Q2

AKASTOR

SECOND QUARTER AND HALF YEAR RESULTS 2023

HIGHLIGHTS

- Net capital employed of NOK 4.8 billion and equity of NOK 4.3 billion, corresponding to NOK 15.7 per share
- Odfjell Drilling USD 20 million seller's credit fully settled in second quarter, with proceeds reducing net bank debt
- HMH delivered increased EBITDA year-over-year and quarter-over-quarter following increased service activity and continue to deliver growth in order intake for the fifth consecutive quarter
- Sale of AGR to ABL Group against a combination of ABL shares and cash completed in quarter

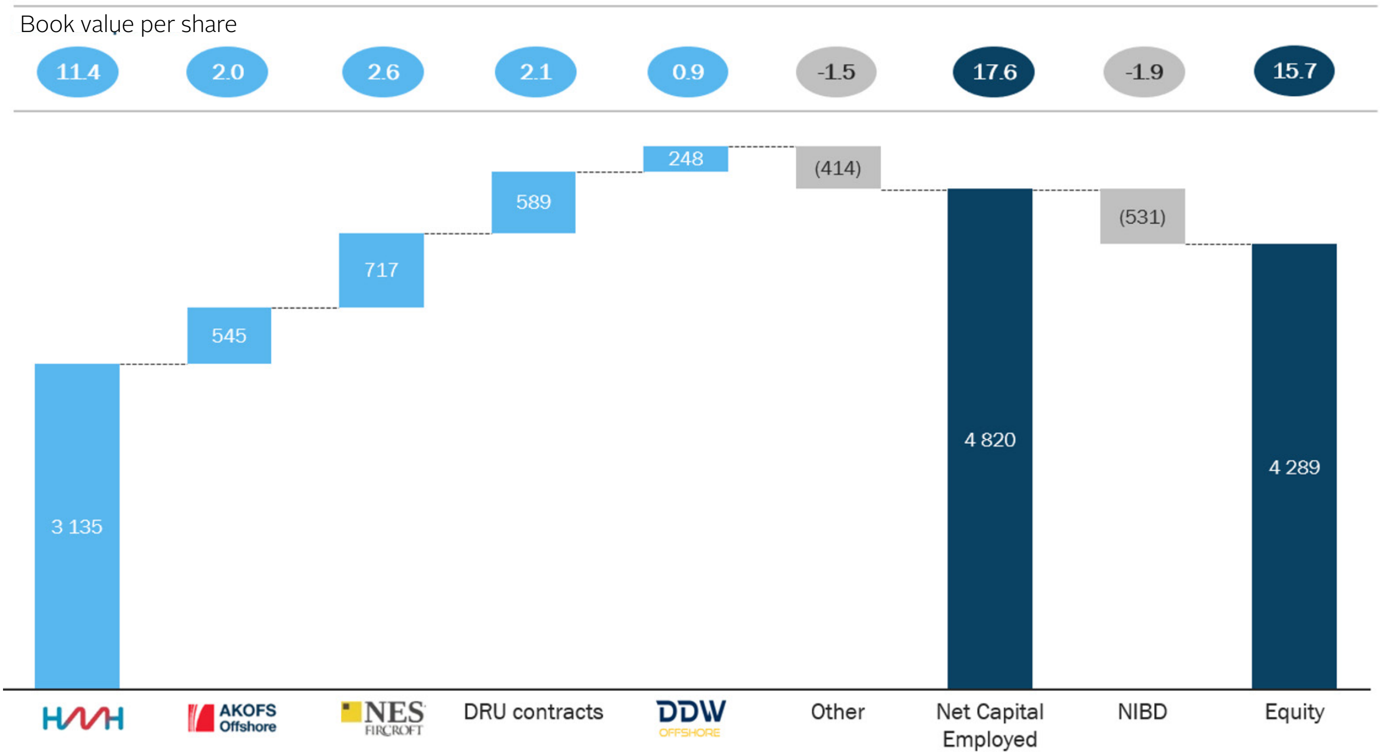
KEY FIGURES

Akastor Group

	JUNE 30 2023	DECEMBER 31 2022
Net capital employed (NOK million)	4 820	4 645
Net interest-bearing debt (NOK million)	531	553
Total shareholder return	+20%	+73%
Equity share	63%	60%

Net capital employed

NOK million, 30 June 2023



01. PORTFOLIO COMPANIES

HMH (50% ownership)

HMH reported revenues of USD 189 million in the second quarter, compared to USD 181 million in 2022. Revenues for the first half year were USD 374 million, compared with USD 321 million in the previous year. Adjusted EBITDA was USD 34 million in the quarter, corresponding to an adjusted EBITDA margin of approximately 18 percent. This compares to USD 31 million and a margin of 17 percent in the second quarter of 2022, with Q2 2022 being positively affected by the cancellation of the 20k BOP project for Valaris. For the first half year of 2023, adjusted EBITDA was USD 53 million, compared with USD 44 million in 2022.

Revenues from Aftermarket Services were USD 138 million in the quarter, up from USD 102 million in second quarter last year and USD 123 million in the first quarter this year, driven by increased service order trend with increasing spare sale, recertifications and overhaul volumes. Order intake within this segment in the period was up 16 percent year-on-year driven by spares and SPS orders and down 3 percent quarter-on-quarter driven by a non-repeat of large digital technology orders signed in 1Q23, partially offset by increased spares orders. Outlook for Aftermarket Services remains positive, after yet another strong quarter in terms of booked service orders which is expected to fuel activity level within this segment through the second half of the year. The expected increase in service activity going forward follows an increase in the number of active rigs in the market.

Revenues from Projects, Products & Other were USD 51 million in the quarter, down from USD 79 million last year and USD 62 million in the first quarter this year primarily driven by lower activity within Projects. Also, revenues and margins within this segment last year were positively affected by the termination settlement accounting related to the cancellation of the 20k BOP project for Valaris. Revenues from sale of single equipment were up both year-on-year and quarter-on-quarter driven by orders secured in previous periods. HMH continues to see significant opportunities within single equipment going forward, both for non-oil related products as well as within offshore and onshore drilling. The project market continues to be muted with few rig newbuilding projects expected to materialize in the short to medium term.

Net external debt per end of second quarter was USD 175 million. HMH is in dialogue with its lenders regarding potential extension of the RCF, and is also assessing a potential refinancing of the USD 150 million bond maturing in February 2025 in order to reduce cost of capital and increase flexibility going forward.

The equipment order backlog was USD 231 million per end of first half year, increased during Q2 driven by strong order intake within single equipment in the period.

HMH is a joint venture and accounted for using the equity method in Akastor's consolidated financial statements. The carrying amount of the joint venture is NOK 3 135 million as per end of the first half year based on preliminary financial information from the company.

AKOFS Offshore (50% ownership)

AKOFS Offshore reported revenues of USD 28 million in the second quarter compared to USD 40 million in 2022. The reduction was primarily driven by low utilization on Aker Wayfarer that went off contract in the second quarter this year. Revenues for the first half year were USD 64 million, compared with USD 76 million in the previous year. EBITDA was USD 3 million in the quarter, compared with USD 15 million in 2022. For the first half year, EBITDA was USD 14 million, compared with USD 23 million in 2022.

Aker Wayfarer went off contract on April 21, and thus delivered a low revenue utilization in the second quarter. The vessel has since contract expiry been preparing for its new four-year contract secured last year which is expected to commence in the third quarter this year. AKOFS Santos reported a revenue utilization of 75 percent in the second quarter, negatively affected by certain periods of non-productive time due to issues with the ROV system after start-up of its new contract in the first quarter. AKOFS Seafarer reported a revenue utilization of 93 percent in the second quarter, affected by a shorter yard stay in May where the vessel was prepared for coiled tubing operations. Through the remaining part of the quarter, AKOFS Seafarer delivered excellent uptime and solid operational performance on its coiled tubing campaign for Equinor. AKOFS Seafarer will go to yard in August for approximately two weeks to demobilize the coiled tubing equipment.

AKOFS Offshore will continue its focus on utilization and operational performance. The company is in the final phase of preparing for the new contract for Aker Wayfarer, with client acceptance test ongoing.

The order backlog ended at USD 408 million.

AKOFS Offshore is a joint venture and accounted for using the equity method in Akastor's consolidated financial statements. The carrying amount of the joint venture is NOK 545 million as per end of the first half year.

DDW Offshore

DDW Offshore reported revenues of NOK 52 million in the second quarter, increased from NOK 36 million last year. Revenues for the first half year were NOK 98 million, compared with NOK 66 million in 2022. EBITDA was NOK 14 million in the quarter, compared with negative NOK 4 million in 2022. For the first half year, EBITDA was NOK 27 million, compared with negative NOK 10 million in 2022.

DDW Offshore owns five offshore AHTS vessels, of which two are on bareboat charter agreements with OceanPact Servicos Maritimos S.A. In the second quarter, average utilization for the three DDW Offshore operated vessels was 64 percent. Skandi Atlantic was on contract with Petrofac through the quarter and delivered strong operations for the client. The contract currently ends in September 2023. Skandi Emerald went off contract with OMV mid-May, followed by a successful salvage operation of the Container Ship MV Shilling, after which the vessel went on a new contract with Helix Energy Solutions until mid-August 2023. Skandi Peregrino remained in warm lay-up in Norway through the quarter. Going forward, DDW Offshore will continue its focus on optimizing utilization for its operated fleet.

During the third quarter 2023, DDW Offshore is to deliver the two vessels currently on bareboat contract with OceanPact to the client following the forward sale agreement entered into in March 2021. The sales price was agreed to USD 9 million per vessel, of which 50 percent of the proceeds will go to settlement of the profit split with the banks following the restructuring agreement entered into in 2020.

OTHER HOLDINGS

Other Holdings, as of June 30, 2023, mainly include 4.9 percent shareholdings in ABL Group, around 15 percent economic interest of NES Fircroft, 44 percent of the joint venture Føn Energy Services, a warrant structure towards Odfjell Drilling, as well as the economic interest in four drilling equipment contracts with Jurong Shipyard (DRU contracts).

In addition, Other Holdings include the Real Estate portfolio (subletting of office leasing contracts) as well as corporate and project expenses, including costs related to the ongoing DRU contracts arbitration process. Other Holdings reported revenues of NOK 12 million in the second quarter, compared with NOK 30 million in the same quarter of previous year. Revenues for the first half year were NOK 35 million, compared with NOK 57 million in the previous year. EBITDA was negative NOK 18 million in the quarter and negative NOK 48 million for the first half year.

During the first half of 2023, an agreement with ABL Group regarding the sale of AGR against a combination of ABL shares and cash was announced and later completed. The investment in ABL generated a smaller negative return in the second quarter as share price declined from NOK 16.4 per share at closing in April to NOK 15.5 per end of the second quarter. ABL shares are accounted for as financial investment measured at fair value, with a carrying amount of NOK 94 million as per end of the first half year.

NES Fircroft, where Akastor holds around 15 percent economic interest, continued to deliver growth with revenue up 16 percent year-on-year in the second quarter driven by improved performance across numerous geographies and solution offerings. NES Fircroft is accounted for as a financial investment measured at fair value, with a carrying amount of NOK 717 million as per end of the first half year.

Akastor's economic interest in DRU contracts had a carrying amount of NOK 589 million at period end. The contracts have been terminated by Jurong Shipyard and dispute over termination fees is being resolved through arbitration process, of which the outcome is expected in the second half year of 2023.

Per start of period, Akastor had exposure towards Odfjell Drilling through a seller's credit agreement and a warrant structure. In the second quarter, Odfjell refinanced the seller's credit, giving Akastor cash proceeds of USD 20 million. Akastor's remaining position towards Odfjell Drilling per end of period is therefore the warrant structure, with a carrying amount of NOK 16 million as per end of the first half year.

02. AKASTOR GROUP

Performance

In April 2023, the transaction with ABL Group regarding the sale of AGR was completed. Following the transaction, AGR was deconsolidated and classified as discontinued operations. The comparative consolidated income statement for 2022 has been re-presented to show the discontinued operations separately from continuing operations.

Akastor group's revenues from continuing operations for the first half year of 2023 were NOK 132 million compared with NOK 124 million in the previous year. EBITDA was negative NOK 21 million for the first half year, compared to negative NOK 62 million in the previous year. The consolidated revenue and operating profit in Akastor only include financial performance of portfolio companies that constitute a minor part of Akastor's total net capital employed. HMH and AKOFS Offshore are classified as joint ventures and accounted for using equity method in the consolidated financial statements.

Net financial items were positive NOK 83 million for the first half year, which included a net foreign exchange gain of NOK 119 million. Akastor's share of net loss from the equity-accounted investees was NOK 173 million in the first half year, compared to loss of NOK 216 million in 2022, mainly related to net loss in AKOFS Offshore and HMH.

Net loss from continuing operations was NOK 125 million for the first half year, compared to loss of NOK 79 million last year.

Net profit from discontinued operations was NOK 113 million in the first half year which included an accounting gain of NOK 104 million from divestment of AGR. The group reported net loss of NOK 12 million for the first half year of 2023.

Financial Position

Total assets of Akastor amounted to NOK 6.8 billion as of June 30, 2023, at the same level as per year-end 2022.

Net cash flow from operating activities was negative NOK 60 million for the first half year. The cash flow from investing activities was positive NOK 135 million first half year compared to negative NOK 39 million in the previous year. The cash flow from investing activities included proceeds of NOK 216 million from the settlement of Odfjell Drilling seller credit.

Net debt (excluding lease liabilities) was NOK 1 069 million at the end of the period, while net interest-bearing debt (NIBD) was NOK 531 million.

The liquidity reserve at the end of the period was NOK 619 million, with cash and cash equivalents of NOK 244 million and undrawn committed credit facilities of NOK 375 million. Cash held at the end of the first half year included an amount of NOK 140 million committed for repayment of revolving corporate facilities as well as term loan in DDW Offshore in the third quarter.

Akastor is an investment company with limited upstream cash flow from its portfolio companies and therefore to a large degree depends on realization of assets to reduce debt and improve liquidity. Through the current available financing facilities, Akastor has sufficient headroom in the short to medium term. However, in order to mitigate refinancing risk and secure available liquidity past 2023 when the corporate financing facilities mature in 1Q 2024, Akastor is in accordance with its strategy focusing on realization of holdings. In the second half of 2023, the outcome related to the DRU arbitration process is a key milestone in this regard. If realization processes planned for the second half of the year should be delayed or if proceeds come in at a lower value than anticipated, refinancing risk in 2024 would increase and other sources of capital could be required.

Total equity amounted to NOK 4.3 billion as of June 30, 2023, while the equity ratio was 63 percent.

Related Party Transactions

Please see Note 14 for information about significant related party transactions.

Principle Risks and Uncertainty

Akastor and each of its portfolio companies are exposed to various forms of market, operational and financial risks that may affect the companies' performance, their ability to meet strategic goals and future obligations.

Akastor's risk management model is designed on the basis that Akastor is an investment company with an overall objective of securing its shareholders' investments and developing the group's assets in order to provide the shareholders with a solid return. Akastor's current investment portfolio is focused on the oilfield services industry. This focus is mainly driven by the company's experience, expertise and track-record within this industry. Although Akastor has a flexible mandate, it has traditionally not sought to spread risk by investing in different industries. Instead, Akastor has focused on mitigating its vulnerability to the risk environment inherent to the oilfield services industry through risk management.

The global uncertainty that impacted markets during most of 2022 have continued into 2023, and which have contributed to continuing inflation as well as interest increasing. These issues impact Akastor's ability to execute value enhancing transactions, as we see that the runway on some transactions needs to be extended or delayed and that financing costs increase. On the other hand, this has been balanced and to a large degree been offset by solid performance from Akastor's portfolio companies combined with increased focus on the oil service industry as an important business to ensure energy security. In sum, Akastor's financial position has been strengthened and we believe that Akastor is well positioned to continue its strategy to make value enhancing transactions in a continued unstable market situation.

Our focus on climate risk continues in close dialogue with all portfolio companies with focus on ensuring that proper reporting requirements are set and that a credible strategy for achieving the targets is established and monitored. All portfolio companies are expected to prepare and be ready when Corporate Sustainability Reporting Directive (CSRD) is implemented.

On the operational side, risks are primarily addressed by securing new orders and sound project execution by the portfolio companies. Results also depend on costs, both the portfolio companies' own costs and those charged by suppliers. Akastor and its portfolio companies are also exposed to financial risk under performance guarantees and financial guarantees issued, and financial market risks as further detailed below.

In addition, the portfolio companies, through their business activities within their respective sectors and countries, are also exposed to legal/compliance and regulatory/political risks, e.g. political decisions on international sanctions that impact supply and demand of the services offered by the portfolio companies, as well as environmental regulations. Moreover, we have over the recent years seen an increase in the threat faced from different forms of cyber risks such as e.g. risk of ransomware and phishing attempts. These are risk areas that are under continuous development and where it is important that Akastor and its portfolio companies continuously monitor this development and the risks associated.

Akastor is exposed to a variety of financial market risks such as currency risk, interest rate risk, tax risk, price risk, credit and counterparty risk, liquidity risk and capital risk as well as risks associated with access to and terms of financing. The objective of financial risk management is to manage and control financial risk exposures and thereby minimize potential adverse effects on Akastor's financial position. As described under Financial Position above, a key objective for Akastor is to ensure liquidity and reduce refinancing risk in 2024 through executing on its strategy focusing on realization of holdings.

To manage and mitigate risks within Akastor, risk evaluation is an integral part of all business activities. As owner, Akastor actively supervises risk management in its portfolio companies through participation on the board of each portfolio company, and by defining a clear set of risk management and mitigation processes and procedures that all portfolio companies must adhere to. Akastor's Annual Report 2022 provides more information on risks and uncertainties.

The Akastor Share

The company had a market capitalization of NOK 3.0 billion on June 30, 2023. The company owned 1 813 974 own shares at the end of the first half year.

Fornebu, July 12, 2023

The Board of Directors and CEO of Akastor ASA

03. DECLARATION BY THE BOARD OF DIRECTORS AND CEO

The Board of Directors and the CEO have today considered and approved the consolidated condensed financial statements for the six months ended June 30, 2023, with comparatives for the corresponding period of 2022 for Akastor Group.

The Board has based this declaration on reports and statements from the group's CEO, the results of the group's activities, and other information that is essential to assess the group's position.

To the best of our knowledge:

- The consolidated condensed financial statements for the six months ended June 30, 2023 have been prepared in accordance with IAS 34 - Interim Financial Reporting and additional disclosure requirements under the Norwegian Securities Trading Act.

- The information provided in the financial statements gives a true and fair portrayal of Akastor Group's assets, liabilities, profit and overall financial position as of June 30, 2023.

- The information provided in the report for the first half 2023 provides a true and fair overview of the development, performance, financial position, important events and significant related party transactions in the accounting period as well as the most significant risks and uncertainties facing Akastor Group.

Fornebu, July 12, 2023
The Board of Directors and CEO of Akastor ASA

Frank O. Reite | Chairperson	Lone Fønss Schrøder | Deputy Chairperson	Svein Oskar Stoknes | Director
Kathryn M. Baker | Director	Luis Araujo | Director	Henning Jensen | Director
Asle Christian Halvorsen | Director	Stian Sjølund | Director	Karl Erik Kjelstad I CEO

AKASTOR GROUP INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INCOME STATEMENT

		Second quarter		First half		Full year
NOK million	*Note*	2023	2022 Re-presented *	2023	2022 Re-presented *	2022 Re-presented *
Revenues and other income	*8*	**64**	67	**132**	124	269
Operating expenses		**(68)**	(99)	**(153)**	(184)	(361)
Operating profit before depreciation, amortization and impairment (EBITDA)		**(4)**	(32)	**(21)**	(61)	(91)
Depreciation, amortization and impairment		**(7)**	(28)	**(14)**	(38)	(51)
Operating profit (loss)		**(11)**	(60)	**(35)**	(99)	(142)
Net financial items	*9*	**(4)**	188	**83**	236	93
Share of net profit from equity-accounted investees	*10*	**(78)**	(68)	**(173)**	(216)	(263)
Profit (loss) before tax		**(93)**	60	**(125)**	(79)	(312)
Tax income (expense)		**-**	-	**-**	1	1
Profit (loss) from continuing operations		**(93)**	60	**(125)**	(79)	(312)
Net profit (loss) from discontinued operations	*5*	**105**	9	**113**	17	55
Profit (loss) for the period		**11**	69	**(12)**	(62)	(257)
Attributable to:						
Equity holders of Akastor ASA		**13**	66	**(14)**	(75)	(276)
Non-controlling interests		**(2)**	4	**3**	13	19
Basic/diluted earnings (loss) per share (NOK)		**0.05**	0.24	**(0.05)**	(0.27)	(1.01)
Basic/diluted earnings (loss) per share continuing operations (NOK)		**(0.34)**	0.21	**(0.47)**	(0.34)	(1.22)

* Comparative information is re-presented due to discontinued operations, see Note 5.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	First half		Full year
NOK million	2023	2022	2022
Net profit (loss) for the period	**(12)**	(62)	(257)
Other comprehensive income:			
Change in fair value reserve	**-**	(81)	-
Currency translation differences	**255**	336	325
Share of OCI from equity-accounted investees	**(9)**	(7)	(86)
Net items that may be reclassified to profit or loss	**246**	248	239
Remeasurement gain (loss) net defined benefit liability	**-**	-	(11)
Share of OCI from equity-accounted investees	**-**	-	10
Net items that will not be reclassified to profit or loss	**-**	-	(1)
Total comprehensive income (loss) for the period, net of tax	**235**	187	(19)
Attributable to:			
Equity holders of Akastor ASA	**232**	174	(38)
Non-controlling interests	**3**	13	19

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOK million	*Note*	June 30 2023	December 31 2022
Deferred tax assets		**-**	37
Intangible assets and goodwill		**-**	146
Property, plant and equipment		**245**	237
Right-of-Use assets		**11**	27
Other non-current assets		**1**	2
Non-current interest bearing receivables		**538**	668
Non-current finance lease receivables		**10**	10
Equity-accounted investees	*10*	**3 704**	3 502
Other non-current investments	*11*	**1 011**	869
Total non-current assets		**5 521**	5 497
Current operating assets		**673**	774
Current investments	*11*	**177**	162
Current finance lease receivables		**211**	208
Cash and cash equivalents		**244**	119
Assets classified as held for sale		**-**	43
Total current assets		**1 305**	1 307
Total assets		**6 826**	6 804
Equity attributable to equity holders of Akastor ASA		**4 289**	4 056
Non-controlling interests		**-**	36
Total equity		**4 289**	4 092
Deferred tax liabilities		**-**	4
Employee benefit obligations		**81**	96
Other non-current liabilities and provisions		**348**	463
Non-current borrowings	*12*	**-**	198
Non-current lease liabilities		**14**	37
Total non-current liabilities		**442**	796
Current operating liabilities and provisions		**566**	531
Current borrowings	*12*	**1 313**	1 142
Current lease liabilities		**39**	48
Other current liabilities		**177**	162
Liabilities classified as held for sale		**-**	32
Total current liabilities		**2 094**	1 916
Total equity and liabilities		**6 826**	6 804

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

The statement includes discontinued operations prior to their disposal unless otherwise stated.

NOK million	Second quarter 2023	Second quarter 2022	First half 2023	First half 2022	Full year 2022
Profit (loss) for the period	**11**	69	**(12)**	(62)	(257)
(Profit) loss for the period - discontinued operations	**(105)**	(9)	**(113)**	(17)	(55)
Depreciations, amortization and impairment continuing operations	**7**	28	**14**	38	51
Other adjustments for non-cash items and changes in operating assets and liabilities	**52**	(183)	**51**	(115)	16
Net cash from operating activities	**(34)**	(95)	**(60)**	(155)	(244)
Acquisition of subsidiaries, net of cash acquired	**-**	2	**-**	2	2
Cash flow from sale of subsidiaries, net of cash disposed	**(73)**	(25)	**(65)**	(30)	(96)
Proceeds from other investment	**-**	-	**3**	-	745
Funding to equity-accounted investees	**(29)**	(25)	**(32)**	(25)	(76)
Changes in external receivables	**216**	-	**216**	-	-
Proceeds from finance lease receivables	**3**	12	**18**	22	53
Cash flow from other investing activities	**(1)**	(2)	**(4)**	(8)	(9)
Net cash from investing activities	**117**	(39)	**135**	(39)	619
Changes in external borrowings	**14**	204	**69**	273	(240)
Payments of lease liabilities	**(8)**	(19)	**(22)**	(38)	(78)
Net cash from financing activities	**6**	184	**48**	234	(318)
Effect of exchange rate changes on cash and cash equivalents	**1**	(24)	**2**	(24)	(26)
Net increase (decrease) in cash and cash equivalents	**89**	26	**125**	16	31
Cash and cash equivalents at the beginning of the period	**155**	79	**119**	89	89
Cash and cash equivalents at the end of the period	**244**	105	**244**	105	119

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

NOK million	*Note*	Contributed equity and retained earnings	Other reserves	Total equity attributable to the parent company	Non-controlling interests	Total equity
Equity as of December 31, 2022		4 153	(97)	**4 056**	36	**4 092**
Total comprehensive income		(14)	246	**232**	3	**235**
Treasury shares transaction	*4*	2	-	**2**	-	**2**
Disposal of subsidiaries	*6*	-	-	**-**	(39)	**(39)**
Equity as of June 30, 2023		**4 140**	**149**	**4 289**	**-**	**4 289**
Equity as of December 31, 2021		4 428	(336)	4 091	18	4 109
Total comprehensive income		(75)	248	174	13	187
Treasury shares transaction		2	-	2	-	2
Equity as of June 30, 2022		4 356	(88)	4 267	31	4 298

NOTES

NOTE 1 - GENERAL

Akastor (the group) consists of Akastor ASA and its subsidiaries. Akastor ASA is a limited liability company incorporated and domiciled in Norway and whose shares are publicly traded.

The group is an oil-services investment company with a portfolio of industrial holdings and other investments. Akastor is listed on the Oslo Stock Exchange under the ticker AKAST. Please refer to Note 32 Group companies in Akastor's Annual Report 2022 for more information on the group's structure.

Akastor's Annual Report for 2022 is available at www.akastor.com.

NOTE 2 - BASIS FOR PREPARATION

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

Akastor's condensed interim financial statements for the six months ended June 30, 2023 are prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting. The condensed consolidated interim financial statements do not include all of the information and disclosures required for a complete set of annual consolidated financial statements, and should be read in conjunction with Akastor's Annual Report 2022. The accounting policies applied in these financial statements are the same as those applied in the group's consolidated financial statements as for the year ended December 31, 2022.

The condensed consolidated interim financial statements are unaudited.

NOTE 3 - JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

In preparing these interim financial statements, the significant judgments made by management in applying the group's accounting policies and the key sources of uncertainty in the estimates are consistent with those applied to the consolidated financial statements as for the period ended December 31, 2022.

NOTE 4 - Treasury shares

In January 2023, 171 190 treasury shares were sold to employees in connection with the company's variable pay program. As of June 30, 2023, Akastor ASA holds 1 813 974 treasury shares (1 985 164 treasury shares in 2022).

NOTE 5 - DISCONTINUED OPERATIONS

On April 18, 2023, Akastor completed the transaction with ABL Group ASA (OSE: ABL) (ABL Group) for the sale of all shares in AGR AS ("AGR") against a combination of shares in ABL Group and cash. Through this sale, Akastor becomes a shareholder in ABL Group, which offers independent energy and marine consultancy to the global renewables, maritime and oil and gas sectors.

Upon completion of the transaction, a total of 18 166 667 Consideration Shares in ABL Group was issued to Akastor's wholly owned subsidiary RGA Energy Holdings AS in addition to Closing Cash Amount of NOK 5 million. 2/3 of ABL shares were transferred to Nordea and DNB as settlement of the loans they previously had against AGR. Akastor retains 1/3 of the ABL shares (6 055 556), which equals an ownership share in ABL of about 4.9%. All Consideration Shares are subject to a 12 month lock-up period.

Following the transaction, AGR was deconsolidated and classified as discontinued operations. The comparative condensed consolidated income statement has been re-presented to show the discontinued operations separately from continuing operations.

Results of discontinued operations

	First half		Full year
NOK million	2023	2022	2022
Revenue	**257**	401	789
Expenses	**(246)**	(359)	(723)
Net financial items	**(2)**	(7)	(14)
Profit (loss) before tax	**9**	35	53
Income tax	**-**	-	(3)
Net profit (loss) from operating activities	**9**	36	50
Gain (loss) on sale of discontinued operations	**104**	(19)	4
Net profit (loss) from discontinued operations, net of tax	**113**	17	55
Basic/diluted earnings (loss) per share from discontinued operations (NOK)	**0.42**	0.06	0.20

Gain on sale of discontinued operations in 2023 related to disposal of AGR, see Note 6 for more information. Gain (loss) in 2022 was related to re-assessment of contingent considerations related to divestments from prior years.

Cash flows from (used in) discontinued operations

	First half		Full year
NOK million	2023	2022	2022
Net cash from operating activities	**57**	23	31
Net cash from investing activities (incl. net cash from disposal of operations)	**(67)**	(9)	(14)
Net cash from financing activities	**(1)**	(2)	(4)
Net cash flow from discontinued operations	**(11)**	12	13

NOTE 6 - DISPOSAL OF SUBSIDIARIES

Disposal of Cool Sorption
In February 2023, Akastor completed the transaction of sale of all shares in Cool Sorption A/S ("Cool Sorption") to Diamond Key International Pty. Ltd. for DKK 20.4 million on a cash and debt free basis. Cool Sorption is a specialist supplier of Vapour Recovery Units (VRU) and systems and was included in "Other holdings" in segment reporting prior to the sale. The disposal of Cool Sorption resulted in an accounting gain of NOK 16 million, included as "Other income" in the income statement for the first half year of 2023.

Disposal of AGR
In April 2023, Akastor completed the transaction with ABL Group ASA (OSE: ABL) for the sale of all shares in AGR AS ("AGR") against a combination of shares in ABL Group and cash, see more information about the transaction in Note 5 Discontinued operations. The disposal of AGR resulted in an accounting gain of NOK 104 million, included as "Net profit (loss) from discontinued operations" in the income statement for the first half year of 2023.

Effect of disposal on the financial position of the group

NOK million	Cool Sorption	AGR	Total
Deferred tax assets	(7)	(37)	**(44)**
Intangible assets and goodwill	(2)	(147)	**(149)**
Property, plant and equipment	-	(14)	**(14)**
Right-of-use assets	-	(12)	**(12)**
Current operating assets	(40)	(139)	**(179)**
Cash and cash equivalents	(5)	(49)	**(54)**
Total assets	**(53)**	**(398)**	**(451)**
Pension liabilities	-	7	**7**
Deferred tax liabilities	-	4	**4**
Non-current lease liabilities	-	8	**8**
Current lease liabilities	-	4	**4**
Current operating liabilities and provisions	37	158	**195**
Total liabilities	**37**	**181**	**219**
Non-controlling interest	-	39	**39**
Net assets and liabilities disposed	**(15)**	**(178)**	**(193)**
Total consideration at fair value	31	282	**313**
Gain on sale, net of tax	**16**	**104**	**120**
Portion of consideration received in cash, net of transaction costs	21	(14)	**7**
Cash and cash equivalents disposed of	(5)	(49)	**(54)**
Net cash flow from disposal	**16**	**(63)**	**(47)**

NOTE 7 - OPERATING SEGMENTS

Akastor identifies its reportable segments and discloses segment information under IFRS 8 *Operating Segments*. See Note 7 *Operating segments* in Akastor's Annual Report 2022 for descriptions of Akastor's management model and operating segments as well as accounting principles used for segment reporting.

HMH and AKOFS Offshore are classified as joint ventures and accounted for using the equity method. The income statement in the segment information of these two joint ventures is presented at 100% basis, while balance sheet information refers to the carrying amounts in the consolidated financial statements.

After divestment of AGR in April 2023, DDW Offshore is identified as a reportable segment from 2023. Since DDW Offshore was previously included in "Other Holdings", the comparable segment information has been re-presented.

As of June 30, 2023, "Other Holdings" mainly include 4.9 percent shareholdings in ABLGroup, 15 percent economic interest in NES Fircroft, 44 percent of the joint venture Føn Energy Services, equity instruments in Maha Energy and Awilco Drilling, as well as economic interests in four drilling equipment contracts with Jurong Shipyard (DRU contracts). In addition, this segment includes corporate functions and certain long-term office lease contracts that remained in Akastor after the demerger from Aker Solutions in 2014.

First half year 2023

	Equity-accounted investees		Consolidated entities			
NOK million	HMH (JV)	AKOFS Offshore (JV)	DDW Offshore	Other Holdings	Adjustments of JVs	Total Akastor
External revenue and other income	3 918	665	98	35	(4 583)	**132**
Total revenue	**3 918**	**665**	**98**	**35**	(4 583)	**132**
Operating profit before depreciation, amortization and impairment (EBITDA)	437	144	27	(48)	(581)	**(21)**
Operating profit (loss) (EBIT)	208	(56)	18	(53)	(152)	**(35)**
Net current operating assets (NCOA)	-	-	(188)	296	-	**108**
Net capital employed	3 135	545	248	892	-	**4 820**

First half year 2022 (re-presented)

	Equity-accounted investees		Consolidated entities			
NOK million	HMH (JV)	AKOFS Offshore (JV)	DDW Offshore	Other Holdings	Adjustments of JVs and discontinued operations	Total Akastor
External revenue and other income	2 961	695	66	57	(3 655)	124
Total revenue	2 961	695	66	57	(3 655)	124
Operating profit before depreciation, amortization and impairment (EBITDA)	286	207	(10)	(51)	(493)	(61)
Operating profit (loss) (EBIT)	71	26	(41)	(58)	(97)	(99)
Net current operating assets (NCOA)	-	-	(21)	341	(8)	311
Net capital employed	2 929	684	234	1 560	220	5 627

NOTE 8 - REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customer in the scope of IFRS 15 is disaggregated in the following table by major contract and revenue types and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with revenue information as shown in Note 7 Operating segments.

First half year 2023

NOK million	DDW Offshore	Other Holdings	Total Akastor
Major contract/revenue types			
Service revenue	-	15	**15**
Total revenue from contracts with customer	**-**	**15**	**15**
Timing of revenue recognition			
Transferred over time	-	15	**15**
Total revenue from contracts with customer	**-**	**15**	**15**
Lease revenue and other income	98	20	**118**
Total external revenue and other income in segment reporting	**98**	**35**	**132**

First half year 2022 (re-presented)

NOK million	DDW Offshore	Other Holdings	Total Akastor
Major contract/revenue types			
Construction revenue	-	22	22
Service revenue	-	29	29
Total revenue from contracts with customers	-	51	51
Timing of revenue recognition			
Transferred over time	-	51	51
Total revenue from contracts with customers	-	51	51
Lease revenue and other income	66	6	73
Total external revenue and other income in segment reporting	66	57	124

NOTE 9 - NET FINANCIAL ITEMS

NOK million	Second quarter 2023	Second quarter 2022 Re-presented	First half 2023	First half 2022 Re-presented	Full year 2022 Re-presented
Net interest expenses on financial liabilities measured at amortized costs	**(24)**	(20)	**(45)**	(35)	(91)
Net charges of financial lease receivables and lease liabilities	**4**	4	**8**	7	16
Interest income on debt instruments measured at Fair Value through Other Comprehensive Income (FVOCI)	**25**	**26**	**48**	51	103
Dividend income from equity instrument	**2**	21	**2**	41	79
Net change in fair value of financial assets measured at Fair Value through Profit or Loss (FVTPL)	**(29)**	19	**(10)**	46	58
Loss allowance on debt instruments at FVOCI	**(25)**	-	**(25)**	-	(166)
Net foreign exchange gain (loss)	**50**	189	**119**	183	168
Loss on foreign currency forward contracts	**-**	(61)	**-**	(58)	(58)
Other financial income (expenses)	**(7)**	10	**(14)**	1	(15)
Net financial items	**(4)**	188	**83**	236	93

NOTE 10 - EQUITY-ACCOUNTED INVESTEES

Reconciliation of carrying amounts in the period

NOK million	HMH	AKOFS Offshore	Føn Energy Services	Total Equity-accounted investees
Balance as at December 31, 2022	2 863	615	24	**3 502**
Additions	-	75	1	**76**
Share of net profit (loss)	(12)	(160)	-	**(173)**
Share of other comprehensive income	27	(36)	-	**(9)**
Currency translation differences	257	51	-	**308**
Balance as at June 30, 2023	**3 135**	**545**	**24**	**3 704**

NOTE 11 - OTHER INVESTMENTS

NOK million	Note	June 30 2023	December 31 2022
NES Fircroft investment		**717**	636
ABL Group investment		**94**	-
Awilco Drilling investment		**3**	10
Odfjell Drilling warrants		**16**	34
Aker Pensjonskasse		**158**	158
Other equity securities		**23**	31
Other non-current investments	*13*	**1 011**	869
Shares in Step Oiltools B.V.		**177**	162
Other current investments	*13*	**177**	162

Other investments are measured at fair value.

NOTE 12 - BORROWINGS

Reconciliation of carrying amounts in the period

NOK million	Total
Balance as at December 31, 2022	**1 340**
Net increase	**78**
AGR divestment	**(197)**
Accrued interests and fees	**10**
Foreign exchange movements	**82**
Balance as at June 30, 2023	**1 313**

NOTE 13 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments measured at fair value are classified by the levels in the fair value hierarchy. See Note 30 Financial instruments in Akastor's Annual Report 2022 for more information about valuation methodologies and the group's financial instruments. The estimated fair values of material financial instruments are as below:

NOK million	*Note*	Fair value hierarchy	Fair value as of June 30, 2023	Fair value as of December 31, 2022
Financial assets measured at fair value				
Fair value through P&L (mandatorily at FVTPL)				
- Equity securities	*11*	Level 1	**120**	40
- Equity securities	*11*	Level 3	**335**	321
- Warrants	*11*	Level 3	**16**	34
Fair value through Other comprehensive income (FVOCI)				
- Debt instruments	*11*	Level 3	**717**	636
Financial liabilities measured at fair value				
- Other current liabilities		Level 3	**(177)**	(162)
- Deferred settlement obligations		Level 3	**(424)**	(417)

NOTE 14 - RELATED PARTIES

For detailed descriptions of related party transactions, please refer to Note 33 Related parties in Akastor's Annual Report 2022.

As of June 30, 2023, Akastor has interest-bearing receivables of NOK 249 million against AKOFS Offshore, including term loan of NOK 196 million (LIBOR + margin 2.5/5.5 percent) and drawn working capital facility of NOK 53 million (NIBOR + margin 5.5 percent). Akastor has made available a NOK 100 million working capital revolving facility to AKOFS Seafarer AS from contract commencement with Equinor.

As of June 30, 2023, Akastor has interest-bearing receivables of NOK 248 million against HMH (fixed interest rate 8.0 percent). Further, Akastor has a liability of NOK 177 million towards HMH related to Step Oiltools.

ALTERNATIVE PERFORMANCE MEASURES

Akastor discloses alternative performance measures as a supplement to the consolidated financial statements prepared in accordance with IFRS. Such performance measures are used to provide an enhanced insight into the operating performance, financing abilities and future prospects of the company. These measures are calculated in a consistent and transparent manner and are intended to provide enhanced comparabilities of the performance from period to period. It is Akastor's experience that these measures are frequently used by securities analysts, investors and other interested parties.

Definitions

EBITDA - Earnings before interest, tax, depreciation and amortization, corresponding to "Operating profit before depreciation, amortization and impairment" in the consolidated income statement

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

Net current operating assets (NCOA) - a measure of working capital. It is calculated by current operating assets minus current operating liabilities, excluding financial assets or financial liabilities related to hedging activities

Net capital employed - a measure of all assets employed in the operation of a business. It is calculated by non-current assets (excluding non-current interest bearing receivables) and finance lease receivables added by net current operating asset, minus non-current operating liabilities (deferred tax liabilities, employee benefit obligations, other non-current liabilities and total lease liabilities)

Gross debt - Sum of current and non-current borrowings

Net debt - Gross debt minus cash and cash equivalents

Net interesting bearing debt - Net debt minus interest-bearing receivables

Equity ratio - a measure of investment leverage, calculated as total equity divided by total assets at the reporting date

Liquidity reserve - comprises cash and cash equivalents and undrawn committed credit facilities

Reconciliations

The tables below show reconciliations of alternative performance measures to the line items in the consolidated financial statements according to IFRS.

Net current operating assets (NCOA)

NOK million	June 30 2023	December 31 2022
Current operating assets	**673**	774
Less:		
Current operating liabilities	**566**	531
Net current operating assets	**108**	243

Net capital employed (NCE)

NOK million	June 30 2023	December 31 2022
Total non-current assets	**5 521**	5 497
Net current operating assets (NCOA)	**108**	243
Current finance receivables	**211**	208
Less:		
Non-current interest-bearing receivables	**538**	668
Deferred tax liabilities	**-**	4
Employee benefit obligations	**81**	96
Other non-current liabilities	**348**	463
Total lease liabilities	**53**	85
NCE related to net assets held for sale	**-**	11
Net capital employed	**4 820**	4 645

Gross/Net debt/NIBD

NOK million	June 30 2023	December 31 2022
Non-current borrowings	**-**	198
Current borrowings	**1 313**	1 142
Gross debt	**1 313**	1 340
Less:		
Cash and cash equivalents	**244**	119
Net debt	**1 069**	1 220
Less:		
Non-current interest-bearing receivables	**538**	668
Net interest-bearing debt (NIBD)	**531**	553

Equity ratio

NOK million	June 30 2023	December 31 2022
Total equity	**4 289**	4 092
divided by Total assets	**6 826**	6 804
Equity ratio	**63%**	60%

Liquidity reserve

NOK million	June 30 2023	December 31 2022
Cash and cash equivalents	**244**	119
Undrawn committed credit facilities	**375**	304
Liquidity reserve	**619**	423

Financial Calendar
Third quarter results 2023, October 26, 2023.

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