance Matrix |
| GRI 411: Rights of Indigenous Peoples 2016 | |
| 3-3 Management of material topic | BOD's report, Sustainability |
| 411-1 Incidents of violations involving rights of indigenous peoples | No incidents of violations involving rights of indigenous people. |
| GRI 413: Local Communities 2016 | |
| 3-3 Management of material topic | Sustainability Progress report, Prosperity for all |
| 413-1 Operations with local community engagement, impact assessments, and development programs | Sustainability Progress report, Prosperity for all |
| 413-2 Operations with significant actual and potential negative impacts on local communities | Sustainability Progress report, Prosperity for all |
| GRI 414: Supplier Social Assessment 2016 | |
| 3-3 Management of material topic | Sustainability Progress report, Minimizing Own Footprint |
| 414-1 New suppliers that were screened using social criteria | Sustainability Progress report, Minimizing Own Footprint |
| 414-2 Negative social impacts in the supply chain and actions taken | No negative social impacts recorded in the reporting period. |

Materiality Assessment

In December 2021, a materiality assessment, in a form of structured workshops and direct engagement/dialogues with our main stakeholders were conducted. The main purpose of this assessment was to create a list of most material topics that will create a base and inform Aker Clean Hydrogen's strategy development, improve our risk and opportunity management and help us better understand and hence manage our impacts across the ESG spectrum. The following list of materiality topic has been mapped against GRI Standard 2021 to ensure the best practice of transparent disclosures for our stakeholders.

| ENVIRONMENT | |
|---|--|
| Greenhouse gas emissions | Impact on GHG emissions from energy usage, extraction and production of raw materials and components such as steel and cement in supply chain. Impact on greenhouse gas emissions from energy usage or operation in own production and logistics to the customers. |
| Energy transition | Avoided greenhouse gas emissions from customer use phase. |
| Biodiversity & ecosystem | Biodiversity and ecosystem health (land or marine) due to habitat disturbance, usage of chemicals, spills or accidents, infrastructure etc. in customer use phase, logistics and own operations. |
| Material/resource use & circularity | Impact from extraction and use of raw materials, scarce materials, or non recyclable materials/components in supply chain, logistics and own operations. |
| SOCIAL | |
| Local job creation | Employment opportunities and economic influx to the country, region, or the local communities. |
| Health and safety | Additional risk for the surroundings, such as fatalities, injuries or activity/operation related ill health in own operations, supply chain, logistics and customer use phase. |
| Indigenous rights | Infringement of the rights of indigenous people e.g. resettlement and conflicts over land rights in supply chain and own operations |
| Local community & infrastructure | Impacts on local communities e.g. noise, vibrations, dust, smell, emissions and land use in own operation or logistics. Congestion and wear on local infrastructure. |
| Labor rights | Forced labor, child labor and violation of the freedom of association in the supply chain and own operation / production. |
| Diversity, equality and inclusion | Impacts on equality, inclusion and diversity for Aker Clean Hydrogen's work force in terms of age, gender, sexual orientation, disability, ethnicity, political opinions or religion. |
| GOVERNANCE | |
| Business ethics | Corruption, bribery and money laundering in supply chain and own operation |
| Integration of ESG issues in joint ventures | ESG due diligence |
| Tax transparency | Tax practices with significant negative socio-economic impacts in countries of operation |
| Cooperation with policy makers and regulators | Influence on policy development and regulation (i.e. high corporate accountability and transparency when lobbying). |



TCFD Assessment

Governance

| | |
|--|---|
| <p>1 Describe the board's oversight of climate-related risks and opportunities.</p> | <p>Aker Clean Hydrogen has active board oversight of climate-related risks and opportunities, and climate risk is a part of the Board of Directors' audit committee's mandate.</p> <p>The Board reviews risks regularly, including climate-related risks. To ensure a unified Enterprise Risk Management (ERM) process, Aker Clean Hydrogen, is using a process and a template for ERM that includes climate-related risks (further details in Disclosure 6). The results of ERM assessments are quarterly presented to, and considered by, the Board.</p> <p>On the path to realizing company's sustainable ambitions, the Board of Directors has requested a Task Force for Climate related Financial Disclosures (TCFD) review to establish a better overview of the climate-related risk assessment for Aker Clean Hydrogen. The recommendations lay ground for a deepened understanding of climate-related financial risks and will guide the company strategy to build resilience around climate-related risks.</p> <p>Beyond designated risk reviews, the Board addresses climate-related risks and opportunities when evaluating company's strategy. In 2021, Aker Clean Hydrogen, approved a target of 9,4 tonnes of emissions reduction by 2030. is currently working on further formalization and systematization of climate-risk assessments as part of this process (see Disclosure 6).</p> <p>Aker Clean Hydrogen link management performance assessment and performance-related executive remuneration to climate-related targets, ensuring company's progress toward ESG goals and long-term sustainable value creation.</p> <p>Additionally, the company is currently working on formalizing its sustainable policy that will capture Aker Clean Hydrogen's sustainable vision, reflect its values and set clear ESG expectations and targets to guide its operations. It will also lay ground for responsible cooperation with all stakeholders</p> <p>The risk assessment and oversight process are further described in the annual Corporate Governance Report.</p> |
| <p>2 Describe management's role in assessing and managing climate-related risks and opportunities.</p> | <p>Aker Clean Hydrogen's management ensures quarterly enterprise risk assessment of the company. Climate-related risks and opportunities are integrated in the regular risk review which is later presented to the Aker Clean Hydrogen CEO and CFO. Contributors to the quarterly risk review include key functions within Sustainability, Compliance, Investments, Legal, Treasury and Finance.</p> <p>The overall management of climate-related risks and sustainability in Aker Clean Hydrogen is ensured by the Sustainability Manager.</p> <p>As a newly established company, Aker Clean Hydrogen is continuously working on improving the consistency of climate-related risk assessments and its formal inclusion on the Enterprise Risk Management system and strategy.</p> <p>The company has developed a capital value process (CVP) which defines its business and investment decisions into stages, with related requirements and checklists, supported by a "Sustainability compass" which includes climate risk. The Sustainability Compass is under development. Going forward, Aker Clean Hydrogen's ambition, is to further develop the investment process to achieve even better incorporation of the climate-related issues.</p> <p>Moreover, Aker Clean Hydrogen's priority, is to establish a more formalized process for managing climate-related risks/opportunities in relation to investments and operations.</p> <p>In order to ensure developing the best-in-class processes of climate-related assessment and management, Aker Clean Hydrogen, participates in the Aker ESG Forum, where members of management across the entire Aker group contribute to joint discussions and knowledge and practice exchange over sustainability topics, including climate-related risks and opportunities.</p> <p>As described under Disclosure 1, Aker Clean Hydrogen's ambitions involve linking management performance assessment and performance-related executive remuneration to climate- and sustainability-related targets.</p> |

Strategy

- 3 Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
- Overall, the climate-related financial risk for Aker Clean Hydrogen is low. There is growing market demand in all climate-related policy scenarios and there are no potentially stranded assets. However, physical climate risks for Aker Clean Hydrogen exist and are considered significant for all production sites, logistics and supply chain. Further, identifying and realizing emerging commercial opportunities in a landscape of complex (and fast-evolving) climate regulations and green finance, requires careful attention and due diligence.
- Below, a more detailed account of risks and opportunities is detailed.
- Physical
Aker Clean Hydrogen is exposed to physical risks, both acute and chronic, related to both extreme weather events as well as rising of sea level. Acute risks include increased severity of extreme weather events (such as floods) or landslides. Chronic risks include larger variations in weather patterns causing volatility in energy supply and energy prices
- On the opportunity side, there are few significant opportunities identified for Aker Clean Hydrogen. Sites, facilities and systems can be built to adapt to volatility in energy supply and pricing in order to exploit periods of low energy prices. With sites and facilities located in Norway, Aker Clean Hydrogen, has a competitive advantage due to that fact that it is relatively stable region with regards to physical climate change vs competitors operating in countries which are more exposed to climate change effects.
- Regulatory
From a regulatory perspective, there are several risks connected to climate-related regulations that could potentially have significant impact on both, the company's market position and its competitive advantage. Firstly, competition from countries with less strict regulation can potentially create a disadvantage or uneven playing field. Secondly, location-specific regulation or restrictions related to planned products and services, i.e. blue hydrogen (Germany does not approve blue hydrogen) can jeopardize existing operations or potential plans for expansion on those specific markets. Finally, increased costs of raw materials for blue hydrogen due to changes in CO₂- regulations (gas and carbon pricing) could potentially pose a financial risk to the operations. Simultaneously, increased carbon prices raise the competitiveness of hydrogen and pose a great commercial opportunity to Aker Clean Hydrogen by providing the company with a competitive advantage. Therefore, constantly changing regulations or restrictions related to climate change while can be identified as potential risks, pose primarily commercial opportunities.
- From an opportunity perspective, it is expected that substantial developments will take place in climate-related regulations that will increase demand for low carbon products and services offered by Aker Clean Hydrogen.
- Market
From the market perspective, the biggest potential risks lie in the slow political processes, ineffective or insufficient political regulations and policy instruments. In the sector of renewable energy, the risks connected to stagnation caused by lack of sufficient political regulation can result in production and operations being delayed and market positions being lost.
- On the other hand, increased demand for green and hydrogen and hydrogen products such as ammonia and methanol in several sectors, pose a great commercial opportunity for Aker Clean Hydrogen. Hydrogen is expected to play a crucial role in the green energy transition and sectors like petrochemicals, industry and heavy transportation are the going to need solutions like hydrogen to decarbonize. Additionally, in crowded and highly competitive markets, being a renewable energy company provides better access to capital, reduce its cost and hence better market position. Stronger national push, capabilities (technology, funding) and ambitions relating to the business going forward offers further opportunities for Aker Clean Hydrogen going forward.
- Technology
From a technology perspective, there are risks connected directly to unpredictable and rapid changes in technology and the first mover challenge involving risks of write-offs or stranded assets. In case of Aker Clean Hydrogen, being in an early industry with constant technological advancement/development, exposes the company for the risk that new technological solutions/invention may render Aker Clean Hydrogen's products less competitive and hence reduce return on investment. Further, some technical advancements, like electrolyser development is a new and rapidly increasing market which will need time to mature. Offtake risk for some potential customer segments is another identified risk for Aker Clean Hydrogen as end user technology is under development, for instance ammonia engines.
- From the technology perspective, there are opportunities in increased efficiency of electrolysers leading to lower hydrogen production cost through decreased power consumption, as well as in new/improved technologies for hydrogen transportation/export, enabling increased efficiency in the hydrogen value chain
- Reputation
From a reputational perspective there is a risk of being identified with (or not distinguished from) the (oil and gas) operations of the wider Aker Group. Further, at a general industry level, there has been some disagreement with blue hydrogen being a green solution, ref. Germany's position, where blue hydrogen is regarded as only relevant in a short transitional period .
- However, being a renewable energy company is considered to have a significant positive impact on reputation, including recruitment. Further, engagement with and involvement of local communities in the locations of renewables projects represents an opportunity to identify potential areas of conflict early, reduce adverse impacts, and thus also reduce reputation risk.

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| 4 | Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning | <p>Entire Aker Clean Hydrogen's strategy is built on providing clean energy and hence it is directly linked to climate-related opportunities in the transition to a low-carbon economy. However, energy will constitute the main part of Aker Clean Hydrogen's cost base for production facilities and climate-related physical and regulatory risks may cause volatile energy prices. This is, and will continue, being managed through entering long-term contracts on both energy supply and product offtake side. Aker Clean Hydrogen has developed a capital value process (CVP) which defines its business and investment decisions into stages with related requirements and checklists. It has made a "Sustainability compass" which includes climate risk, and the compass will be included in the CVP. Aker Clean Hydrogen has started to develop a roadmap for net-zero emissions in the supply chain, cooperating with the suppliers and collectively work out plans that can reduce the footprint of their projects,</p> <p>One of key considerations for Aker Clean Hydrogen' development going forward, involves further development of processes for continuous assessment of policy developments and policy instruments (subsidies, carbon quotas/regimes, licenses) for making strategic decisions and in financial planning.</p> |
| 5 | Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | <p>Aker Clean Hydrogen's business model and strategy are founded on contributing to solving the climate crisis by providing the solutions needed in a 1.5°C scenario. Therefore, the company's strategy is inherently resilient to regulatory, market and reputation risk.</p> <p>At the same time, the company is aware that identifying and realizing those commercial opportunities, in a complex landscape of political regulations, requires careful due diligence.</p> <p>As a future ambition, Aker Clean Hydrogen, is considering stress-testing against different climate-related scenarios to assess potential implications of different plausible future states under conditions of uncertainty. Aker Clean Hydrogen will use scenario analysis to inform its future strategy and ensure company's resilience.</p> |
| Risk management | | |
| 6 | Describe the organization's processes for identifying and assessing climate-related risks. | <p>Given that Aker Clean Hydrogen is very young company, the processes for identifying and assessing climate-related risks are still under development. The company is working actively to set in place formalized and standardized processes that will be included in the investment decision process.</p> <p>Market risk is a key risk, as the uncertain timing and effectiveness of energy policies and related policy instruments will impact market demand. The development of the energy markets is assessed through scenario analysis on climate-related regulations that impact energy prices. Another identified risk is technology, as hydrogen production, and its value chain, is still relatively immature technology, especially when it comes to energy efficiency and infrastructure. Aker Clean Hydrogen is actively following on technology risk through interactions with customers and cooperation with for instance engine producers.</p> <p>Currently, Aker Clean Hydrogen, is actively working on incorporating more external data on expected market developments related to transition risks toward 2030, and its potential impacts on both demand and revenue. The company is actively cooperating with other group companies to leverage the broader Aker group system's knowledge resources in this area.</p> <p>Another step, for Aker Clean Hydrogen, in further developing processes for identifying and assessing climate-related risks, will be ensuring proper documentation of physical climate risk assessments for all sites, to meet technical screening criteria in the EU taxonomy.</p> |
| 7 | Describe the organization's processes for managing climate-related risks. | <p>Aker Clean Hydrogen, as a very young company, is currently in a process of establishing a more formalized process for managing climate-related risks and opportunities. The company's focus lines in developing structured management process of climate-related risks and opportunities in relation to investments and operations.</p> |
| 8 | Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management. | <p>Climate-related risk assessment process is integrated into the overall risk management system of Aker Clean Hydrogen. Given the early stage of the company, the process is still undergoing some development to be formalized.</p> <p>This is further described in Disclosure 6, as well as disclosures 1, 2.</p> |

Metrics & targets

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| 9 | Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. | <p>Currently, given the very early stage of the company, Aker Clean Hydrogen uses mainly avoided emissions as the metric to measure progress related to climate risks and opportunities. However, going forward the company is aiming to develop and set robust metrics aligned with climate science.</p> <p>Expanding on climate-related ambitions, Aker Clean Hydrogen is currently in the process of mapping, measuring and documenting the contribution it provides to its customers in avoided emissions, as this also will be part of its pricing toward customers.</p> <p>Additionally, Aker Clean Hydrogen, is aiming at developing metrics for assessing the most financially material climate risks and opportunities enumerated in Disclosure 3.</p> |
| 10 | Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. | Scope 1, 2 and relevant Scope 3 emissions according to the GHG protocol are disclosed in the Full ESG Performance Matrix. |
| 11 | Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets. | <p>Aker Clean Hydrogen has submitted ambitious targets to achieve by 2030 in contributing to scaling climate solutions:</p> <ol style="list-style-type: none"> a. 5 GW in renewable power produced 2. 9 million tons of CO₂e p.a. emissions reduction <p>As the next step in developing Aker Clean Hydrogen climate-related ambitions, the company is focusing on setting further formal targets, at the pace and scale required by climate science, connected to reducing GHG emissions (Scope 1,2,3). In order to set appropriate climate-related targets, Aker Clean Hydrogen is aiming at committing to the Science Based Targets Initiative (SBTi). The company is prioritizing to set robust emissions targets, across its whole value chain.</p> <p>As the next step in company's development, Aker Clean Hydrogen, is also planning on setting EU Taxonomy KPIs targets.</p> |

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