AKER

Q3
2019

AKER ASA
THIRD-QUARTER
RESULTS 2019

Highlights

Key figures - Aker ASA and holding companies

- The net asset value ("NAV") of Aker ASA and holding companies ("Aker") ended at NOK 43.1 billion in the third quarter, down from NOK 44.8 billion at the end of the second quarter, and up from NOK 41.7 billion at year-end 2018. The per-share NAV amounted to NOK 580 as per 30 September 2019, compared to NOK 603 as per 30 June 2019 and NOK 562 as per 31 December 2018.
- The Aker share decreased 1.4 per cent in the third quarter. This compares to a 2.5 per cent increase in the Oslo Stock Exchange's benchmark index ("OSEBX"). Year-To-Date ("YTD"), the Aker share has increased 9.6 per cent, including dividend paid. This compares with a 10.9 per cent increase in the Oslo Stock Exchange's benchmark Index ("OSEBX").
- Aker's Industrial Holdings portfolio decreased by NOK 1.9 billion in the third quarter to NOK 47.7 billion. The value of Aker's Financial Investments portfolio stood at NOK 6.4 billion at the end of the third quarter, compared to NOK 7.1 billion as per 30 June 2019.
- Aker's liquidity reserve, including undrawn credit facilities, stood at NOK 5.2 billion as per 30 September 2019. Cash amounted to NOK 2.7 billion, down from NOK 3.4 billion as of 30 June 2019.
- The value-adjusted equity ratio was 80 per cent as per the end of the third quarter. This compares to 79 per cent as of 30 June 2019.

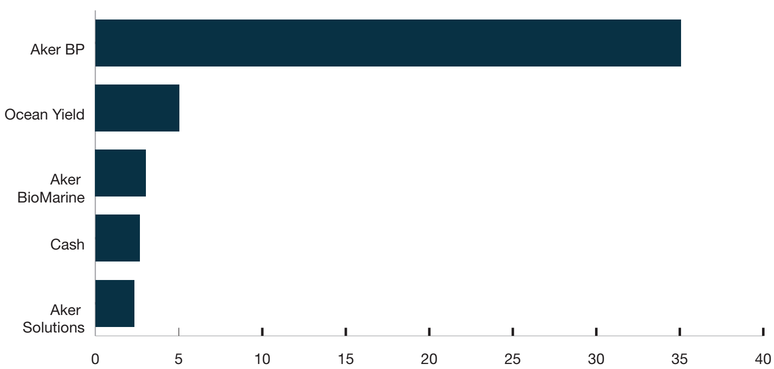
Key events

- Together with the World Economic Forum (WEF), Aker launched the Centre for the Fourth Industrial Revolution (C4IR) Norway, a technology centre dedicated to harnessing technology advances to preserve the ocean and improve the environmental footprint of ocean industries.
- Kværner announced the establishment of two new business areas, FPSO and Renewables, to grow its operations both within oil and gas projects and in renewable industries. In October, Kvaerner signed a contract with Equinor to deliver concrete hulls to the Hywind Tampen floating offshore wind-farm development. The contract value is NOK 1.5 billion.
- Ocean Yield successfully completed a hybrid bond issue of USD 125 million, carrying a coupon of 3 months LIBOR + 6.50 per cent p.a.
- In October, Aker BP announced that the Johan Sverdrup field is on stream, more than two months ahead of schedule and NOK 40 billion below budget. The field is expected to deliver more than 660,000 barrels at plateau production, of which over 50,000 high value barrels will be delivered to Aker BP per day at first phase in 2020.
- In October, Aker Solutions launched its "20-25-30" strategy whereby revenue from renewables, mainly offshore floating wind, is targeted to represent as much as 20 percent of revenues, and low-carbon solutions as much as 25 percent of revenues by 2030.
- In October, Aker and Saudi Aramco announced a Memorandum of Understanding (MoU) for a strategic partnership on industrial digitalisation and sustainability initiatives.
- In October, Aker Energy decided to change its strategy in Ghana. The company will de-risk the Pecan development within the frames of the current petroleum agreement and only with tie-ins already identified. The project's gross contingent resources discovered amount to 450-550 million barrels. Aker Energy will explore opportunities to simplify the technical concept and reduce the amount of investment in order to protect the robustness of the project.

Main contributors to gross asset value

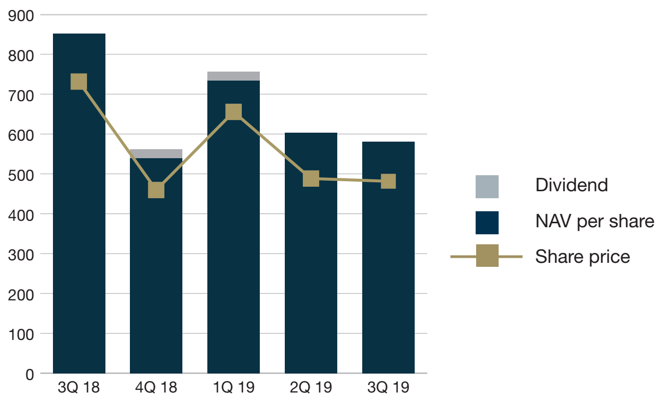
(NOK billion)

Representing 89 per cent of total gross asset value of NOK 54.1 billion



Net asset value and share price

(NOK per share)



The balance sheet and income statement for Aker ASA and holding companies (Aker) have been prepared to show the financial position as a holding company. Net asset value (NAV) is a core performance indicator at Aker ASA. NAV expresses Aker's underlying value and is a key determinant of the company's dividend policy (annual dividend payments of 2-4 per cent of NAV). Gross asset value is determined by applying the market value of exchange-listed shares, while book value is used for other assets. Net asset value is gross asset value less liabilities.

Letter from the CEO

Dear fellow shareholders,

In the third quarter, Aker's Net Asset Value ended at NOK 43.1 billion (NOK 580 per share), compared to NOK 44.8 billion at the end of the second quarter. The share decreased 1.4 per cent in the quarter, compared to a 2.5 per cent increase in the benchmark index. Year-to-Date the share has increased 9.6 per cent, including dividend paid.

Our portfolio is exposed to volatile industries and performance will fluctuate with capital market sentiment and commodity prices. While these factors are outside of our control, it is gratifying to see that things we can control – namely operational excellence and consistent strategy on maintaining a steady course through market changes – continue to bear fruit.

Shortly after the closing of the quarter, the Johan Sverdrup field came on stream more than two months ahead of the original schedule and NOK 40 billion below budget. This marks a milestone for Aker BP, the operator Equinor and the other partners, and also represents a momentous occasion for the oil industry at large. At plateau production, Johan Sverdrup will produce up to 660,000 barrels of oil per day, making up about one-third of all oil production on the NCS. The break-even price is less than USD 20 per barrel and the field will have operating costs below USD 2 per barrel at plateau. With an average of 50,000 barrels per day expected to be delivered to Aker BP in first phase in 2020, the field represents a significant value contributor for the company for years to come.

Beyond reflecting true excellence in project execution, the Johan Sverdrup field shows the massive impact of new technology and digitalisation. The field has record-low CO_2 emissions, well below 1 kg per barrel. I am very pleased to see that Aker companies have played a key role in making this possible. It is a result of willingness to develop, supply and invest in products and technologies that are leading the way in tackling the industry's climate and environmental challenges. As a group, it underscores our ambition to make NCS an international benchmark for safe, profitable and sustainable offshore oil and gas production

That being said, our commitments to Environmental, Social and Governance (ESG) considerations extend far beyond the NCS. Throughout our near 180-year history, Aker has been a driving force in developing knowledge-based industry related to ocean resources. Today, investors are increasingly expecting value creation in a sustainable manner. ESG considerations are a natural part of day-to-day business, strategy and capital allocation.

We are pleased to see how this is materialising in our portfolio. During the quarter, Kværner announced a growth strategy focusing on new markets such as wind power and floating production units, while Aker Solutions is increasingly focused on renewable energy solutions, including carbon capture and storage, subsea gas compression, electrification of production assets and unmanned platforms. Whether on the NCS, offshore Ghana, or on a krill trawler in Antarctica, we are committed to improve the environmental footprint of ocean industries of which we are a part.

More broadly, I believe that only through collaboration between the public and private sector will we be able to unlock the great potential that resides in digital technology to promote sustainable development. That is why we during the quarter were proud to announce the launch of Centre for the Fourth Industrial Revolution (C4IR) Norway together with the World Economic Forum. The centre is a joint initiative between Aker companies, as well as REV Ocean and the Ocean Data Foundation, built on an ambition to provide a collaborative platform that can accelerate use of technology to reduce industries' enviromental footprint. We look forward to welcoming the centre to Fornebu and invite public and private partners to join us in developing governance frameworks and solutions for a sustainable and profitable ocean economy.

This week, Aker announced a Memorandum of Understanding with Saudi Aramco for a strategic partnership on industrial digitalisation and sustainability initiatives, two complementary areas fully aligned with our long-term strategic focus. Together, we will work to explore and define collaborative efforts around topics such as the development and deployment of digital technologies, as well as sustainability and research initiatives tied to the ocean. We welcome Saudi Aramco's contribution to C4IR Norway, where we can leverage their experience to develop and scale sustainable solutions for the industry at large. As part of the MoU, Saudi Aramco, which has an ambition to be the world's leading digitalised energy corporation by 2022, is looking into establishing a joint venture with Cognite for deployment of their leading industrial software. I am continously impressed by Cognite. After just three years in existence, it is now enabling a company like Saudi Aramco to rapidly accelerate its digital transformation.

Aker Energy continues to be a priority for Aker. The intention from day one has been to develop a business, including local industry and corporate social responsibility beyond minimum requirements, that is attractive both to our shareholders and to the people of Ghana. In the Plan for Development and Operations (PDO) for the main reservoir, Pecan, Aker Energy has assumed that all resources, including future tie-ins and new discoveries in this prosperous area, would be produced as part of an area development similar to best practise in other offshore oil and gas regions. We underestimated, however, the complexity of such a holistic approach to the entire DWT/CTP block. The strategic direction impacted issues like regulatory framework, technical concepts prepared for increased recovery, and execution models based on alliance contracts with global suppliers.

Norway has played a pivotal role in developing Ghana's oil & gas regulatory framework through the Oil for Development program. Nevertheless, there are some significant differences between the Norwegian and Ghanaian systems. One prime example is how in Ghana, all contracts with a value above a certain threshold have to be approved by the Petroleum Commission (PC), rather than by license approval of a work programme and budget. In a field development like Pecan, the number of contracts to be approved by the PC could exceed 2000.

Such regulatory differences impact business cases, progress and ultimately production. Hence, as part of the Pecan PDO, Aker Energy, supported by the other international oil companies operating in Ghana, proposed amendments to the regulatory framework to make development and operations more predictable and robust. Aker Energy genuinely believed that such an approach would be to the benefit of the host country, Ghana, but also would enable operators to take a strategic perspective beyond individual fields.

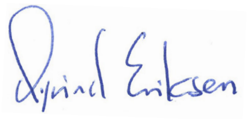
Some regulatory changes are likely to be proposed by the government of Ghana, though not to the extent requested in the PDO. Hence, Aker Energy is now changing its approach. Going forward, the priority will be to work with Ghanaian authorities to further optimise and de-risk the development of the already discovered 450-550 million barrels of contingent resources in the Pecan reservoir and tie-ins within the applicable regulatory framework and agreements. Our sole objective will be to make the Pecan development more economically robust on a stand-alone basis. Opportunities to simplify the technical concept, reduce the amount of investment and cost reductions will be implemented. Furthermore, execution models including involvement of local industry and commercial terms offered by alliance partners, will be benchmarked against proposals from other suppliers.

The Petroleum Agreement already approved by the government of Ghana contains a stability provision protecting Aker Energy from adverse consequences of changes in legislation or administrative practices after it was approved by the Ghanaian Parliament in 2006, like the above-mentioned requirement to approve contracts.

The change in strategy is likely to trigger delays, but I am confident that it will de-risk the project and, hence, protect significant values in Ghana.

The next milestones will be to have the Pecan PDO approved under the Petroleum Agreement and regulations from 2006, and ultimately make a Final Investment Decision (FID). Aker Energy will in parallel explore M&A opportunities that may grow and diversify the portfolio beyond the organic approach we have pursued to date.

Aker's focus remains on long-term shareholder value creation and operational excellence. By addressing some of our industrial holdings' biggest sustainability challenges and opportunities, and by taking a leading role in having safe and profitable oil & gas production, we are also underpinning our long-term success and ability to deliver value for our shareholders.



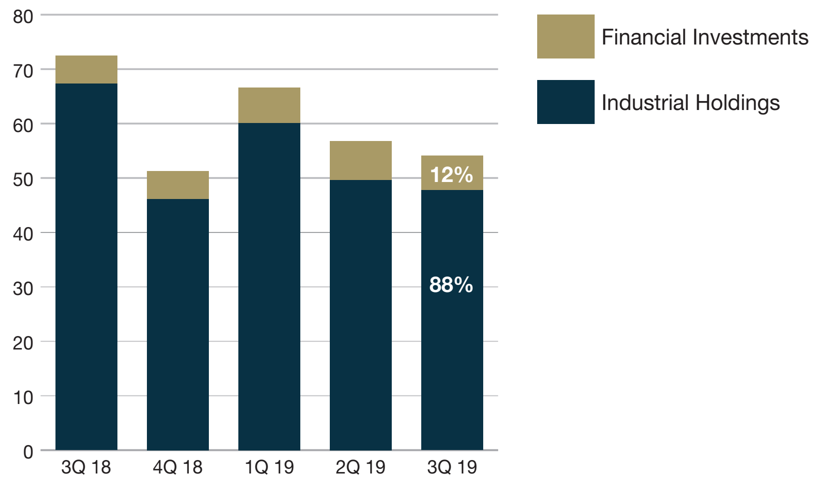
Øyvind Eriksen
President and CEO

Aker ASA and holding companies
Assets and net assets value

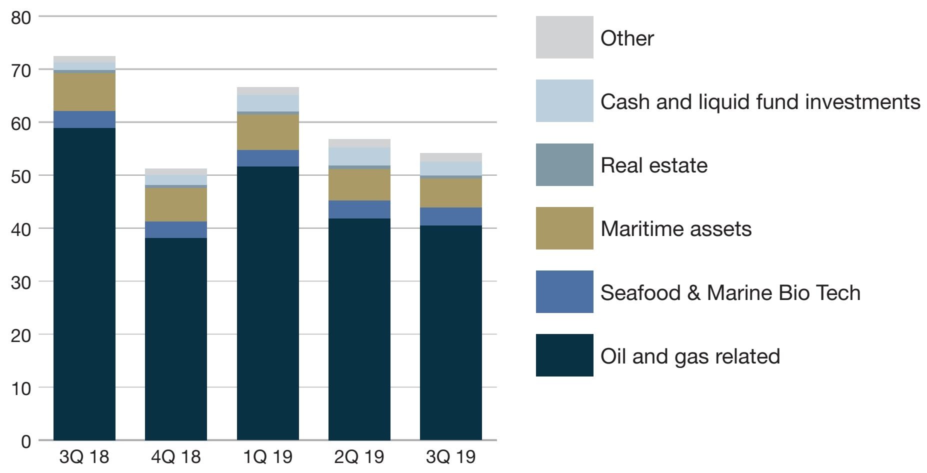
Net asset value (NAV) composition - Aker ASA and holding companies

	30.06.2019		**30.09.2019**	
	NOK/share	NOK million	NOK/share	NOK million
Industrial Holdings	668	49 648	643	47 737
Financial Investments	96	7 132	86	6 390
Gross assets	765	56 780	**729**	**54 127**
External interest-bearing debt	(158)	(11 701)	(144)	(10 663)
Non interest-bearing debt	(4)	(287)	(5)	(351)
NAV	603	44 791	**580**	**43 113**
Net interest-bearing assets/(liabilities)		(7 185)		(6 799)
Number of shares outstanding (million)		74.269		74.278

Gross assets
(NOK billion)



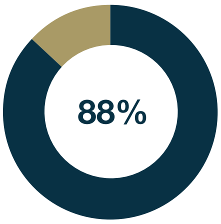
Gross assets per sector
(NOK billion)

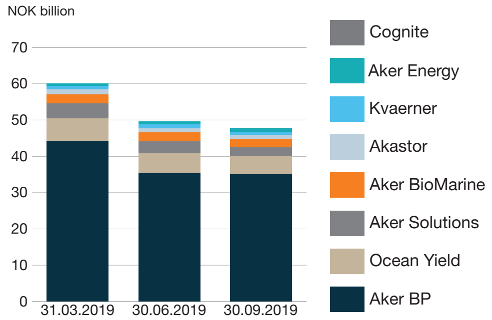


Net asset value ("NAV") is a core performance indicator at Aker ASA. NAV expresses Aker's underlying value and is a key determinant of the company's dividend policy (annual dividend payments of 2-4 per cent of NAV). Net asset value is determined by applying the market value of exchange-listed shares, while book value is used for other assets. Aker's assets (Aker ASA and holding companies) consist largely of equity investments in the Industrial Holdings segment, and of cash, receivables and other equity investments in the Financial Investments segment. Other assets consist mainly of intangibles and tangible fixed assets. The charts above show the composition of Aker's assets. The business segments are discussed in greater detail on pages 6-8 of this report.

Aker – Segment information
Industrial Holdings

Share of Aker's assets





Amounts in NOK million	Ownership in %	30.06.2019 Value	3Q 19 Net investments	Dividend income	Other changes	Value change	30.09.2019 Value
Aker BP	40.0	35 234	-	(667)	-	494	**35 062**
Ocean Yield	61.7	5 619	-	(161)	-	(428)	**5 030**
Aker BioMarine*	98.0	2 363	-	-	-	-	**2 363**
Aker Solutions	34.8	3 298	-	-	-	(974)	**2 324**
Akastor	36.7	1 171	-	-	-	(80)	**1 090**
Aker Energy*	49.2	860	64	-	1	-	**925**
Kvaerner	28.7	1 059	-	-	-	(159)	**900**
Cognite*	64.6	42	-	-	-	-	**42**
Total Industrial Holdings		49 648	64	(828)	1	(1 148)	**47 737**

**At book value*

The total value of Aker's Industrial Holdings decreased by NOK 1.9 billion in the third quarter to NOK 47.7 billion, mainly due to a NOK 1.1 billion negative value change of the listed industrial holdings. Aker received NOK 828 million in dividend payments from Aker BP and Ocean Yield in the quarter. Of the NOK 1.1 billion negative value change, Aker Solutions stood for NOK 974 million, Ocean Yield NOK 428 million, Akastor NOK 80 million and Kvaerner NOK 159 million. This was partly offset by Aker BP, which contributed with a NOK 494 million value increase. Aker's non-listed industrial holdings, Aker BioMarine, Aker Energy and Cognite, are at book value, implying an upside to the Aker NAV. The value of Aker Energy rose to NOK 925 million in the quarter following a NOK 65 million investment. The values of Aker BioMarine and Cognite remained at NOK 2.4 billion and NOK 42 million, respectively, as per 30 September 2019.

Aker BP

Aker BP is a fully-fledged E&P company operating on the Norwegian Continental Shelf ("NCS") with a business model built on safe operations, lean principles, technological competences and industrial cooperation to secure long-term competitiveness. Aker BP reported an EBITDAX of USD 550 million in the third quarter, compared to USD 583 million in the second quarter. Production averaged 146.1 kboed, 15 per cent up from the prior quarter, but below plan due to delayed well stimulation and consequently delayed start of production from new wells on Valhall following the planned maintenance shutdown this summer. The actual YTD production has been 144 kboed while the full year average daily production is guided to approximately 155 kboed. Aker BP's ambition is to triple production by 2026. Production is expected to be substantially higher in the fourth quarter of 2019 with the start-up of the Johan Sverdrup field, where the Aker BP ownership is 11.57 per cent. Aker BP made an impairment charge in the quarter of USD 78 million related to technical goodwill. In the quarter, Aker BP saw good exploration results with both the Shrek and Ørn discoveries. Aker received NOK 667 million in dividends from Aker BP in the quarter.

Ocean Yield

Ocean Yield is a ship-owning company with a mandate to build a diversified portfolio of modern vessels within oil services and shipping. The company targets fixed, long-term bareboat charters to creditworthy counterparties. In the third quarter, Ocean Yield extended its agreement with Aker Energy to 31 December 2019, where Aker Energy has an option to bareboat charter the FPSO Dhirubhai-1 for a period of 15 years. Ocean Yield is in parallel pursuing other employment opportunities for the FPSO. The value of Dhirubai-1 is subject to a write-down of USD 68 million in the third quarter accounts, due to the delay of Aker Energy's activities in Ghana and the current assessment of alternative market opportunities. As a consequence, quarterly dividends could be reduced to USD 0.15 per share from 2020. During the quarter, the company acquired a handysize dry bulk newbuilding for a purchase price of USD 18 million, net of pre-paid charter hire, with a 10-year bareboat charter towards Interlink Maritime Corp. The company successfully completed a perpetual callable hybrid bond issue of USD 125 million carrying a coupon of 3 months LIBOR +6.50% p.a. with quarterly interest payments. The net proceeds from the bond issue will be used for general corporate purposes including new investments. The hybrid bond is accounted for as equity. The company's estimated EBITDA backlog stood at USD 3.2 billion per the end of the third quarter 2019 and the average remaining contract tenor (weighted by EBITDA) was 10.7 years. The company declared USD 19.1 cents per share in dividends in the quarter, unchanged from the prior quarter.

Aker Solutions

Aker Solutions is a global oil services company providing services, technologies, and product solutions within subsea and field design. In the third quarter, Aker Solutions reported NOK 553 million in EBITDA and an order intake of NOK 4.7 billion. As per September 30, the backlog stood at NOK 27.4 billion. Aker Solutions' main priority for the coming quarters is to build the backlog, while remaining cost efficient and maintaining capital discipline. Tender activity remains high, and the company is well positioned in key markets and with key clients. In the quarter, the company won its first subsea contract in the Persian Gulf, the first ever subsea umbilical award by ADNOC in the UAE. Aker Solutions also launched its Intelligent Subsea offering designed to accelerate field development and maximise performance. At the third quarter earnings release, Aker Solutions presented its 20-25-30 strategy related to the energy transition. The company sees significant opportunities. By 2030, revenue from renewables, mainly offshore floating wind, is targeted to represent as much as 20 per cent of revenues, and low-carbon solutions as much as 25 per cent of revenues.

Akastor

Akastor is an oil-services investment company with a flexible mandate for active ownership and long-term value creation. MHWirth continues to see a muted rig newbuilding market, while aftermarket revenues continue with a positive trend. In the quarter, the AKOFS vessels operating in Brazil delivered revenue utilisation of 94 per cent and 96 per cent, respectively, and the AKOFS Seafarer is currently in the yard in Norway for upgrades and preparations for the contract with Equinor. In the third quarter, Akastors revenues were NOK 1.43 billion and EBITDA NOK 133 million. Akastor continues to work closely with its portfolio companies to support cost saving programs, operational improvements and strategic initiatives to further enhance their competitiveness.

Kvaerner

Kvaerner is an oil and gas-related EPC company, mainly focused on the NCS. In the third quarter, Kvaerner delivered revenues of NOK 2.6 billion and an EBITDA of NOK 138 million. Backlog stood at NOK 8.3 billion, as per end of the quarter. In the quarter, the company established an updated organizational structure with two new focus areas, beyond the current core: FPSO and Renewables. Focus remains on project execution excellence, coupled with increasing cost efficiency in order to secure new work. The balance sheet remains strong with NOK 2.4 billion in cash, in addition to undrawn credit facilities of NOK 2.0 billion, providing strategic flexibility.

Aker BioMarine

Aker BioMarine is an integrated biotechnology company that supplies krill-derived ingredients to the consumer health and animal nutrition markets. In the third quarter, revenues ended at USD 69 million, with an EBITDA of USD 21 million, corresponding to a margin of 30 per cent. Superba Krill Oil contributes positively through growing year-to-date sales, whereas Qrill Aqua has seen a slight reduction in volume. The company's operational performance remains solid, with all time high production and harvesting volumes. Aker BioMarine maintains a positive outlook on demand for its core products and markets.

Aker Energy

Aker Energy continues to be a priority for Aker. The intention from day one has been to develop a business, including local industry and corporate social responsibility beyond minimum requirements, that is attractive both to our shareholders and to the people of Ghana. In the Plan for Development and Operations (PDO) for the main reservoir, Pecan, Aker Energy has assumed that all resources, including future tie-ins and new discoveries in this prosperous area, would be produced as part of an area development similar to best practise in other offshore oil and gas regions. We underestimated, however, the complexity of such a holistic approach to the entire DWT/CTP block. The strategic direction impacted issues like regulatory framework, technical concepts prepared for increased recovery, and execution models based on alliance contracts with global suppliers. Some regulatory changes are likely to be proposed by the government of Ghana, though not to the extent requested in the PDO. Hence, Aker Energy is now changing its approach. Going forward, the priority will be to work with Ghanaian authorities to further optimise and de-risk the development of the already discovered 450-550 million barrels of contingent resources in the Pecan reservoir and tie-ins within the applicable regulatory framework and agreements. Our sole objective will be to make the Pecan development more economically robust on a stand-alone basis. Opportunities to simplify the technical concept, reduce the amount of investment and cost reductions will be implemented. Furthermore, execution models including involvement of local industry and commercial terms offered by alliance partners, will be benchmarked against proposals from other suppliers. The change in strategy is likely to trigger delays, but will also de-risk the project and, hence, protect significant values in Ghana.

Cognite

Cognite is a fast-growing industrial software company enabling companies in the oil & gas sector and other asset-intensive verticals to digitalise their operations. Cognite reported NOK 90 million in revenues in the third quarter, compared to NOK 52 million in the same period last year, supported by a growing customer base. Project executions are progressing and the company has a solid pipeline of potential new customers in the oil & gas sector and other industry verticals. In the quarter, the company opened an office in Austin, as well as a satellite sales office in Houston. This is a major milestone for the company, enabling Cognite to scale into new geographies and establishing itself alongside leading software providers for digitalisation of asset intensive industries. Cognite's geographic expansion will continue into Q4 2019, with an office in Tokyo scheduled to open by year-end. Cognite's organisation continues to grow fast, expanding by 25 employees during the quarter. The company now has 253 employees compared with 116 employees a year ago. At the end of October, Cognite announced plans to establish a joint venture with Saudi Aramco to enable a digital transformation of the industry at large in the Kingdom of Saudi Arabia.

Results and Returns for Industrial Holdings[1)]

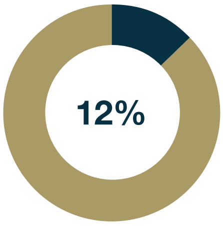
	Aker Solutions		Akastor		Kvaerner		Cognite	
Amounts in NOK million	3Q18	**3Q19**	3Q18	**3Q19**	3Q18	**3Q19**	3Q18	**3Q19**
Revenue	6 541	**7 134**	955	**1 430**	1 764	**2 450**	52	**90**
EBITDA	463	**553**	87	**133**	76	**138**	8	**(13)**
EBITDA margin (%)	7.1	**7.8**	9.1	**9.3**	4.3	**5.6**	15.4	**N/A**
Net profit continued operations	155	**93**	19	**(8)**	37	**72**	9	**(13)**
Closing share price (NOK/share)	57.90	**24.58**	17.68	**10.84**	15.06	**11.65**	N/A	**N/A**
Quarterly return (%)[3)]	1.5	**(29.5)**	(1.2)	**(6.9)**	(12.3)	**(15)**	N/A	**N/A**

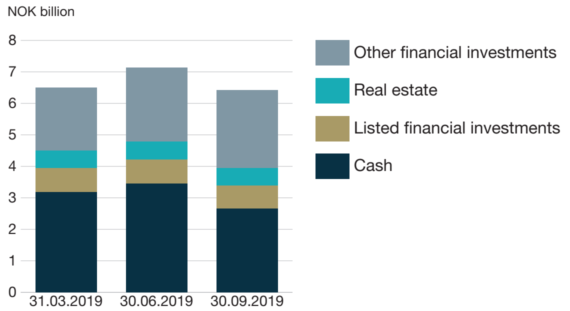
	Aker BP		Ocean Yield		Aker BioMarine		Aker Energy	
Amounts in USD million	3Q18	**3Q19**	3Q18	**3Q19**	3Q18	**3Q19**	3Q18	**3Q19**
Revenue	966	**723**	95	**66**	40	**69**	0	**2**
EBITDA[2)]	791	**550**	85	**57**	12	**21**	(11)	**(27)**
EBITDA margin (%)	81.9	**76.1**	89.7	**86.3**	30.7	**30.6**	N/A	**N/A**
Net profit continued operations	116	**(43)**	40	**(63)**	5	**1**	(12)	**(32)**
Closing share price (NOK/share)	345.40	**243.4**	66.60	**51.2**	N/A	**N/A**	N/A	**N/A**
Quarterly return (%)[3)]	15.7	**1.4**	(4.1)	**(7.6)**	N/A	**N/A**	N/A	**N/A**

1) The figures refer to the results reported by the companies. Reference is made to the respective companies' quarterly reports for further details.
2) For Aker BP, EBITDAX is used.
3) The figures refer to total shareholder return, i.e. share price development and dividend payments.

Aker – Segment information
Financial Investments

Share of Aker's assets





	30.06.2019		**30.09.2019**	
	NOK/ share[1)]	NOK million	NOK/ share[1)]	NOK million
Cash	46	3 448	**36**	**2 662**
Listed financial investments	10	770	**10**	**723**
Real estate	8	568	**8**	**568**
Other financial investments	32	2 346	**33**	**2 437**
Total Financial Investments	96	7 132	**86**	**6 390**

[1)] *The investment's contribution to Aker's per-share NAV.*

Financial Investments comprise Aker's cash, listed financial investments, real estate investments and other financial investments. The value of Aker's financial investments amounted to NOK 6.4 billion as of 30 September 2019, down from NOK 7.1 billion as per 30 June 2019.

Aker's **Cash holding** stood at NOK 2.7 billion at the end of the third quarter, down from NOK 3.4 billion three months earlier. The primary cash inflow in the third quarter were NOK 843 million in received dividend. The primary cash outflows were a NOK 1.4 billion repayment of the AKER12 bond and NOK 162 million in net interst paid and operating expenses.

The value of **Listed financial investments** stood at NOK 723 million as of 30 September 2019, compared to NOK 770 million as of 30 June 2019. The value of Aker's investment in Philly Shipyard increased to NOK 280 million in the third quarter, compared to NOK 267 million in the prior quarter. The value of Aker's direct investment in American Shipping Company was at NOK 383 million at the end of the third quarter, compared to NOK 406 million as of 30 June 2019. Aker's shares in Solstad Offshore was valued at NOK 41 million as per 30 September 2019. This compares to NOK 91 million at the end of the second quarter. Solstad Offshore's negotiations with financial creditors continue, and a solution is expected to involve a significant restructuring of the company's balance sheet.

Aker's **Real estate holdings**, FP Eiendom, stood at NOK 568 million, on par with prior quarter. The value of Aker's current real estate holdings mainly reflects a 37.55 per cent ownership in the residential real estate developer FP Bolig, in addition to other commercial properties and land areas at Fornebu and in Aberdeen, hotel developments, and a portfolio of late-stage residential projects in Norway.

Other financial investments amounted to NOK 2.4 billion at the end of the third quarter, up from NOK 2.3 billion as of 30 June 2019. Other financial investments consist of equity investments, receivables, and other assets. The value of Aker's receivables was NOK 1.1 billion at the end of the third quarter, up from from NOK 1.0 billion as of 30 June 2019.

Aker ASA and holding companies
Combined balance sheet

Amounts in NOK million	30.06.2019	**30.09.2019**
Intangible, fixed, and non-interest bearing assets	507	**516**
Interest-bearing assets	1 068	**1 201**
Investments[1)]	20 435	**20 266**
Non interest-bearing short-term receivables	425	**374**
Cash	3 448	**2 662**
Assets	25 883	**25 020**
Equity	13 895	**14 006**
Non interest-bearing debt	287	**351**
External interest-bearing debt	11 701	**10 663**
Equity and liabilities	25 883	**25 020**
Net interest-bearing assets/(liabilities)	(7 185)	**(6 799)**
Equity ratio (%)	54	**56**

[1)] Aker ASA and holding companies prepares and presents its accounts in accordance with the Norwegian Accounting Act and generally accepted accounting principles (GAAP), to the extent applicable. Accordingly, exchange-listed shares owned by Aker ASA and holding companies are recorded in the balance sheet at the lower of market value and cost price. In accordance with Aker ASA and holding companies' accounting principles, acquisitions and disposals of companies are a part of the ordinary business. Consequently, gains from sales of shares are classified as operating revenues in the combined profit and loss statement of the accounts. Gains and losses are only recognised to the extent assets are sold to third parties. Aker's accounting principles are presented in the company's 2018 annual report.

The total book value of assets was NOK 25.0 billion at the end of the third quarter 2019, down from NOK 25.9 billion at the end of the second quarter.

Intangible, fixed and non-interest bearing assets stood at NOK 516 million, compared with NOK 507 million at the end of the second quarter.

Interest-bearing assets increased to NOK 1.2 billion from NOK 1.1 billion at 30 June, primarily explained by increased funding to Aker BioMarine and currency adjustments.

Investments decreased to NOK 20.3 billion in the third quarter compared to NOK 20.4 billion as per the end of the second quarter. The quarterly decrease was primarily explained by value adjustments of the book value of direct investments in Aker Solutions and Akastor, partly offset by a NOK 65 million investment in Aker Energy.

Non interest-bearing short-term receivables decreased to NOK 374 million from NOK 425 million at 30 June 2019.

Aker's **Cash** stood at NOK 2.7 billion at the end of the third quarter, down from NOK 3.4 billion as per 30 June 2019.

Equity stood at NOK 14.0 billion at the end of the third quarter, compared to NOK 13.9 billion at the end of the second quarter. The increase in the third quarter is primarily due to Aker posting a profit before tax of NOK 104 million.

Non interest-bearing debt stood at NOK 351 million at the end of the third quarter, compared to NOK 287 million as per 30 June 2019. The increase is primarily explained by negative value development of derivatives.

External interest-bearing debt stood at NOK 10.7 billion at the end of the third quarter, down from NOK 11.7 billion at the end of the second quarter. The decrease is primarily explained by a NOK 1.4 billion repayment of the AKER12 bond. As per the end of the third quarter, Aker had NOK 4.7 billion in outstanding bond loans, NOK 5.0 billion in USD denominated bank loans and NOK 1.0 billion in the EUR denominated Schuldschein loan, net of capitalised loan fees.

Amounts in NOK million	30.06.2019	**30.09.2019**
AKER09	1 000	**1 000**
AKER10	700	**700**
AKER12	1 377	**-**
AKER13	1 000	**1 000**
AKER14	2 000	**2 000**
Capitalised loan fees	(18)	**(16)**
Total bond loans	6 059	**4 684**
Bank loan 1	3 834	**4 089**
Bank loan 2	852	**909**
Schuldschein loan	969	**990**
Capitalised loan fees	(12)	**(9)**
Total bank loans	5 643	**5 979**
Total interest-bearing debt	11 701	**10 663**

Aker ASA and holding companies

Combined income statement

Amounts in NOK million	3Q 18	2Q 19	**3Q 19**	YTD 3Q 18	**YTD 3Q 19**	Year 2018
Sales gain	-	-	**-**	194	**-**	194
Operating expenses	(67)	(69)	**(67)**	(197)	**(202)**	(254)
EBITDA	(67)	(69)	**(67)**	(2)	**(202)**	(60)
Depreciation	(5)	(6)	**(6)**	(12)	**(17)**	(18)
Value change	(102)	(190)	**(233)**	245	**(372)**	(383)
Net other financial items	482	831	**410**	1 517	**2 038**	1 927
Profit/(loss) before tax	309	566	**104**	1 748	**1 448**	1 467

Aker ASA and holding companies prepares and presents its accounts in accordance with the Norwegian Accounting Act and generally accepted accounting principles (GAAP), to the extent applicable. Accordingly, exchange-listed shares owned by Aker ASA and holding companies are recorded in the balance sheet at the lower of market value and cost price. In accordance with Aker ASA and holding companies' accounting principles, acquisitions and disposals of companies are a part of the ordinary business. Consequently, gains from sales of shares are classified as operating revenues in the combined profit and loss statement of the accounts. Gains and losses are only recognised to the extent assets are sold to third parties. Aker's accounting principles are presented in the company's 2018 annual report.

The income statement for Aker ASA and holding companies shows a profit before tax of NOK 104 million for the third quarter 2019. This compares to a profit before tax of NOK 566 million in the second quarter. As in previous periods, the income statement is mainly affected by value changes in share investments and dividends received.

Operating expenses in the third quarter were NOK 67 million compared to NOK 69 million in the prior quarter.

Value change in the third quarter was negative NOK 233 million mainly reflecting value decreases of Aker's holdings in Aker Solutions and Akastor. The value change compares to negative NOK 190 million in the second quarter.

Net other financial items in the third quarter amounted to NOK 410 million, compared to NOK 831 million in the second quarter. Net other financial items are primarily impacted by dividends received, net interest expenses and by negative foreign exchange adjustments of NOK 294 million, and Aker's total return swaps related to American Shipping Company. Aker posted a dividend income of NOK 850 million in the third quarter, compared to NOK 838 million in the prior quarter.

The Aker Share

The company's share price decreased to NOK 484,00 at the end of the third quarter 2019 from NOK 490,80 three months earlier. The company had a market capitalisation of NOK 36.0 billion as per 30 September 2019. As per 30 September 2019, the total number of shares in Aker amounted to 74 321 862 and the number of outstanding shares was 74 278 199. As per the same date, Aker held 43 663 own shares.

Risks

Aker and each portfolio company are exposed to various forms of market, operational and financial risks. Rather than diversifying risk by spreading investments across many different industries, Aker is focused on sectors in which the company possesses special expertise. The company has established a model for risk management based upon identifying, assessing and monitoring major financial, strategic and operational risks in each business segment, drawing up contingency plans for those risks and attending to implementation and supervision. The identified risks and how they are managed are reported to the Aker Board.

The main risks that Aker ASA and holding companies are exposed to are related to the value changes of the listed assets, and other main holdings. The development of the global economy, and energy prices in particular, as well as currency fluctuations, are important variables in explaining near-term market fluctuations. These variables may have an impact on the underlying value of Aker's assets. Aker and its portfolio companies are also exposed to risks related to insufficient access to external financing which may impact their liquidity position. This is further accentuated by the growing focus on Environmental, Social and Governance ("ESG") principles. Aker and the portfolio companies seek to mitigate these risks by maintaining a solid liquidity buffer, by proactively planning for refinancing activities, and strict adherence to environmental regulations.

The companies in Aker's portfolio are, like Aker, exposed to commercial risks, financial risks and market risks. In addition these companies, through their business activities within their respective sectors, are also exposed to legal/regulatory risks and political risks, i.e. political decisions on petroleum taxes, environmental regulations, climate-related risks and operational risks, including major accidents which may have significant financial impact. Operating and investing in Ghana also represents such risk exposures to Aker.

Oil price volatility continues to remain high which creates uncertainty. Aker BP's revenues and cash flow are directly impacted by fluctuating oil prices, while movements in the oil price may impact the activity level for Aker's oil service companies, including Aker Solutions, Akastor and Kvaerner. The activity level may affect the oil service companies' and Ocean Yield's counterparties financial strength, and the companies are therefore monitoring counterparty risk closely.

Aker's risk management, risks and uncertainties are described in the Annual Report for 2018.

Key events after the balance sheet date

After the close of the third quarter 2019, the following key events occurred:

- The Johan Sverdrup field came on stream more than two months ahead of the original schedule and NOK 40 billion below budget. The field, which has recoverable reserves of 2.7 billion barrels of oil equivalent and will produce 660,000 barrels of oil per day at peak, will be a major contributor to Aker BP's production and earnings growth.
- Ocean Yield has agreed to acquire two newcastlemax dry bulk newbuildings with 13 -year bareboat charter to companies owned and guaranteed by 2020 Bulkers Ltd. The total purchase price is USD 84 million net of pre-paid charter hire. Ocean Yield has also agreed to acquire an ethylene gas carrier for a total consideration of USD 69.75 million net of a seller's credit, with 13-year bareboat charter to a company 100% owned and guaranteed by Navigator Holdings Ltd.
- At the third quarter earnings release, Aker Solutions presented its 20-25-30 strategy related to the energy transition. The company sees significant opportunities. By 2030, revenue from Renewables, mainly offshore floating wind, is targeted to represent as much as 20 percent of revenues, and Low carbon solutions as much as 25 percent of revenues.
- In October, Aker and Saudi Aramco announced the signing of a Memorandum of Understanding (MoU) for a strategic partnership on industrial digitalization and sustainability initiatives. Together, the companies will explore and define collaborative efforts around the development and deployment of industrial digital technologies, as well as sustainability and research initiatives tied to the ocean. Saudi Aramco is also looking into establishing a joint venture with Cognite to enable a digital transformation of the industry at large in the Kingdom of Saudi Arabia.
- Aker Energy is now changing its approach. Going forward, the priority will be to work with Ghanaian authorities to further optimise and de-risk the development of the already discovered 450-550 million barrels of contingent resources in the Pecan reservoir and tie-ins within the applicable regulatory framework and agreements.

Outlook

Investments in listed shares comprised 83 per cent of the company's assets as per 30 September 2019. About 75 per cent of Aker's investments were associated with the oil and gas sector. The main part of the remaining value is to be found in the maritime industry. Aker's net asset value will hence be influenced by a number of factors including fluctuations in market prices, commodity prices, exchange rates and operational performance.

Over the last several years, the oil service industry has been under pressure due to cutbacks in E&P spending which has led to a decline in activity and fewer projects sanctioned globally. At the same time, cost-cutting measures and increased operational efficiency across the industry have brought down break-even costs for offshore projects. Aker expects that this may lead to more projects being sanctioned going forward and that E&P spending hence probably will increase in the short to medium term. Oil price volatility is, however, significant, which creates uncertainty with level and timing of the spending increase. Aker believes the overall activity level will improve but likely remain moderate as E&P companies continue to take a cautious approach to new investments, reflecting the high oil price volatility and uncertainty about future oil demand growth. The global oil service capacity remains high, leading to relatively low utilisation rates in the industry. The over-capacity in the service sector is however a benefit for the upstream sector, creating improved cash flows for E&P companies at a lower oil price than before.

Aker remains positive about the medium to longer term attractiveness of oil and gas investments and will therefore continue to evaluate strategic alternatives and opportunities in the sector. Future oil demand growth is expected to be supported by the still ongoing mega trends of population growth, a growing middle class and urbanisation, particularly in Asia. Supply growth is likely to be kept in check by OPEC policy, moderate E&P spending and tightened financial conditions in the US shale industry. These are positive factors for oil prices in the medium to longer term. Another mega trend that is likely to support oil prices for the coming years is the rising cost of capital for the industry as such. The increased cost of capital is influenced by rising focus on ESG principles by both lenders and investors. This growing focus on ESG principles may limit global investments in oil and gas projects to such an extent that global supply growth becomes weaker than global demand growth, hence supporting market prices. Price volatility might, however, stay high also in coming years, but Aker is well placed to benefit from such a development.

Aker BP, the largest asset in Aker's portfolio, was rated Investment Grade by rating company Fitch for the first time in the second quarter, securing access to lower cost of capital. Aker's portfolio companies in the oil and gas sector will continue to increase competitiveness through increased productivity, efficiency, standardisation, improved technology offerings, and by exploring strategic partnerships and alliances. Aker's strong balance sheet enables the company to face unforeseen operational challenges and short-term market fluctuations, as well as to seize value-accretive investment opportunities. As an industrial investment company, Aker will use its resources and competence to promote and support the development of the companies in its portfolio, and to consider new investments.

Fornebu, 31 October 2019
Board of Directors, President and CEO

Aker ASA: Net Asset Value

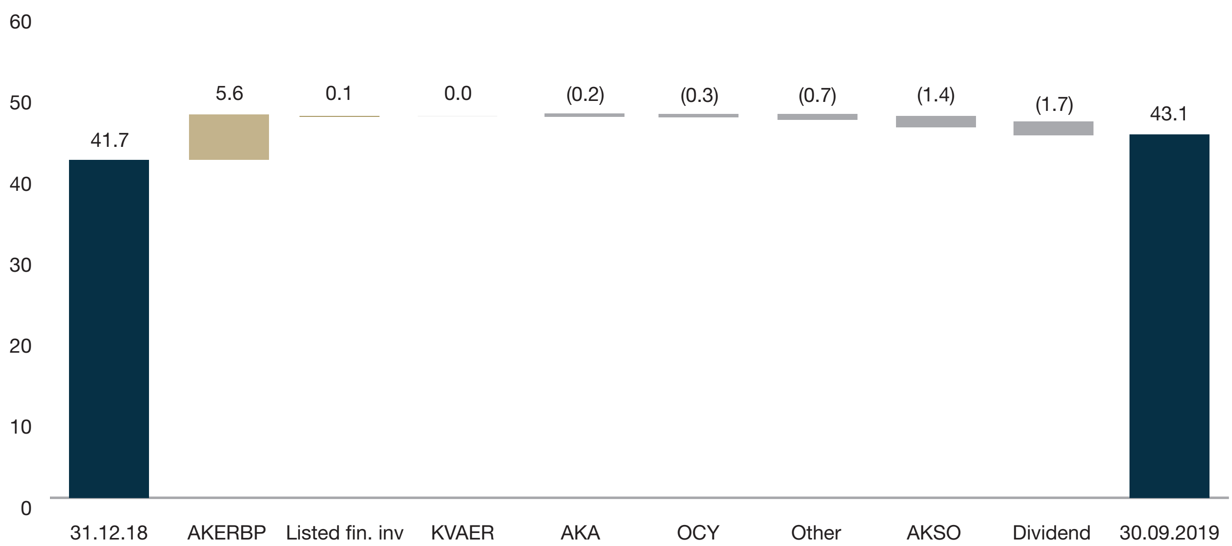
Reported values in NOK million	Number of shares per 30.09.19	Ownership capital per 30.09.19	Share of total assets per 30.09.19	Reported values per 30.09.19	Reported values per 30.06.19	Reported values per 31.12.18
Industrial Holdings						
Aker BP	144 049 005	40.0%	64.7%	35 062	35 234	31 403
Aker Solutions	94 565 293[1]	34.8%[1]	4.3%	2 324	3 298	3 750
Akastor	100 565 293[1]	36.7%[1]	2.0%	1 090	1 171	1 313
Kvaerner	77 233 531[1]	28.7%[1]	1.7%	900	1 059	931
Ocean Yield	98 242 575	61.7%	9.3%	5 030	5 619	5 816
Aker BioMarine	67 672 473	98.0%	4.4%	2 363	2 363	2 411
Aker Energy	61 662 621	49.2%	1.7%	925	860	471
Cognite	6 791 780	64.6%	0.1%	42	42	42
Total Industrial Holdings			**88.2%**	**47 737**	**49 648**	**46 139**
Financial Investments						
Cash			4.9%	2 662	3 448	1 945
FP Eiendom			1.0%	568	568	568
Listed financial investments			1.3%	723	770	701
American Shipping Company (direct investment)[2]	*11 557 022*	*19.1%*	*0.7%*	*383*	406	*385*
Philly Shipyard	*7 237 631*	*57.6%*	*0.5%*	*280*	*267*	*203*
Solstad Offshore	*58 496 302*	*20.1%*	*0.1%*	*41*	*91*	*101*
Cxense	*1 238 284*	*5.6%*	*0.0%*	*20*	*6*	*13*
Receivables			2.1%	1 141	1008	925
Aker BioMarine			*1.2%*	*671*	*586*	*324*
Ocean Harvest Invest			*0.7%*	*362*	*339*	*367*
American Shipping Company			-	-	-	*58*
Other			*0.2%*	*108*	*83*	*175*
Other financial investments			2.4%	1 295	1 338	935
Total Financial Investments			**11.8%**	**6 390**	**7 132**	**5 074**
Gross Asset Value			**100%**	**54 127**	**56 780**	**51 213**
External interest-bearing debt				(10 663)	(11 701)	(9 160)
Non interest-bearing debt				(351)	(287)	(309)
Net Asset Value (before allocated dividend)				**43 113**	**44 791**	**41 744**
Number of outstanding shares				74 278 199	74 268 792	74 268 792
Net Asset Value per share (before allocated dividend)				**580**	**603**	**562**

[1] Partly owned through Aker Kvaerner Holding AS, in which Aker ASA has a 70% ownership interest. Additionally, Aker ASA has direct ownership interest in Aker Solutions ASA and Akastor ASA.

[2] Aker ASA holds direct exposure to 11 557 022 shares in American Shipping Company ASA, equivalent to 19.07% of the shares and votes of the company, and financial exposure to 18 687 620 underlying shares through two total return swap agreements, equivalent to 30.83% of the share capital in the company. As per 30 September 2019, the value of the swap agreements was negative by NOK 28 million.

Aker ASA: Net Asset Value contribution YTD 2019

NOK billion



Aker ASA: Appendix unlisted industrial holdings

AKER BIOMARINE

Integrated biotechnology company

Share of Aker's total assets as per 3Q 2019: 4.4%

Ownership share: 98.0%

www.akerbiomarine.com

Aker's ownership agenda

- Operational excellence and improve profitability
- Increase sales by entering new products, channels and geographies
- Extract synergies from transactions
- Investments to fast-track growth

Key figures

	2019		2018	
In USD million	Q3	YTD	Q3	YTD
Operating revenues	69	175	40	119
EBITDA*	21	40	12	31
Operating profit	6	9	7	16
Net income	1	(6)	5	5
Total assets		661		434
Total equity		172		189
Net interest-bearing debt**		386		201

AKER ENERGY

E&P operator in Ghana

Share of Aker's total assets as per 3Q 2019: 1.7%

Ownership share: 49.2%

www.akerenergy.com

Aker's ownership agenda

- Approval of Plan for Development and Operations
- Financing of Pecan field development
- Establish and build local content strategy around Aker Ghana Industrial Corporation

Key figures

	2019		2018	
In USD million	Q3	YTD	Q3	YTD
Operating revenues	2	4	0	0
EBITDA*	(27)	(99)	(11)	(22)
Operating profit	(27)	(100)	(11)	(22)
Net income	(32)	(106)	(12)	(23)
Total assets		302		161
Total equity		82		14
Net interest-bearing debt**		5		(11)

Cognite

Software and digitalisation company

Share of Aker's total assets as per 3Q 2019: 0.1%

Ownership share: 64.6%

www.cognite.com

Aker's ownership agenda

- Expand customer base in oil and gas and other asset-intensive industry verticals
- Continue to recruit top talent
- International expansion
- Pursue strategic partnerships
- Long-term plan for IPO

Key figures

	2019		2018	
In NOK million	Q3	YTD	Q3	YTD
Operating revenues	90	234	52	108
EBITDA*	(13)	(23)	8	14
Operating profit	(13)	(24)	8	14
Net income	(13)	(24)	9	15
Total assets		71		84
Total equity		33		59
Net interest-bearing debt**		(3)		(43)

** EBITDA is an alternative performance measure defined as operating profit (loss) before depreciation, amortisation and impairment charges*

*** Net interest-bearing debt defined as interst-bearing debt less cash and cash equivalents, and including shareholder loans*

Financial calendar 2020

14 February	4Q 2019 Report
1 April	Annual Report
8 May	1Q 2020 Report
17 July	1H 2020 Report
5 November	3Q 2020 Report

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AKER.OL in Reuters

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Alternative Performance Measures

Aker ASA refers to alternative performance measures with regards to Aker ASA and holding companies' financial results and those of its portfolio companies, as a supplement to the financial statements prepared in accordance with IFRS. Such performance measures are frequently used by securities analysts, investors and other interested parties, and they are meant to provide an enhanced insight into operations, financing and future prospects of the group. The definitions of these measures are as follows:

- **EBITDA** is operating profit before depreciation, amortisation and impairment charges.
- **EBITDA margin** is EBITDA divided by revenue.
- **EBITDAX** is operating profit before depreciation, amortisation, impairment charges and exploration expenses.
- **Equity ratio** is total equity divided by total assets.
- **Gross asset value** is the sum of all assets, determined by applying the market value of exchange-listed shares, while book value is used for other assets.
- **Kboed** is thousand barrels of oil equivalents per day.
- **Mmboe** is million barrels of oil equivalents.
- **Net Asset Value** ("NAV") is gross asset value less liabilities.
- **NAV per share** is NAV divided by the total number of outstanding Aker ASA shares.
- **Net interest-bearing receivable/debt** is cash, cash equivalents and interest-bearing receivables (current and non-current), minus interest-bearing debt (current and non-current).
- **Order intake** includes new signed contracts in the period, in addition to expansion of existing contracts. The estimated value of potential options and change orders is not included.
- **Order backlog** represents the estimated value of remaining work on signed contracts.
- **Value-adjusted equity ratio** is NAV divided by gross asset value.

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