

Q2

AKASTOR

SECOND QUARTER AND
HALF YEAR RESULTS 2021



HIGHLIGHTS

- Revenue from continuing operations of NOK 275 million in the quarter (excl. MHWirth)
- EBITDA from continuing operations of NOK 45 million in the quarter (excl. MHWirth)
- MHWirth revenue and EBITDA of NOK 685 million and NOK 51 million respectively in the quarter
- Total order intake of NOK 1 129 million in the quarter (incl. MHWirth), with increasing contribution from MHWirth's non-oil single equipment segment
- Net interest-bearing debt was NOK 1 673 million per end of second quarter, an increase of NOK 79 million in the quarter
- Order backlog was NOK 2.7 billion at the end of the quarter
- Ongoing preparations for integration between MHWirth and Baker Hughes' Subsea Drilling Systems (SDS) business following the agreement to combine the two businesses. The transaction is expected to close during second half of 2021

KEY FIGURES

Akastor Group

NOK million	Q2 21	Q2 20	YTD 2021	YTD 2020
Revenue and other income *)	275	202	477	472
EBITDA *)	45	(39)	25	(38)
EBIT *)	26	(51)	(11)	(62)
CAPEX and R&D capitalization	35	17	41	36
NCOA	612	1 114	612	1 114
Net capital employed	5 234	5 626	5 234	5 626
Order intake	1 129	1 165	2 078	2 302
Order backlog	2 741	2 838	2 741	2 838
Net interest-bearing debt	1 673	1 488	1 673	1 488
Employees	1 988	2 113	1 988	2 113

*) Includes continuing operations only. Following agreements to divest Akastor's 50 percent ownership in MHWirth, this portfolio company is classified as discontinued operations and held for sale in the consolidated financial statements

Portfolio Companies Q2 2021

NOK million	MHWirth	AKOFS Offshore *)	AGR	Other Holdings
Revenue and other income	685	341	178	97
EBITDA	51	120	8	36
Order backlog	2 243	3 258	454	44
Employees	1 533	296	410	45

*) presented at 100% basis

01. PORTFOLIO COMPANIES

MHWIRTH

MHWirth reported revenues of NOK 685 million in the second quarter. Revenues for the first half year were NOK 1 276 million, compared with NOK 2 206 million from last year. EBITDA was NOK 51 million in the quarter, giving an EBITDA margin of 7.4 percent. For the first six months of the year, EBITDA ended at NOK 63 million, compared with NOK 245 million in 2020.

Revenues from Projects & Products were NOK 278 million in the first half year, a decrease of 73 percent compared to last year as ongoing projects are in a late phase where progress is slow. Drilling Lifecycle Services & Digital Technologies revenues were NOK 998 million in the first half, a decrease of 15 percent compared to last year driven by lower activity level in the period.

The working capital level (NCOA) of MHWirth increased by NOK 10 million during the first half of the year to NOK 702 million.

In Q2, MHWirth experienced increased activity compared to Q1 driven by higher activity within the DLS segment (Services). The increase in activity within services follows an increased number of active rigs in the market carrying MHWirth equipment. Total revenues however are at a lower level than same period last year as a result of lower activity within the Projects segment with ongoing projects

approaching their final phase where progress is slower. The newbuilding market remains muted, with relatively few near term prospects. The previously announced awarded contract for delivery of a drilling equipment package to Guangzhou Marine Geological Survey (GMGS) was not included as order intake in Q2, however signing of final contract is expected to take place in Q3. Progress on this project will drive up activity level in the Project segment going forward. Within Single Equipment, MHWirth is seeing increased activity, especially within the non-oil market, demonstrated by solid order intake in Q2.

Going forward, the newbuilding market is expected to remain challenging as markets continue to be affected by a large rig supply overhang. The Single Equipment segment however looks promising, with a relatively strong pipeline of opportunities. Service activity is expected to continue its positive development, driven by further increase in number of active rigs.

Following the agreement to combine MHWirth with Baker Hughes SDS, MHWirth has in the quarter been preparing for the integration of the two businesses. The transaction is expected to close during the second half of 2021.

The order backlog was NOK 2 243 million per end of first half year. As per June 2021, MHWirth had 1 533 employees.

AKOFS Offshore

AKOFS Offshore reported revenues of NOK 341 million in the second quarter, compared with NOK 201 million in 2020. Revenues for the first half year, were NOK 611 million, compared with NOK 505 million in the previous year. EBITDA was NOK 120 million in the quarter, compared with NOK 83 million in 2020. For the first half year EBITDA was NOK 162 million, compared with NOK 259 million in 2020.

Skandi Santos had another strong quarter with revenue utilization of 100 percent. Aker Wayfarer reported a revenue utilization of 85 percent in the quarter, affected by a COVID-19 outbreak leading to 13 days of non-productive time in May / June. AKOFS Seafarer delivered revenue utilization of 94 percent in the quarter and is showing good performance for Equinor.

Going forward, AKOFS Offshore will focus on keeping up utilization on all vessels. The company is assessing opportunities for Skandi Santos, targeting to keep the vessel in operations after expiry of the current contract in November this year. The COVID-19 situation continues to create operational challenges for AKOFS Offshore and there is a continued risk related to utilization of the vessels, especially in Brazil. However, strict rules and procedures are in place targeting to avoid downtime and ensure safe operations.

The order backlog ended at NOK 3 258 million. The company had 296 employees at the end of the quarter.

AGR

AGR reported revenues of NOK 178 million and EBITDA of NOK 8 million in the second quarter. For the first half year, AGR had revenues of NOK 355 million and EBITDA of NOK 19 million.

The vast majority of AGR's business relates to the offshore markets in Norway, UK, Gulf of Mexico and Australia. Throughout last year, all segments within AGR were negatively impacted by COVID-19, demonstrated by a decline in number of consultants and lower activity level within well management.

This year, however, AGR has experienced a solid increase in activity, especially within its Norwegian consultancy business. Going forward, AGR is seeing good opportunity for further growth within its oil and gas business through a continued increase in demand for consultants as well as potential increased activity within well management. AGR is also focusing on growing its software business as well as assessing opportunities outside of its current core markets.

AGR had 410 employees at the end of the quarter.

OTHER HOLDINGS

Other Holdings reported revenues of NOK 97 million in the second quarter compared with NOK 47 million in the same quarter of previous year. Revenues for the first half year were NOK 121 million, compared with NOK 100 million in the previous year. EBITDA was NOK 36 million in the quarter and NOK 7 million for the first half year.

Cool Sorption had revenues of NOK 33 million and EBITDA of negative NOK 1 million in the first half year, compared with NOK 76 million and NOK 3 million respectively in 2020.

DDW Offshore had revenue and other income of NOK 65 million and EBITDA of NOK 28 million in the first half year. The revenue and EBITDA in the second quarter was positively impacted by the effect from the bareboat charter agreements and forward sale of two vessels to OceanPact as announced in March 2021. The agreements are recognized as financial lease at commencement in the second quarter. In first half 2020, DDW Offshore was a joint venture to Akastor and consolidated into Akastor's financial statements using equity method.

The remaining revenue and EBITDA in this segment come from the Real Estate portfolio (subletting of office leasing contracts) as well as corporate and project expenses.

02. AKASTOR GROUP

Performance

Akastor group's revenues from continuing operations in the second quarter were NOK 275 million, while EBITDA in the second quarter was NOK 45 million. Revenues for the first half year were NOK 477 million compared with NOK 472 million in the previous year. EBITDA was NOK 25 million for the first half year.

Depreciation, amortization and impairment from continuing operations amounted to NOK 18 million in the quarter and NOK 36 million for the first half year.

Net financial items were positive NOK 12 million for the quarter and negative NOK 16 million for the first half year. The net financial expenses for the half year included Akastor's share of net loss of NOK 77 million from the equity-accounted investee AKOFS Offshore, dividend income of NOK 36 million from equity investment, unrealized gain of NOK 26 million in fair value changes of financial investments, as well as net foreign exchange gain of NOK 18 million.

The result from continuing operations was positive NOK 38 million for the second quarter and negative NOK 27 million for the first half year. Net loss from discontinued operations was NOK 48 million in the first half year.

The group reported net profit of NOK 30 million in the second quarter and net loss of NOK 75 million for the first half year.

Financial Position

Net current operating assets were NOK 612 million at the end of June, a decrease of NOK 5 million since previous quarter and an increase of NOK 85 million since year-end 2020.

Net cash flow from operating activities was NOK 6 million in the quarter and negative NOK 92 million for the first half year. The cash flow from investing activities was negative NOK 96 million and NOK 201 million for the quarter and first half year, respectively.

Net debt was NOK 1 803 million at the end of the period, while net interest-bearing debt was NOK 1 673 million.

The liquidity reserve at the end of the quarter was approximately NOK 1.4 billion, with cash and bank deposits of NOK 258 million and undrawn committed credit facilities of NOK 1.1 billion.

Total equity amounted to NOK 3.6 billion at June 2021, of which non-controlling interests were NOK 13 million. The equity ratio was 39 percent as of June 30, 2021.

Related Party Transactions

Please see Note 9 for a summary of significant related party transactions that occurred in the first half year of 2021.

Principle Risks and Uncertainty

Akastor and each of its portfolio companies are exposed to various forms of market, operational and financial risks. The market situation for the oil services segments in which Akastor operates, remains challenging with low activity and weak market conditions. On the operational side, sound project execution by the portfolio companies without cost overruns as well as securing new orders are substantial factors to the companies' financial performance. Results also depend on costs, both the portfolio companies' own costs and those charged by suppliers, as well as interest expenses, exchange rates and customers' ability to pay. Akastor and its portfolio companies are exposed to financial market risks including changes in currency rates and hedge activities, interest rates, tax, credit and counterparty risks, as well as risks associated with access to and terms of financing.

In addition, these 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. As an investment company, Akastor and its portfolio companies from time to time engage in mergers and acquisitions and other transactions that could expose the companies to financial and other non-operational risks, such as warranty and indemnity claims and price adjustment mechanisms.

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 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 2020 provides more information on risks and uncertainties.

COVID-19 risk management

A key element of Akastor's risk management in 2021 continues to be to closely monitor the development of the COVID-19 outbreak and continuously seek to implement necessary mitigating measures, which may lead to further cost adjustments and changes in the valuation of the Akastor portfolio's assets and liabilities. Through 2020, Akastor and all its portfolio companies focused strongly on establishing routines in order to handle the new situation and have been able to keep operations going. Although business activities to a large degree have returned to a more normal situation in Norway and most of Europe, the situation remains uncertain in other important operational areas such as Brazil. The situation will therefore continue to impact Akastor's business, both operational aspects (e.g. operation of vessels and sale and service of equipment) and financial/transactional aspects.

Current assessment of the duration of the operational impacts from the COVID-19 situation remains uncertain, primarily driven by the various mutations of the virus seen over the course of the pandemic. However, increased rate of vaccination makes us cautiously optimistic that a continuous easing of restrictions will be seen over the coming months which in turn will bring operations back to a more normal state.

The Akastor Share

The company had a market capitalization of NOK 1.8 billion on June 30, 2021. The company owned 2 390 215 own shares at the end of the quarter.

Fornebu, July 15, 2021

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, 2021, with comparatives for the corresponding period of 2020 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, 2021 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, 2021.
- The information provided in the report for the first half 2021 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 15, 2021

The Board of Directors and CEO of Akastor ASA

Kristian M. Røkke | Chairman



Lone Fønss Schrøder | Deputy Chairman



Svein Oskar Stoknes | Director



Kathryn M. Baker | Director



Luis Araujo | Director



Henning Jensen | Director




Asle Christian Halvorsen | Director



Stian Sjølund | Director



Karl Erik Kjelstad | CEO



AKASTOR GROUP INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INCOME STATEMENT

NOK million	note	Second quarter		First half		Full year
		2021	2020 (Restated)	2021	2020 (Restated)	2020 (Restated)
Revenues and other income	6	275	202	477	472	819
Operating expenses		(231)	(241)	(451)	(509)	(890)
Operating profit before depreciation, amortization and impairment		45	(39)	25	(38)	(71)
Depreciation, amortization and impairment		(18)	(12)	(36)	(24)	(61)
Operating profit (loss)		26	(51)	(11)	(62)	(132)
Net financial items	7	12	36	(16)	(359)	(373)
Profit (loss) before tax		39	(15)	(27)	(421)	(505)
Tax income (expense)		-	(16)	-	38	(18)
Profit (loss) from continuing operations		38	(31)	(27)	(383)	(523)
Net profit (loss) from discontinued operations	4	(9)	46	(48)	(8)	(61)
Profit (loss) for the period		30	16	(75)	(391)	(584)
Attributable to:						
Equity holders of Akastor ASA		29	19	(76)	(394)	(581)
Non-controlling interests		-	(4)	1	3	(3)
Basic/diluted earnings (loss) per share (NOK)		0.11	0.07	(0.28)	(1.45)	(2.14)
Basic/diluted earnings (loss) per share continuing operations (NOK)		0.14	(0.10)	(0.10)	(1.42)	(1.92)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK million	First half		Full year
	2021	2020	2020
Net profit (loss) for the period	(75)	(391)	(584)
Other comprehensive income:			
Cash flow hedges, effective portion of changes in fair value	(12)	(53)	48
Cash flow hedges, reclassification to income statement	-	(9)	(2)
Change in fair value reserve	15	(21)	(42)
Currency translation differences	(25)	225	(60)
Currency translation differences, reclassification to income statement	-	-	(7)
Share of OCI from equity-accounted investees	3	(83)	(20)
Deferred tax effect	2	14	(8)
Net items that may be reclassified to profit or loss	(17)	73	(90)
Remeasurement gain (loss) net defined benefit liability	-	-	(37)
Deferred tax of remeasurement gain (loss) net defined benefit liability	-	-	7
Net items that will not be reclassified to profit or loss	-	-	(30)
Total comprehensive income (loss) for the period, net of tax	(92)	(318)	(704)
Attributable to:			
Equity holders of Akastor ASA	(93)	(321)	(701)
Non-controlling interests	1	3	(3)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>NOK million</i>	<i>note</i>	June 30 2021	December 31 2020
Deferred tax assets		25	329
Intangible assets		154	1 595
Property, plant and equipment		215	1 017
Right-of-Use assets		86	468
Other non-current assets		46	29
Non-current interest bearing receivables		130	115
Non-current finance lease receivables		164	15
Equity-accounted investees and other investments		2 572	2 533
Total non-current assets		3 391	6 100
Current operating assets	10	1 067	2 765
Current finance lease receivables		50	7
Cash and cash equivalents		258	275
Assets classified as held for sale	4	4 306	-
Total current assets		5 682	3 047
Total assets		9 073	9 147
Equity attributable to equity holders of Akastor ASA		3 564	3 657
Non-controlling interests		13	11
Total equity		3 577	3 669
Deferred tax liabilities		5	10
Employee benefit obligations		376	388
Other non-current liabilities and provisions		421	528
Non-current borrowings		629	628
Non-current lease liabilities		105	433
Total non-current liabilities		1 537	1 986
Current operating liabilities and provisions	10	712	2 214
Current borrowings		1 431	1 119
Current lease liabilities		71	159
Liabilities classified as held for sale	4	1 745	-
Total current liabilities		3 959	3 492
Total equity and liabilities		9 073	9 147

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

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

<i>NOK million</i>	Second quarter		First half		Full year
	2021	2020	2021	2020	2020
Profit (loss) for the period	30	16	(75)	(391)	(584)
(Profit) loss for the period - discontinued operations	9	(46)	48	8	61
Depreciations, amortization and impairment continuing operations	18	12	36	24	61
Other adjustments for non-cash items and changes in operating assets and liabilities	(51)	33	(102)	35	673
Net cash from operating activities	6	14	(92)	(324)	211
Acquisition of property, plant and equipment	(25)	(11)	(58)	(13)	(29)
Payments for capitalized development	(11)	(6)	(15)	(23)	(38)
Acquisition of subsidiaries, net of cash acquired	-	-	-	-	37
Payments of contingent considerations for previous divestments	(63)	(77)	(96)	(77)	(77)
Proceeds from finance leases	11	1	13	5	9
Cash flow from other investing activities	(7)	(2)	(45)	(22)	(121)
Net cash from investing activities	(96)	(94)	(201)	(129)	(219)
Changes in external borrowings	123	81	317	420	(89)
Payments of lease liabilities	(31)	(34)	(64)	(72)	(139)
Cash flow from other financing activities	-	-	-	2	2
Net cash from financing activities	92	48	253	350	(227)
Effect of exchange rate changes on cash and cash equivalents	30	93	23	(158)	(45)
Net increase (decrease) in cash and cash equivalents	32	62	(17)	(261)	(280)
Cash and cash equivalents at the beginning of the period	226	232	275	555	555
Cash and cash equivalents at the end of the period	258	294	258	294	275

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>NOK million</i>	Contributed equity and retained earnings	Other reserves	Total equity attributable to the parent	Non-controlling interests	Total equity
Equity as of December 31, 2020	3 507	150	3 657	11	3 669
Total comprehensive income	(76)	(17)	(93)	1	(92)
Equity as of June 30, 2021	3 431	133	3 564	13	3 577
Equity as of January 1, 2020	4 113	240	4 353	18	4 371
Total comprehensive income	(394)	73	(321)	3	(318)
Equity as of June 30, 2020	3 719	313	4 032	21	4 053

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 34 Group companies in Akastor's Annual Report 2020 for more information on the group's structure.

Akastor's Annual Report for 2020 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, 2021 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 2020. 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, 2020.

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, 2020.

NOTE 4 - DISCONTINUED OPERATIONS

On March 2, 2021, Akastor announced an agreement with Baker Hughes to create a joint venture company (Company) that will bring together Akastor's wholly owned subsidiary, MHWirth AS (MHWirth) and Baker Hughes' Subsea Drilling Systems (SDS) business. The Company will deliver a global full-service offshore drilling equipment offering that will provide customers with a broad portfolio of products and services.

The Company shall be owned 50/50 by Akastor and Baker Hughes. Akastor shall contribute its shares in MHWirth to the Company in return for 50% of the shares of the Company and USD 120 million in consideration, of which USD 100 million is payable in cash at closing. Baker Hughes shall contribute the SDS business to the Company in return for the other 50% of the shares and USD 200 million in consideration, of which USD 120 million is payable in cash at closing. The Company shall issue notes to Akastor and Baker Hughes representing the balance of the consideration owed to them. The notes shall be subordinated to the Company's external debt financing. The Company will finance the cash consideration payable to Baker Hughes and Akastor by way of a USD 220 million bank facility. In addition, the Company will also be financed by a USD 80 million working capital facility.

The transaction agreement entered into by Akastor and Baker Hughes provides for customary terms for agreements of this nature, including representations and warranties relating to the businesses being contributed as well as an agreed form shareholders agreement customary for a 50/50 joint venture, including governance and exit provisions. Completion of the transaction is subject to customary conditions, including regulatory approval. Closing of the transaction is expected to take place in the second half of 2021.

Following completion of the transaction, it is expected that Akastor shall account for the Company as a joint venture using the equity method. MHWirth is classified as discontinued operations and as held-for-sale as of June 30, 2021. The comparative condensed consolidated income statement has been restated to show the discontinued operations separately from continuing operations.

Results of discontinued operations

<i>NOK million</i>	First half		Full year
	2021	2020	2020
Revenue	1 274	2 206	3 758
Expenses	(1 303)	(2 070)	(3 574)
Net financial items	(20)	12	(63)
Profit (loss) before tax	(48)	147	122
Income tax	-	(39)	(67)
Net profit (loss) from operating activities	(48)	108	54
Gain (loss) related to previous divestments	-	(116)	(115)
Net profit (loss) from discontinued operations	(48)	(8)	(61)
Basic/diluted earnings (loss) per share from discontinued operations (NOK)	(0.18)	(0.03)	(0.22)

Cash flows from (used in) discontinued operations

<i>NOK million</i>	First half		Full year
	2021	2020	2020
Net cash from operating activities	21	(289)	302
Net cash from investing activities	(43)	(26)	(44)
Net cash from financing activities	(33)	(38)	(75)
Net cash flow from discontinued operations	(56)	(353)	183

Assets and liabilities held-for-sale

<i>NOK million</i>	June 30
	2021
Deferred tax assets	312
Intangible assets	1 403
Property, plant and equipment	629
Right-of-use assets	390
Other non-current assets	5
Current operating assets	1 567
Assets held-for-sale	4 306
Deferred tax liabilities	(6)
Non-current lease liabilities	(318)
Other non-current liabilities	(32)
Current lease liabilities	(92)
Current operating liabilities and provisions	(1 297)
Liabilities held-for-sale	(1 745)
Net assets held-for-sale	2 561

NOTE 5 - OPERATING SEGMENTS

Akastor identifies its reportable segments and discloses segment information under IFRS 8 *Operating Segments*. See note 6 *Operating segments* in Akastor's Annual Report 2020 for descriptions of Akastor's management model and operating segments as well as accounting principles used for segment reporting. MHWirth is presented as an operating segment while the operations in MHWirth are presented as discontinued operations. Please see note 4 above for more information about the discontinued operations.

First half year 2021

<i>NOK million</i>	MHWirth (discontinued)	AKOFS Offshore (joint venture)	AGR	Other holdings	Adjustments of MHWirth and AKOFS	Total Akastor
External revenue and other income	1 274	611	355	121	(1 885)	477
Internal revenue	1	-	-	-	-1	-
Total revenue	1 276	611	355	121	(1 886)	477
Operating profit before depreciation, amortization and impairment (EBITDA)	63	162	19	7	(225)	25
Operating profit (loss) (EBIT)	(26)	(7)	11	(22)	33	(11)
Net current operating assets (NCOA)	702	269	(6)	(84)	(269)	612
Net capital employed	2 760	3 580	173	1 300	(2 578)	5 234

First half year 2020

<i>NOK million</i>	MHWirth (discontinued)	AKOFS Offshore (joint venture)	AGR	Other holdings	Adjustments of MHWirth and AKOFS	Total Akastor
External revenue and other income	2 206	505	374	98	(2 710)	472
Internal revenue	1	-	-	2	(1)	-
Total revenue	2 206	505	374	100	(2 711)	472
Operating profit before depreciation, amortization and impairment (EBITDA)	245	259	23	(60)	(504)	(38)
Operating profit (loss) (EBIT)	135	96	15	(77)	(231)	(62)
Net current operating assets (NCOA)	1 275	166	(7)	(154)	(166)	1 114
Net capital employed	3 443	4 083	152	852	(2 905)	5 626

NOTE 6 - 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 5 Operating segments.

First half year 2021

<i>NOK million</i>	MHWirth (discontinued)	AKOFS Offshore (joint venture)	AGR	Other holdings	Adjustments of MHWirth and AKOFS	Total Akastor
<i>Major contract/revenue types</i>						
Construction revenue	684	-	-	21	(684)	21
Sale of standard products	195	-	18	-	(195)	18
Service revenue	369	439	337	21	(808)	358
Total revenue from contracts with customer	1 248	439	355	43	(1 686)	398
<i>Timing of revenue recognition</i>						
Transferred over time	1 053	439	337	43	(1 491)	380
Transferred at point in time	195	-	18	-	(195)	18
Total revenue from contracts with customer	1 248	439	355	43	(1 686)	398
Lease revenue and other income	27	172	-	79	(198)	79
Total external revenue and other income in segment reporting	1 274	611	355	121	(1 885)	477

First half year 2020

<i>NOK million</i>	MHWirth (discontinued)	AKOFS Offshore (joint venture)	AGR	Other holdings	Adjustments of MHWirth and AKOFS	Total Akastor
<i>Major contract/revenue types</i>						
Construction revenue	1 171	-	-	62	(1 171)	62
Sale of standard products	479	-	5	-	(479)	5
Service revenue	517	124	368	25	(641)	393
Total revenue from contracts with customers	2 167	124	374	87	(2 292)	461
<i>Timing of revenue recognition</i>						
Transferred over time	1 688	124	368	87	(1 813)	455
Transferred at point in time	479	-	5	-	(479)	5
Total revenue from contracts with customers	2 167	124	374	87	(2 292)	461
Lease revenue and other income	38	380	-	11	(419)	11
Total external revenue and other income in segment reporting	2 206	505	374	98	(2 710)	472

NOTE 7 - NET FINANCIAL ITEMS

NOK million	Second quarter		First half		Full year
	2021	2020 (Restated)	2021	2020 (Restated)	2020 (Restated)
Net interest expenses on financial liabilities measured at amortized costs	(24)	(13)	(46)	(29)	(71)
Net financial charges of lease liabilities	(1)	(3)	(3)	(6)	(11)
Interest income on debt instruments measured at Fair Value through Other Comprehensive Income (FVOCI)	22	19	44	38	86
Profit (loss) from equity accounted investees	(19)	(27)	(77)	(95)	(256)
Dividend income from equity instrument	18	20	36	40	77
Net change in fair value of financial assets measured at Fair Value through Profit or Loss (FVTPL)	11	2	26	(122)	(94)
Net foreign exchange gain (loss)	13	43	18	(75)	4
Impairment financial assets at FVOCI	-	-	-	(106)	(106)
Other financial income (expenses)	(7)	(5)	(14)	(4)	(2)
Net financial items	12	36	(16)	(359)	(373)

Loss from equity accounted investees relates to Akastor's share of net loss in AKOFS Offshore.

NOTE 8 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments measured at fair value are classified by the levels in the fair value hierarchy. See note 32 Financial instruments in Akastor's Annual Report 2020 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	Fair value hierarchy	Fair value as of June 30, 2021	Fair value as of December 31, 2020
Financial assets measured at fair value			
- Hedging instruments	Level 2	-	61
<i>Fair value through P&L (FVTPL)</i>			
- Equity securities	Level 1	11	14
- Equity securities	Level 3	923	895
- Warrants	Level 3	48	27
- Contingent considerations	Level 3	46	26
<i>Fair value through Other comprehensive income (FVOCI)</i>			
- Debt instruments	Level 3	587	533
Financial liabilities measured at fair value			
- Hedging instruments	Level 2	-	(37)
- Deferred settlement obligations	Level 3	(201)	(274)

NOTE 9 - RELATED PARTIES

All transactions with related parties have been carried out based on arm's length terms. For detailed descriptions of related party transactions, please refer to note 35 Related parties in Akastor's Annual Report 2020.

As of June 30, 2021, Akastor has interest-bearing receivables of NOK 108 million against AKOFS Offshore, including term loan of NOK 80 million (LIBOR 0.19 percent + margin 5.5 percent) and drawn working capital facility of NOK 28 million (NIBOR 0.26 percent + 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.

NOTE 10 - CURRENT OPERATING ASSETS AND LIABILITIES

<i>NOK million</i>	June 30 2021	December 31 2020
Inventories	8	485
Trade receivables	620	1 094
Current tax assets	-	28
Derivative financial instruments, assets	-	61
Other receivables and assets	439	1 097
Total current operating assets	1 067	2 765
Trade payable	66	305
Provisions	13	109
Current tax liabilities	1	8
Derivative financial instruments, liabilities	-	37
Other payables and liabilities	632	1 755
Total current operating liabilities and provisions	712	2 214

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.

Capex and R&D capitalization - a measure of expenditure on PPE or intangible assets that qualify for capitalization

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 interest 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

Order intake - represents the expected contract value from the contracts or orders that are entered into or committed in the reporting period

Order backlog - represents the remaining unearned contract value from the contracts that are already entered into or committed at the reporting date. The backlog does not include options on existing contracts, or contract value from short-cycled service orders.

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)

	June 30	December 31
<i>NOK million</i>	2021	2020
Current operating assets	1 067	2 765
Less:		
Current operating liabilities	712	2 214
Net derivative financial instruments	-	24
Plus:		
NCOA related to discontinued operations	256	-
Net current operating assets	612	527

Net capital employed (NCE)

	June 30	December 31
<i>NOK million</i>	2021	2020
Total non-current assets	3 391	6 100
Net current operating assets (NCOA)	612	527
Current finance receivables	50	7
Less:		
Non-current interest-bearing receivables	130	115
Deferred tax liabilities	5	10
Employee benefit obligations	376	388
Other non-current liabilities	421	528
Total lease liabilities	176	592
Plus:		
NCE related to discontinued operations	2 290	-
Net capital employed	5 234	5 002

Gross/Net debt/NIBD

	June 30	December 31
<i>NOK million</i>	2021	2020
Non-current borrowings	629	628
Current borrowings	1 431	1 119
Gross debt	2 061	1 746
Less:		
Cash and cash equivalents	258	275
Net debt	1 803	1 471
Less:		
Non-current interest-bearing receivables	130	115
Net interest-bearing debt (NIBD)	1 673	1 357

Equity ratio

	June 30	December 31
<i>NOK million</i>	2021	2020
Total equity	3 577	3 669
divided by Total assets	9 073	9 147
Equity ratio	39 %	40 %

Liquidity reserve

	June 30	December 31
<i>NOK million</i>	2021	2020
Cash and cash equivalents	258	275
Undrawn committed credit facilities	1 135	1 457
Liquidity reserve	1 393	1 732

Financial Calendar

Third quarter results 2021, October 29, 2021.

Contact Information

Øyvind Paaske
Chief Financial Officer

Tel: +47 917 59 705

E-mail: oyvind.paaske@akastor.com

Visiting address: Oksenøyveien 10,
NO-1366 Lysaker, Norway

For more information, please visit
www.akastor.com/investors