



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	988 400 025
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	OMV (NORGE) AS
Forretningsadresse:	Fjordpiren Laberget 22 4020 STAVANGER

Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020
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Konsern

Morselskap i konsern:	Nei
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Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Gry Merete Mellemstrand
Dato for fastsettelse av årsregnskapet:	22.04.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 04.06.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Revenues	2	8 681 501 000	12 257 037 000
Other operating income	2	357 914 000	292 547 000
Sum inntekter		9 039 415 000	12 549 584 000
Kostnader			
Production and transportation costs	3	2 596 673 000	2 597 906 000
Change in over-/underlift	4	95 218 000	-152 754 000
Exploration expenses	5	468 560 000	535 133 000
Payroll and related costs	6	182 847 000	116 875 000
Depreciation, amortisation and depletion	10	3 680 064 000	3 932 345 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	10	-1 043 669 000	
Other operating expenses	7	754 103 000	496 177 000
Sum kostnader		6 733 796 000	7 525 682 000
Driftsresultat		2 305 619 000	5 023 902 000
Finansinntekter og finanskostnader			
Other financial income	8	649 988 000	249 413 000
Sum finansinntekter		649 988 000	249 413 000
Other financial expenses	8	630 185 000	597 296 000
Sum finanskostnader		630 185 000	597 296 000
Netto finans		19 803 000	-347 883 000
Ordinært resultat før skattekostnad		2 325 422 000	4 676 019 000
Income tax	9	2 011 551 000	3 945 681 000
Ordinært resultat etter skattekostnad		313 871 000	730 338 000
Årsresultat		313 871 000	730 338 000
Overføringer og disponeringer			
Transfer other equity	14	313 871 000	730 338 000
Sum overføringer og disponeringer		313 871 000	730 338 000



Resultatregnskap

Beløp i: NOK	Note	2020	2019
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Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Concessions, patents, licenses, trademarks and similar rights	10	45 324 000	1 000
Exploration assets	10	2 711 879 000	2 836 993 000
Sum immaterielle eiendeler		2 757 203 000	2 836 994 000
Varige driftsmidler			
Assets under development	10	2 520 319 000	1 339 077 000
Producing assets	10	12 158 164 000	14 243 237 000
Fixtures and fittings	10	422 000	1 211 000
Sum varige driftsmidler		14 678 905 000	15 583 525 000
Finansielle anleggsmidler			
Other assets		9 194 000	7 257 000
Sum finansielle anleggsmidler		9 194 000	7 257 000
Sum anleggsmidler		17 445 302 000	18 427 776 000
Omløpsmidler			
Varer			
Inventories	11	204 699 000	195 293 000
Sum varer		204 699 000	195 293 000
Fordringer			
Accounts receivable	12	1 240 877 000	804 428 000
Other receivables	12	1 476 175 000	3 482 258 000
Underlift	4	92 647 000	241 152 000
Sum fordringer		2 809 699 000	4 527 838 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	13	140 952 000	97 099 000
Sum bankinnskudd, kontanter og lignende		140 952 000	97 099 000
Sum omløpsmidler		3 155 350 000	4 820 230 000



Balanse

Beløp i: NOK	Note	2020	2019
SUM EIENDELER		20 600 652 000	23 248 006 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	14	1 468 003 000	1 468 003 000
Overkurs	14	4 280 271 000	4 415 271 000
Sum innskutt egenkapital		5 748 274 000	5 883 274 000
Opptjent egenkapital			
Other equity	14	-633 792 000	-947 663 000
Sum opptjent egenkapital		-633 792 000	-947 663 000
Sum egenkapital		5 114 482 000	4 935 611 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	9	3 850 569 000	2 424 168 000
Asset retirement obligation	15	6 064 047 000	6 749 757 000
Other non-current provisions	16	54 583 000	44 553 000
Sum avsetninger for forpliktelser		9 969 199 000	9 218 478 000
Annen langsiktig gjeld			
Langsiktig konserngjeld	17	0	3 148 544 000
Sum annen langsiktig gjeld		0	3 148 544 000
Sum langsiktig gjeld		9 969 199 000	12 367 022 000
Kortsiktig gjeld			
Leverandørgjeld	18	1 129 372 000	1 344 420 000
Income tax payable	9	1 112 217 000	1 196 975 000
Other taxes and withholdings		19 382 000	17 039 000
Other current provisions	16	54 894 000	103 661 000
Other current liabilities	18	3 194 147 000	3 223 032 000
Overlift	4	6 959 000	60 247 000
Sum kortsiktig gjeld		5 516 971 000	5 945 374 000



Balanse

Beløp i: NOK	Note	2020	2019
Sum gjeld		15 486 170 000	18 312 396 000
SUM EGENKAPITAL OG GJELD		20 600 652 000	23 248 007 000



Skattedirektoratet

MOTTATT

Saksbehandler Torstein Kinden Helleland	Deres dato 24.02.2014	Vår dato 04.03.2014
Telefon 22078139	Deres referanse Andreas Finstad	Vår referanse 2014/129084

OMV (NORGE) AS
Postboks 130
4065 STAVANGER

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for OMV (Norge) AS, org. nr. 988 400 025

Det vises til deres brev 24. februar 2014 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for OMV (Norge) AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering OMV (Norge) AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

OMV (Norge) AS er en del av det internasjonale OMV konsernet og er 100 % eid av OMV Exploration & Production. OMV Exploration & Production er igjen 100 % eid av OMV Aktiengesellschaft som er børsnotert i Østerrike (Vienna Stock Exchange). Selskapet utfører aktiviteter i forbindelse med leting, utbygging og produksjon av olje og gass. Arbeidsspråket er engelsk både i selskapet og i konsernet forøvrig. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal *”årsregnskapet og årsberetningen ... være på norsk.* Departementet kan ved ... *enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk.*”

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som

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Sentralbord
800 80 000
Telefaks
22 17 08 60



tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut speulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “informativ regnskaper for ulike grupper av regnskapsbrukere”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt særlig vekt på at selskapet er et datterselskap til et utenlandsk selskap og inngår i et internasjonalt konsern. Eierkretsen er begrenset. Arbeidsspråket er engelsk og all kommunikasjon skjer på engelsk. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle aktører behersker og benytter engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Rune Tystad

seniorrådgiver

Rettsavdelingen, foretaksskatt

Skattedirektoratet

Torstein Kinden Helleland



Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of OMV (Norge) AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of OMV (Norge) AS, which comprise the balance sheet as at 31 December 2020, the income statement and statements of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the audit of the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that



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includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Independent auditor's report - OMV (Norge) AS

A member firm of Ernst & Young Global Limited

Penneo Dokumentnr: UWF43-XOSEX-QT1Z3-LZYEL-OWTBE-FBGBW



Stavanger, 23 April 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Tor Inge Skjellevik
State Authorised Public Accountant (Norway)

Penneo Dokumentnøkkel: UWF43-XOSEX-QT1Z3-LZYEL-OWT1BE-FBGBW

Independent auditor's report - OMV (Norge) AS

A member firm of Ernst & Young Global Limited



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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Tor Inge Skjellevik

Oppdragsansvarlig partner

På vegne av: Ernst & Young AS

Serienummer: 9578-5997-4-259359

IP: 92.221.xxx.xxx

2021-04-23 12:21:09Z



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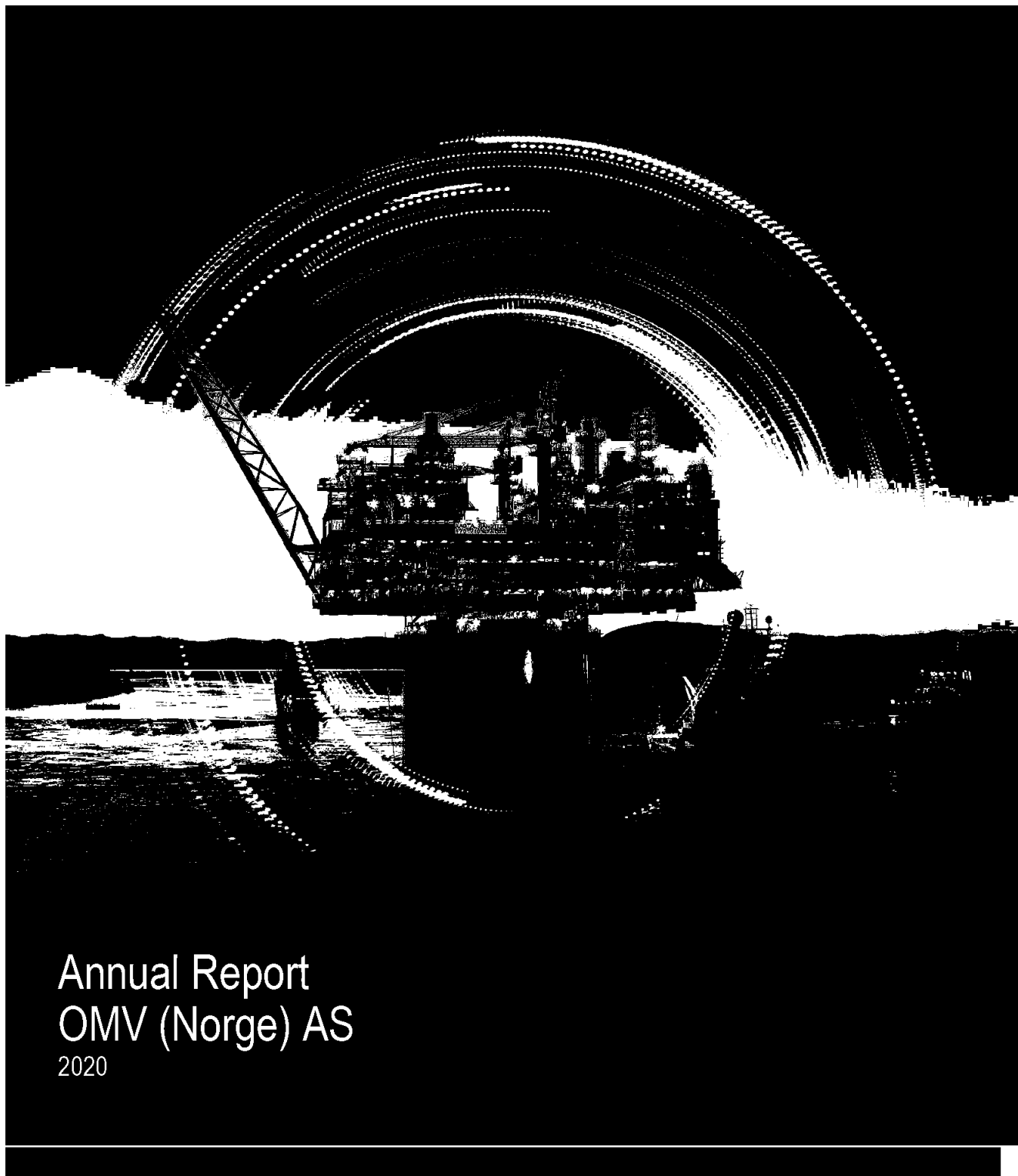
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Annual Report
OMV (Norge) AS
2020

The energy for a better life. 



Directors' Report

Ownership and location

OMV (Norge) AS was incorporated in 2005 in Norway. The Company has the organization number 988 400 025 and is located in Laberget 22 (Fjordpiren) in Stavanger.

OMV (Norge) AS is a wholly owned subsidiary of OMV Exploration & Production GmbH and part of the OMV Group. The ultimate parent of the OMV Group is OMV Aktiengesellschaft (AG), a company with its head office in Vienna, Austria.

The business

OMV (Norge) AS is engaged in petroleum related exploration and production activities on the Norwegian Continental Shelf.

As of 31 December 2020, the Company had participating interests in 38 licenses, of which 7 as operator, as well as in two pipelines.

The production from the Gullfaks field was on average 31,556 boe/d net OMV share during 2020 (2019 35,103 boe/d). For Gudrun the production was on average 12,375 boe/d net OMV share during 2020 (2019 14,987 boe/d). For Edvard Grieg the production was on average 19,668 boe/d net OMV share during 2020 (2019 19,925 boe/d). For Aasta Hansteen the production was on average 22,048 boe/d net OMV share during 2020 (2019 16,486 boe/d).

During 2020, investment activity in the Company has been high related to the Gullfaks, Gudrun, Edvard Grieg, Solveig and Rolvsnes projects. The Gudrun field experienced a covid-19 outbreak on a rig towards the end of the year, resulting in production start on a well being postponed to 2021. Apart from this, all projects are generally progressing according to plan.

The Company participated in the drilling of one appraisal well in 2020; OMV-operated Hades (PL644).

In June 2020, temporary changes in the petroleum tax legislation were enacted. The value of tax losses incurred in 2020 and 2021 will be refunded from the state. Further, the changes included a temporary rule for depreciation and uplift, whereby all investments incurred for income year 2020 and 2021 including 24% uplift can be deducted for special tax (56%) in the year of investment. The temporary changes will also be applicable for investments up to and including year of production start in accordance with a new Plan for Development and Operation (PDO) delivered within 31 December 2022 and approved within 31 December 2023. The Company and its partners are planning to submit the PDOs for exploration projects Wisting and Iris Hades by the end of 2022.

A number of licenses were relinquished during 2020 and related investments were expensed in the 2020 financial statements. The write-offs were mainly related to the Apollo area of PL338, the Sputnik well in PL855 and the Oswig prospect in PL920.

OMV (Norge) AS was awarded 4 new licenses in the 2019 APA round (effective February 2020). Going forward, OMV (Norge) AS will continue to explore and actively seek new licenses in the yearly licensing rounds on the Norwegian Continental Shelf together with maintaining the effort in optimizing the license portfolio.



Effective February 2021, the Company was awarded three new licenses in the 2020 APA round, all as operator.

The financial statements

During 2020, OMV (Norge) AS participated in exploration activities and significant investments related to development and production licenses.

In 2020 the operating revenue amounted to NOK 9,039 million compared to revenue of NOK 12,550 million in 2019. The decline was mainly due to lower oil and gas prices in 2020. Total operating expenses were NOK 6,734 million in 2020. In 2019, the corresponding figure was NOK 7,526 million. The profit from operating activities in 2020 was NOK 2,306 million compared to NOK 5,024 million in 2019. The decline in operating profit was mainly a result of the decrease in revenues. This was to some extent offset by reversal of previous impairments for some fixed assets, caused by improved estimates of volumes and estimated timing of producing the volumes.

In 2020, net financial items were a gain of NOK 20 million. The corresponding figure in 2019 was a loss of NOK 348 million. The tax expense was NOK 2,012 million in 2020 compared to NOK 3,946 million in 2019. The main reason for the decrease was the reduction in profit before taxes. Positive effects from the temporary changes in tax legislation and permanent differences from reversals of impairments were offset by increases in provisions for uncertain tax positions.

Net profit for the year was NOK 314 million compared to NOK 730 million in 2019. Net profit for the year is allocated to other equity. The company paid extraordinary dividends of NOK 135 million in 2020. The balance sheet shows equity of NOK 5,114 million.

Business environment and market outlook

After years of solid economic growth, the world experienced a shock in 2020 from covid-19. This will continue to have a major impact on the economic development. While oil prices increased during the fourth quarter following supply reductions in 2020 as well as expectations of increased demand and further positive effects from the start of the vaccinations, they remain significantly volatile.

Global energy demand continues to grow and will be met predominantly through traditional energy sources. The covid-19 pandemic had a significant impact on energy markets worldwide in 2020, disrupting supply and demand dynamics. The global economy is now bracing for a multi-year recovery. The Company believes that in the short to medium term, energy demand will grow again but will be coupled with the possibility that some changes in consumer behavior may remain. 2020 can be considered a landmark year for the global transition, especially in the light of the European Green Deal, the growth of renewable energy, despite the crisis, and the fact that many countries declared net zero carbon ambitions. This leaves a sustainable impact on the energy markets in the medium to long term.

Thus, the consequences of the covid-19 pandemic and the extent and duration of the economic impact cannot be reliably estimated from today's perspective. The Company is closely monitoring the development and regularly evaluating the impact on its cash flow and liquidity position.



Report on payments to governments

In accordance with section 3-3d of the Norwegian Accounting Act, the Company's payments to governments are included in the report prepared by the OMV Group. The report is publicly available at the office of OMV Aktiengesellschaft (AG).

Risk management

The Company's accounts are affected by changes in the price of oil and currency exchange rates. The Company does not hedge any oil price or currency fluctuations on local level. Customer credit risk is deemed to be low as the Company's sales are mainly to major companies in the oil industry and to other companies within the OMV Group and, to the extent possible, mitigated through contractual terms and regular review of credit limits for customers, suppliers and Joint Venture partners in accordance with the OMV Credit Risk Management Standards.

The Company is further exposed to the risk of lower or non-existence of reserves. This risk is measured, monitored and managed according to international industry standards. External reviews are performed biannually.

The nature of business and operations carry health, safety and environmental risk, which is monitored, mitigated and managed according to Norwegian and the Group's requirements.

The Company is exposed to project risk, which might result in delays or cost overruns in investment projects. Such risk is addressed by project specific risk management and ensuring mitigation measures are exercised timely.

Going concern

The financial statements have been prepared on the basis of the going concern assumption, and in accordance with the requirement in Section 3-3a of the Norwegian Accounting Act the Board of Directors confirms that the present condition fulfills the requirement.

Status of gender equality and diversity

At year-end 2020, the Company had 94 employees. In addition, 35 employees were working on international assignment contracts from OMV Group head office and other OMV branch offices from all over the world which increases diversity. In the numbers below we are only reporting data for the 94 employees (employees on a local Norwegian contract).

OMV (Norge) AS recruited 3 new employees in 2020. In December 2020, 30 percent of the positions were held by women. At year-end 2020, the Board consisted of 7 members whereof 2 were women. The share of women in management positions was 17 percent.

Men and women with the same jobs, with equal professional experience who perform equally well, shall receive the same pay in OMV (Norge) AS. The complexity of the job, discipline area and number of years of work experience affect the pay level of individual employees. Last year in connection with the annual salary review, the company conducted an analysis of equal pay and the outcome showed that there is no gender discrimination in terms of same pay for same type of work.

At the end of 2020, 22 percent of the employees were of non-Norwegian origin. 18 percent of the female workforce worked part-time, at their own request. No male employees worked part-time.



During 2020 the number of average weeks of parental leave taken by female employees was 34 and for male employees, 4 weeks.

Work for equality and against discrimination

The Company endeavors to maintain a working environment with equal opportunities for all based on qualifications, irrespective of gender, ethnicity, sexual orientation, or disability. Our gender equality and non-discrimination work is in alignment with the policies, procedures and initiatives set by the parent company. There is also a local Personnel Policy and a Life Phase Policy in place, including a local whistleblowing procedure.

The age spread within the company is from 26 to 67 years.

The Company has a flexible working hours arrangement eligible to all employees, where the office core hours between 09.00 and 15.00 are supporting work life balance and parenthood. As part of the OMV Group's diversity target to increase the share of women at management level to 25% by 2025, there have been put in place several programs to support the strategy; SHEnergy program to support female leadership skills, focus on active inclusion skills in Leadership Development Programs, mentoring programs, extra focus on gender balance in succession planning processes including offering of career aspiration talks for female staff. With these initiatives OMV aims to develop females and increase the females in leadership positions. In connection with encouraging female candidates in recruitment, at least 1 female candidate must be shortlisted.

Over the last few years OMV (Norge) AS has been conveying annual "Great Place to Work" surveys which is the basis for further analysis and improvement suggestions.

Workforce diversity and measures to secure equality and address any potential discrimination will continue, with new initiatives to be considered in 2021.

Health, safety and environment

Health, safety and environment care are high priorities in the OMV Group and are an integrated part of the Company's activities.

OMV (Norge) AS is continuously working on assuring the quality in its entire operations. The operations of the Company could potentially pollute the external environment. OMV (Norge) AS together with its joint venture partners will work actively on measures that can reduce any negative impact on the environment.

During the drilling of the Hades Appraisal well with the drilling rig Island Innovator in 2020, the Company experienced one reportable incident. One third party employee suffered a medical treatment injury involving possible exposure by chemical vapors.

The Company registers employee sick leave according to prevailing regulations. The sick leave in 2020 was 2.45%.



Stavanger, 22 April 2021

Knut E. Mauseth
Chairman and General Manager

Klemens Haidacher
Board member (Deputy Chairman)

Pål Marius Haaland
Board member

Christian Gröbl
Board member

Reinhard Josef Oswald
Board member

Gabriel Selischi
Board member

Heather E. Baily
Board member (Employee elected)

Lars Martin Moskvil
Board member (Employee elected)



Profit and loss statement

Amounts in NOK 1000

NOTE	OPERATING REVENUE AND OPERATING EXPENSES	2020	2019
2	Revenues	8 681 501	12 257 037
2	Other operating income	357 914	292 547
	Total operating revenue	9 039 414	12 549 584
3	Production and transportation costs	(2 596 673)	(2 597 906)
4	Change in over-/underlift	(95 218)	152 754
5	Exploration expenses	(468 560)	(535 133)
6	Payroll and related costs	(182 847)	(116 875)
10	Depreciation, amortisation and depletion	(3 680 064)	(3 932 345)
10	Impairment of fixed assets	1 043 669	-
7	Other operating expenses	(754 103)	(496 178)
	Total operating expenses	(6 733 796)	(7 525 682)
	Operating profit/(loss)	2 305 619	5 023 902
	FINANCIAL INCOME AND FINANCIAL EXPENSES		
8	Other financial income	649 988	249 413
8	Other financial expenses	(630 184)	(597 297)
	Financial items, net	19 804	(347 884)
	Profit/(loss)before taxation	2 325 423	4 676 019
9	Income tax	(2 011 551)	(3 945 681)
	PROFIT/(LOSS) FOR THE FINANCIAL YEAR	313 871	730 338
	ALLOCATION		
14	Transfer other equity	313 871	730 338
	Total allocations and equity transfers	313 871	730 338



Balance sheet at December 31

Amounts in NOK 1000

NOTE	ASSETS	2020	2019
	Non-current assets		
	Intangible assets		
10	Concessions, patents, licences, trademarks and similar rights	45 324	1
10	Exploration assets	2 711 879	2 836 993
	Total intangible assets	2 757 203	2 836 994
	Tangible fixed assets		
10	Assets under development	2 520 319	1 339 077
10	Producing assets	12 158 164	14 243 237
10	Fixtures and fittings	422	1 211
	Total tangible fixed assets	14 678 905	15 583 525
	Financial non-current assets		
	Other assets	9 193	7 257
	Total financial non-current assets	9 193	7 257
	Total non-current assets	17 445 302	18 427 776
	Current assets		
11	Inventories	204 699	195 293
	Receivables		
12	Accounts receivable	1 240 877	804 428
12	Other receivables	1 476 176	3 482 258
4	Underlift	92 647	241 152
	Total receivables	2 809 699	4 527 838
13	Cash and cash equivalents	140 952	97 099
	Total current assets	3 155 350	4 820 230
	TOTAL ASSETS	20 600 652	23 248 007



Amounts in NOK 1000

NOTE	SHAREHOLDERS EQUITY AND LIABILITIES	2020	2019
	Shareholders' equity		
	Paid-in capital		
14	Share capital	1 468 003	1 468 003
14	Share premium	4 280 271	4 415 271
	Total paid-in capital	5 748 274	5 883 274
	Retained earnings		
14	Other equity	(633 792)	(947 663)
	Total retained earnings	(633 792)	(947 663)
	Total shareholders equity	5 114 482	4 935 611
	Liabilities		
	Provisions for liabilities and charges		
15	Asset retirement obligation	6 064 047	6 749 757
9	Deferred tax	3 850 569	2 424 168
16	Other non-current provisions	54 583	44 553
	Total provisions for liabilities and charges	9 969 199	9 218 477
	Other non-current liabilities		
17	Intercompany loan	-	3 148 544
	Total non-current liabilities	-	3 148 544
	Current liabilities		
18	Accounts payable	1 129 372	1 344 420
9	Income tax payable	1 112 217	1 196 975
	Other taxes and withholdings	19 382	17 039
16	Other current provisions	54 894	103 661
18	Other current liabilities	3 194 147	3 223 032
4	Overlift	6 959	60 247
	Total current liabilities	5 516 970	5 945 374
	Total liabilities	15 486 169	18 312 395
	TOTAL SHAREHOLDERS EQUITY AND LIABILITIES	20 600 652	23 248 007



Stavanger, 22 April 2021

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Board member (Employee elected)

Lars Martin Moskvil
Board member (Employee elected)



Cash flow statement

Amounts in NOK 1000

CASH FLOW FROM OPERATIONS	2020	2019
Profit/(loss) before taxation	2 325 423	4 676 019
Taxes received/(-paid) for the period	(669 909)	(3 941 330)
Depreciation, amortisation and depletion	3 680 064	3 932 345
Impairment of fixed assets	(1 043 669)	-
Dry exploration wells write-off and other intangibles impairment losses	215 611	216 443
Net movement in other provisions	(38 896)	(69 623)
Net interest expenses	136 094	285 740
Accretion of decommissioning provisions	30 695	62 499
Change in working capital		
Change in over/underlift	95 218	(152 754)
Change in inventory	(9 406)	(14 575)
Change in trade receivables	(436 448)	725 829
Change in trade payables	(190 069)	446 303
Changes in other current assets and other liabilities	326 559	(439 234)
Net cash flow from operations	4 421 267	5 727 662
CASH FLOW FROM INVESTMENT ACTIVITIES		
Outflows due to other investments related to licenses	(2 577 637)	(2 569 362)
Net cash flow from investment activities	(2 577 637)	(2 569 362)
CASH FLOW FROM FINANCING ACTIVITIES		
Net outflow due to payment of loans/deposits	(1 501 435)	(1 694 765)
Paid/received interests (net)	(163 342)	(302 495)
Paid dividend	(135 000)	(1 100 000)
Net cash flow from financing activities	(1 799 777)	(3 097 260)
Net change in bank deposits, cash and equivalents	43 853	61 039
Bank deposits, cash and equivalents at 1 January	97 099	36 060
Bank deposits, cash and equivalents at December 31	140 952	97 099



Notes to the 2020 accounts

Amounts in the tables are in NOK 1000, except where otherwise noted.

Note 1 – Accounting policies

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway.

Valuation and classification of assets and liabilities

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria.

Current assets are valued at the lower of historical cost and fair value.

Fixed assets are carried at historical cost, but are written down to their recoverable amount if this is lower than the carrying amount and the decline is expected to be permanent. Fixed assets with a limited economic life are depreciated on a systematic basis in accordance with a reasonable depreciation schedule. Other long-term liabilities, as well as short-term liabilities, are valued at nominal value.

Foreign currency

All balance sheet items denominated in foreign currencies are translated into NOK at the exchange rate prevailing at the balance sheet date.

Interests in Joint Ventures

Interests in oil and gas licenses and units (Joint Ventures) are recognized in accordance with the gross method, i.e. by recording the company's share of the Joint Ventures' expenses, assets, liabilities and cash flows, on a line-by-line basis with similar items in the company's financial statements.

Inventories

Inventories (spare parts etc.) are valued at the lower of cost or market value.

Over/underlift of petroleum

Over- and underlift is valued at the lower of cost or market value. Overlift is classified as a current liability, while underlift is classified as a current receivable in the balance sheet.

Revenue recognition

Revenues are recognized when title passes from the seller to the customer, normally at the point of delivery or shipment. The revenue is recognized with the value of the remuneration at the time of transaction.

Receivables

Trade receivables and other receivables are recognized at nominal value, less the provision for expected losses. The accrual for losses is based on an individual assessment of each receivable.



Cash and cash equivalents

Cash and cash equivalents include bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

Capitalized exploration and license costs and oil and gas properties

Exploration costs for oil and gas properties

The Company uses the successful efforts method to account for exploration costs. All exploration costs, with the exception of acquisition costs of licenses and drilling costs of exploration wells are expensed as incurred. Costs related to drilling of exploration wells are temporarily capitalized pending the evaluation of the potential existence of oil and gas reserves. If reserves are not found, or if discoveries are assessed not to be commercially recoverable, the drilling costs of exploration wells are expensed. Costs of acquiring licenses and drilling costs of exploration wells are capitalized as intangible assets.

Development of oil and gas properties

The field enters into the development phase when the final investment decision is taken. Capitalized exploration and acquisition costs are then reclassified from intangible to tangible assets. All costs of developing commercial oil and/or gas fields are capitalized, including direct costs. Capitalized development costs are classified as tangible assets.

Oil and gas field in production

When a field is starting production of oil and gas, the capitalized costs for the oil and gas properties, including reclassified exploration costs and all development costs, are depreciated using the unit of production method. The rate of depreciation is equal to the ratio of oil and gas production for the period over the estimated remaining proved and proved developed reserves at the beginning of the period. The rate of depreciation is multiplied with the carrying value. Any changes in the reserves estimate that affect the unit-of-production calculations, are accounted for prospectively over the revised remaining reserves.

Impairment of oil and gas properties

Oil and gas properties (tangible fixed assets) are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Costs of acquiring exploration licenses (intangible assets) are assessed for impairment annually. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset has to be considered impaired and written down to its recoverable amount. Each field is considered to be a separate unit of account and is tested for impairment separately.

An impairment loss recognised in prior periods will be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (depreciation) had no impairment loss been recognised for the asset in prior years.



Transfer of joint venture shares

Transfer of interests in a petroleum license on the Norwegian Continental Shelf requires approval from the Norwegian Government. Under such transactions the sale price is generally considered to be on an "after tax" basis (after-tax transaction) as the consideration is not taxable for the seller and not deductible for the buyer through depreciations.

When acquiring licenses that yield rights to exploration for and production of petroleum, it will be assessed for each acquisition whether it represents a business combination or asset acquisition. As a main rule, acquisitions of individual licenses do not meet the definition of business combinations, and will accordingly be handled as acquisitions of individual assets.

In connection with agreements for acquisitions/sales of interests, the parties will establish a time for the acquisition of the net cash flow from the effective date (often set on 1 January of the calendar year). In the period between the effective date and the completion date, the seller will include the acquired interest in the seller's accounts. Going forward from the completion date, revenue and costs are included in the buyer's profit and loss.

In accordance with the acquisition agreement, there will be a settlement with the seller of net cash flow from the ownership interest during the period from the effective date to completion date (Pro&Contra settlement). The Pro&Contra settlement will be adjusted against the acquisition cost of the buyer, as the settlement (after reduction for taxes) is regarded as part of the payment for the transaction.

Reversal of current and deferred tax assets and liabilities related to the sold interests will be included in the calculation of net gain or loss on the transaction for the seller. The net gain/(loss) will be included in Other operating income/(Other operating expenses) in the seller's profit and loss statement.

Farm-in agreements

Farm-in agreements are usually made during the exploration and development phases, and are characterized by the seller deferring future financial advantages, in the form of reserves, to reduce future financing obligations. One example can be that a license interest is acquired and covered by the seller's share of the drilling-related costs. During the exploration phase, the company will normally enter farm-in agreements based on historical costs, as fair value often is difficult to determine.

Swaps and unitizations

Swapping of joint venture interests is measured at fair value, unless the transaction lacks commercial substance or if the fair value of the swapped interests is not measurable. During the exploration phase, the company will account for swaps based on historical costs, as it is often difficult to determine the fair value.

Asset Retirement Obligations

A provision for removal costs is recognized when the company has an obligation (legal or constructive) to dismantle and remove a facility or an item of property, plant and equipment and to restore the site on which it is located, and when a reliable estimate of that liability can be made. The estimates used are based on the future undiscounted costs of the removal costs in accordance with the requirements of existing regulations and using existing technology. The discount rate used in the calculation of the obligation is the risk-free rate based on the applicable currency and time horizon of the underlying cashflow, adjusted for a credit premium which reflects the Company's credit premium. When a provision for removal cost is recognized, a corresponding amount is recognized to increase related property, plant and equipment and is subsequently depreciated as part of the cost of the facility or item of



property, plant and equipment. Any change in the present value of the estimated expenditure is reflected as an adjustment to the provision and the corresponding property, plant and equipment.

Pension plans

Defined contribution plans are accounted for in accordance with the matching principle. Contributions to the pension plan are recorded as expenses.

Cost of sales and other expenses

In principle, cost of sales and other expenses are recognized in the same period as the revenue to which they relate. In instances where there is no clear connection between the expense and revenue, the apportionment is estimated. Other exceptions to the matching criteria are disclosed where appropriate.

Income taxes

Tax expenses are matched with operating income before tax. Tax related to equity transactions e.g. group contribution, is recognized directly in equity.

Tax expense consists of current income tax expense and change in net deferred tax. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet. Deferred tax assets are only recognized to the extent it is more likely than not that they will be recovered against future profits. Deferred taxes are calculated by using a corporate tax rate of 22% and a special tax rate for the petroleum sector of 56%.

Tax refund of exploration costs are classified as a receivable in the balance sheet.

The uplift benefit is recognized when the deduction is included in the current year tax return and impacts tax payable.

Estimates

In accordance with Norwegian generally accepted accounting principles, the management of the company is responsible for the estimates and assumptions that affect the valuation of assets and liabilities in the balance sheet and depreciations in the profit and loss statement. The final realizable values may deviate from these estimates.

Uncertain obligations

The company will, through its activities, be involved in conflicts and disputes. The company will accrue for obligations in connection with such unresolved issues based on the best estimate, when it is probable that an outflow of economic benefits will be required to settle the obligation. It is assumed that the results of these conflicts will not have a significant impact on the company's financial statement.



Note 2 – Revenues and other operating income

Specification of revenues per product	2020	2019
Sales of gas to related parties	2 882 661	3 733 740
Sales of oil to third parties	5 207 558	7 878 852
Sales of natural gas liquids (NGL) to third parties	591 281	644 445
Total	8 681 501	12 257 037

Specification of revenues per geographical market:	2020	2019
Norway	5 712 134	8 076 009
United Kingdom	876 316	1 069 842
Germany	2 093 050	3 108 307
The Netherlands	-	2 879
Total	8 681 501	12 257 037

The revenues are derived from production from the Gullfaks, Gudrun, Edvard Grieg and Aasta Hansteen fields.

Specification of other operating income	2020	2019
Pipeline income	72 556	82 804
Processing income	139 976	162 834
Recharge of services and expats	120 034	27 885
Other income	25 348	19 024
Total	357 914	292 547

Note 3 – Production and transportation costs

Specification of production and transportation costs	2020	2019
Direct production expenses	(1 237 761)	(1 206 426)
Insurance expenses	(39 741)	(33 612)
Transport expenses	(1 319 171)	(1 357 868)
Total	(2 596 673)	(2 597 906)

Note 4 – Over/underlift

	2020	2019
Opening balance net under/(over)lift in the balance sheet	180 905	28 151
Change over/underlift in the profit and loss statement	(95 218)	152 754
Closing balance net under/(over)lift in the balance sheet	85 687	180 905



Note 5 – Exploration expenses

Specification of exploration expenses	2020	2019
Acquisition of seismic data, analyses and studies	(98 276)	(200 884)
Dry exploration wells and other impairment losses/write-downs	(215 611)	(216 443)
Other exploration and evaluation costs	(154 673)	(117 805)
Total	(468 560)	(535 133)

Note 6 – Payroll costs, number of employees, benefits etc.

Payroll costs to own employees and personnel contracted from group companies	2020	2019
Costs related to personnel contracted from other group companies (incl. withholding and social security taxes)	(109 055)	(95 924)
Wages and salaries own employees	(138 612)	(126 939)
Social security tax	(22 027)	(21 230)
Pension costs	(15 918)	(13 319)
Other benefits	(7 375)	(10 022)
Allocation to partners in operated licenses based on time writing	69 227	118 970
Allocation to fixed and intangible assets based on time writing	40 913	31 589
Total	(182 847)	(116 875)

Average number of full time employees during the year 90 84

In addition, personnel is temporarily hired from other group companies.

Pensions

The company is required to have an occupational pension plan in accordance with Norwegian legislation on occupational pensions ("lov om obligatorisk tjenestepensjon"). The company's pension plan meets the requirements of this legislation. The entity's defined contribution plan is organized in accordance with Norwegian legislation on defined contribution pensions ("lov om innskuddspensjon").

Directors' remuneration	2020	2019
Salary and other benefits to General Manager	4 763	5 450

No fees have been paid to the Board of Directors for 2020 or 2019 by virtue of their being members of the Board.

The General Manager is part of the group's Executive Bonus scheme. The terms and conditions will be agreed specifically with the Group for each year.

In case of termination of the General Manager's contract on the initiative of the company, the General Manager will receive a one-off termination payment of 6 months' base salary.



Share based payments

Several senior managers of the company including the General Manager are part of the OMV Group's share-based Long Term Incentive Plans. At vesting date, shares in OMV AG will be granted to the participants. The number of shares is determined depending on the achievement of defined performance criteria. Senior managers as active participants of the plans are required to build up an appropriate volume of shares and to hold those shares until retirement, departure from the Company or until the last LTIP is paid out if the LTIP eligibility lapses but the manager is still in active employment with the company. The shareholding requirement is defined as a percentage of the Target Long Term Incentive. Until fulfillment of the shareholding requirement the disbursement is in form of shares whilst thereafter the plan participants can decide between cash or share settlement.

OMV (Norge) accounts for the scheme based on the assumption that it will be settled in cash upon realization. An accrual based on the fair value of the amount payable is built up over the three year performance period, so that by the end of the vesting period the fair value of the bonus shares to be granted is fully provided for. The accrual is remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognized in the profit and loss statement.

Expenses related to share based payments - payroll and related costs	2020	2019
Payroll and related costs	(1 006)	(1 002)
Foreign exchange gain/(loss)	219	(36)
Total	(787)	(1 038)

	2020	2019
Accrual for share based payments at 31 December	2 166	1 380

Auditor

Remuneration to Ernst & Young AS is as follows:	2020	2019
Statutory audit	(1 060)	(1 033)
Other assurance services	(160)	(291)
Tax advice	(227)	(508)
Total	(1 447)	(1 833)



Note 7 – Other operating expenses

Specification of other operating expenses	2020	2019
Services and fees from related parties	(612 505)	(502 163)
Change in provisions during the year	34 346	4 310
Other operating expenses	(166 758)	(174 125)
Allocation to partners in operated licenses based on time writing	(49 730)	140 287
Allocation to fixed and intangible assets based on time writing	40 544	35 514
Total	(754 103)	(496 178)

The allocation to partners in operated licenses based on time writing is negative for 2020 due to an adjustment of prior year allocation settled with the partners in 2020.

Note 8 – Specification of net financial income and expense

	2020	2019
Foreign exchange gain, realized	605 656	189 684
Foreign exchange gain, unrealized	11 544	4 712
Other interest income	32 788	55 017
Total financial income	649 988	249 413

	2020	2019
Foreign exchange loss, realized	(381 164)	(191 587)
Foreign exchange loss, unrealized	(52 642)	(872)
Interest expense to group companies	(196 600)	(348 482)
Capitalized interest	31 341	18 848
Accretion of decommissioning provisions	(30 695)	(62 499)
Other interest expense	(3 623)	(11 122)
Other financial expense	3 199	(1 584)
Total financial expenses	(630 184)	(597 297)



Note 9 – Taxes

Specification of income tax expense:	2020	2019
Current tax payable	(155 046)	(3 543 408)
Change prior year tax	(430 104)	(58 640)
Change in deferred tax	(1 426 402)	(343 632)
Total tax (expense)/income recognized in the profit and loss statement	(2 011 551)	(3 945 681)

Reconciliation from nominal to effective income tax rate:	2020	2019
Profit before taxation	2 325 423	4 676 019
Estimated income tax according to nominal tax rate 22%	(511 593)	(1 028 724)
Estimated income tax according to nominal tax rate 56%	(1 302 237)	(2 618 571)

The tax effect of the following items:		
Non-deductible expenses	(175 252)	(350 658)
Financial items 22%	2 949	(148 689)
Prior year adjustments	(10 012)	(464)
Uplift	494 318	298 299
Tax risk provisions	(509 724)	(96 875)
Income tax (expense)	(2 011 551)	(3 945 681)
Effective income tax rate	87 %	84 %

Specification of the tax effect of temporary differences:	2020	2019
Fixed assets	(6 428 982)	(5 019 720)
Exploration and license expenses	(1 469 411)	(1 383 754)
Asset retirement obligations (net of provision and related fixed assets)	4 138 726	4 018 383
Other provisions and spare parts	(90 902)	(39 077)
Net deferred asset/(liability) in the balance sheet	(3 850 569)	(2 424 168)

Reconciliation of change in deferred tax recognized in the profit and loss statement:	2020	2019
Change in deferred tax in the balance sheet	(1 426 402)	(343 632)
Change in deferred tax recognized in the profit and loss statement	(1 426 402)	(343 632)



Reconciliation of current tax payable in the profit and loss statement:	2020	2019
Tax payable in the balance sheet	(1 112 217)	(1 196 975)
Of which tax risk provisions	615 792	106 067
Of which prior year adjustments not yet paid	13 507	-
Taxes (paid)/received in the current year	417 504	(2 412 500)
Changes in tax risk provisions for the current year	(89 633)	(40 000)
Current tax payable recognized in the profit and loss statement	(155 046)	(3 543 408)

Note 10 – Property, Plant & Equipment

Intangible assets	Concessions etc.	Exploration assets	Total
Cost at 1 January 2020	1 742	2 836 993	2 838 735
Additions	45 324	202 550	247 874
Reclassifications	-	(112 052)	(112 052)
Retirement of dry well expenses	-	(215 611)	(215 611)
Cost at 31 December 2020	47 066	2 711 879	2 758 945
Accumulated DD&A at 1 January 2020	(1 741)	-	(1 741)
DD&A this year	(1)	-	(1)
Write downs	-	(215 611)	(215 611)
Retirement of dry well expenses	-	215 611	215 611
Accumulated DD&A at 31 December 2020	(1 742)	-	(1 742)
Balance at 31 December 2020	45 324	2 711 879	2 757 203
Economic life	3 years/not depreciated	N/A	
Depreciation method	straight line	N/A	

Additions

The main part of the additions to exploration assets relate to the drilling of the Hades appraisal well in operated license PL644. The addition to concessions etc. relates to the Power from Shore project (PL338 Edvard Grieg).

Reclassifications

The reclassification from Intangible assets to Tangible fixed assets mainly relates to a part of the allocated purchase price for the Gullfaks asset considered matured from intangible to tangible during 2020.

Write downs

The write downs relate to relinquished licences PL920, PL338 Apollo area, PL768, PL777, PL807 and PL855. These are presented as Exploration expenses in the Profit and loss statement.



Tangible fixed assets	Assets under development	Producing assets	Fixtures and fittings	Total
Cost at 1 January 2020	1 339 077	41 640 568	31 515	43 011 161
Additions	2 336 036	-	89	2 336 125
Changes related to asset retirement obligations	36 499	(752 903)	-	(716 404)
Reclassifications	(1 191 294)	1 303 346	-	112 052
Cost at 31 December 2020	2 520 319	42 191 011	31 604	44 742 934
Accumulated DD&A at 1 January 2020	-	(27 397 331)	(30 304)	(27 427 635)
DD&A this year	-	(3 679 184)	(878)	(3 680 062)
Impairment of fixed assets	-	1 043 669	-	1 043 669
Accumulated DD&A at 31 December 2020	-	(30 032 847)	(31 182)	(30 064 029)
Balance at 31 December 2020	2 520 319	12 158 164	422	14 678 905

Economic life	N/A	N/A	3-5 years
Depreciation method	N/A	unit of production	straight line

Capitalized interest included in cost current year	31 341		
Capitalized interest included in cost, accumulated	41 996	368 313	

Annual lease of off-balance sheet fixed assets (office space, apartments, IT equipment etc.)			25 842
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Assets under development includes inventory not used for operational purposes. Please see note 11 for more details.

Additions

The additions to assets under development mainly relate to development projects in the Gullfaks, Gudrun, Edvard Grieg, Solveig and Rolvsnes fields.

Reclassifications

All capital expenditure for the producing fields Gudrun, Gullfaks, Edvard Grieg and Aasta Hansteen are posted first to assets under development and then reclassified to producing assets when relevant.



Impairments

The significant drop in oil and gas prices led to changes in the OMV Group's price assumptions and triggered impairment testing throughout the Exploration & Production segment of the Group effective 30 June 2020.

In the case of OMV (Norge), due to improved estimates of volumes and estimated timing of producing the volumes, the impairment tests resulted in reversal of previous impairments for two assets. No new impairments were required.

Main assumptions applied for estimate of recoverable amount at 30 June 2020

Discount rate (after tax)	7.61%
Inflation	2.2% for 2021, 2.0% for 2022 onwards
Cash flow	After tax
Prognosis period	Estimated life time of the field
Reserves/resources	Internal estimated reserves and resources as of 30 June 2020
Oil price	USD 55/bbl for 2021 and 60/bbl for 2022. From 2023 to 2029 a fixed price of USD 65/bbl has been applied. This is then expected to gradually decline to USD 60/bbl by 2035. From 2035 onwards, a price of USD 60/bbl has been applied.

The assumptions for short and medium term are based on management's best estimate and were consistent with external sources. The long-term assumptions were consistent with data provided by external studies and consider long-term views of global supply and demand. In particular, OMV's long term assumptions and the inverse price curve applied for Brent oil take into consideration the impacts of climate-related matters and energy transition to lower-carbon energy sources.

Specification of recognized (impairment)/reversal per asset	2020
Gullfaks	202 659
Aasta Hansteen	841 010
Net (impairment) reversal of tangible fixed assets	1 043 669

There were no further impairment indications after 30 June, and no impairment tests were carried out for 2020 year-end.

Note 11 – Inventories

	2020	2019
Spare parts (Joint Ventures)	193 994	184 588
Natural gas	10 704	10 704
Total	204 699	195 293

Spare parts for joint ventures are classified as inventory when they are used for operational purposes, and are primarily related to Gullfaks, Gudrun, Edvard Grieg and Aasta Hansteen. Other inventory (casing, tubing, drilling equipment) is classified as fixed assets under development (and not depreciated).

Natural gas refers to linefill in the Polarled pipeline.



Note 12 – Current receivables

Accounts receivable	2020	2019
Invoices issued not paid at 31 December	610 621	87 285
Trade receivables and prepayments from joint interest billings, non-operated licenses	32 405	53 273
Accrued revenues	597 851	663 870
Total accounts receivable	1 240 877	804 428
Other current receivables	2020	2019
Underfund operated joint ventures	5 194	17 735
Overfund non-operated joint ventures	410 225	713 956
VAT refund receivable	598	16 776
Intercompany receivables	1 049 503	2 732 514
Prepaid expenses and other receivables	26 038	1 626
Cutback of partners' shares of the above - VAT, prepaid expenses and other receivables	(15 384)	(350)
Total other current receivables	1 476 176	3 482 258

Over- and underfund for non-operated joint ventures is assessed as a net per currency per joint venture. Net overfund balances are included as Other current receivables.

Note 13 – Cash and cash equivalents

Bank deposit balances include restricted employees' tax deduction funds with TNOK 8 741.



Note 14 – Equity, share capital and shareholder information

	Share-capital	Share-premium	Other equity	Total equity
Equity at 1 January 2020	1 468 003	4 415 271	(947 663)	4 935 611
<i>This year's change in equity:</i>				
Profit/(loss) of the year	-	-	313 871	313 871
Extraordinary dividends paid in the year	-	(135 000)	-	(135 000)
Equity at 31 December 2020	1 468 003	4 280 271	(633 792)	5 114 482
			2020	2019
Book value share capital			1 468 003	1 468 003
Total			1 468 003	1 468 003

The share capital consists of 1,453,468 shares of NOK 1010 each. All shares have equal rights.

Ownership structure

OMV Exploration & Production GmbH owns all of the shares in OMV (Norge) AS and OMV Exploration & Production GmbH is fully owned by OMV AG. OMV Exploration & Production GmbH and OMV AG have their registered offices in Vienna, Austria. OMV (Norge) AS is included in the consolidated financial statements of OMV AG. Copies of the consolidated financial statements can be obtained from OMV AG.

Note 15 – Asset retirement obligation

	2020	2019
Balance at 1 January	6 749 757	6 448 517
Changes in parameters in the period	(797 960)	201 898
Addition from new obligations	81 555	36 843
Accretion expense	30 695	62 499
Balance at 31 December	6 064 047	6 749 757
Escalation rate short term	0,00 %	1,32 %
Discount rate short term	0,88 %	1,32 %
Escalation rate long term	0,00 %	0,00 %
Discount rate long term	1,16 %	0,00 %

The obligation as of 31 December 2020 relates to fields (Gulfaks, Gudrun, Edvard Grieg, Aasta Hansteen, Rolvsnes and Solveig) and pipelines (Edvard Grieg Oil Pipeline and Utsira High Gas Pipeline).



Note 16 – Other provisions

	Current provisions		Non-current provisions	
	2020	2019	2020	2019
Provision for excess capacity	-	61 814	-	-
Shipper's obligation for removal of plants and pipelines	-	-	54 583	43 785
Other provisions	54 894	41 847	-	768
Total	54 894	103 661	54 583	44 553

Provision for excess capacity: This provision was related to onerous contracts for gas transport capacity related to the Aasta Hansteen field. The remaining obligation from 2019 has been settled during 2020.

Shipper's obligation for removal of plants and pipelines: According to the tariff agreements, the shippers are responsible for the removal/abandonment of pipelines and facilities. The provision includes our obligations as shippers in the Gassled pipelines and the Kårstø and Nyhamna plants.

Other provisions include estimated bonus payments and an estimated adjustment of charges to partners in operated licenses for indirect cost for 2020.



Note 17 – Related party transactions and balances

Related party transactions, profit and loss

Transaction/ transaction type	Counterpart	Relationship to the counterpart	2020	2019
Revenues and other operating income				
Sales	OMV Gas Marketing & Trading GmbH	other group company	2 882 661	3 733 740
Recharges	OMV Aktiengesellschaft	ultimate parent company	217	-
Recharges	OMV Exploration and Production GmbH	parent company	25 322	13 544
Total			2 908 200	3 747 285
Expenditures				
Payroll and other operating expenses	OMV Exploration and Production GmbH	parent company	389 181	344 470
Payroll and other operating expenses	OMV Aktiengesellschaft	ultimate parent company	15 952	5 820
Payroll and other operating expenses	OMV Supply & Trading Ltd	other group company	13 511	19 213
Other operating expenses	OMV Gas Marketing & Trading GmbH	other group company	260 611	206 092
Other operating expenses	OMV Petrom Global Solutions SRL	other group company	6	3 439
Total			679 262	579 034
Net financial expenses/(income)				
Interest	OMV Finance Services NOK GmbH	other group company	196 541	348 476
Interest	OMV Gas Marketing & Trading GmbH	other group company	-	(12)
Interest and guarantee fees	OMV Aktiengesellschaft	ultimate parent company	(13 775)	(53 012)
Total			182 765	295 452

Sales

The transactions relate to sales of dry gas to OMV Gas Marketing & Trading GmbH.

Expenditures

The operating expenses relate to assistance, advice and other services related to the operations at OMV (Norge) AS, as well as charges for employees temporarily hired from other group companies.



Related party balance items

Counterpart	Relationship to the counterpart	Accounts receivable		Other receivables	
		2020	2019	2020	2019
OMV Gas Marketing & Trading GmbH	other group company	386 085	342 881	-	-
OMV Aktiengesellschaft	ultimate parent company	-	-	1 049 503	2 732 514
OMV Exploration and Production GmbH	parent company	3 623	3 333	-	-
Total		389 708	346 215	1 049 503	2 732 514

Other receivables as of 31 December 2020 represent short term cash deposits (for temporary cash surplus) made with OMV Aktiengesellschaft.

Counterpart	Relationship to the counterpart	Intercompany loan	
		2020	2019
OMV Finance Services NOK GmbH	other group company	-	3 148 544
Total		-	3 148 544

The loan matures in 2021 and remaining balance at 31.12.20 is included in current liabilities below.

Counterpart	Relationship to the counterpart	Accounts payable		Other current liabilities	
		2020	2019	2020	2019
OMV Exploration and Production GmbH	parent	102 817	62 090	-	-
OMV Gas Marketing & Trading GmbH	other group company	17 456	17 739	-	-
OMV Aktiengesellschaft	ultimate parent company	3 789	1 380	1 207	31 206
OMV Finance Services NOK GmbH	other group company	-	-	3 148 844	3 150 806
OMV Supply & Trading Ltd	other group company	2 477	2 936	-	-
OMV Petrom Global Solutions SRL	other group company	-	254	-	-
Total		126 539	84 398	3 150 051	3 182 011



Note 18 – Current liabilities

Accounts payable	2020	2019
Invoices received not paid at 31 December	140 619	63 149
Trade payables and accruals from joint interest billings, non-operated licenses	536 441	597 805
Accrued liabilities	463 547	761 072
Cutback of partners' shares of the above - accounts payables and accruals	(11 235)	(77 606)
Total accounts payable	1 129 372	1 344 420

Other current liabilities	2020	2019
Overfund operated joint ventures	305	2 448
Underfund non-operated joint ventures	239	83
Intercompany loans and accrued interest	3 148 844	3 180 812
Personnel related accruals	13 861	12 846
Deferred income and other payables	30 898	26 843
Total other current liabilities	3 194 147	3 223 032

Over- and underfund for non-operated joint ventures is assessed as a net per currency per joint venture. Net underfund balances are included as Other current liabilities.

Note 19 – Other off-balance sheet liabilities

At 31.12.20 the Company has commitments expected to be capitalized as intangible assets related to exploration of 645 million NOK, mainly for exploration drilling in licenses PL817, PL970, PL617 and PL359, and for concept studies in licenses PL537 and PL644.

At 31.12.20 the Company has future investment commitments in development projects estimated to 3 374 million NOK. The commitments mainly relate to PL050 Gullfaks including the Hywind project, PL025 Gudrun, PL338 Edvard Grieg including the Power from Shore project, PL359 Solveig and PL338C Rolvsnes.

Note 20 – Petroleum reserves

Proved reserves (unaudited)	2020	2019
Balance at 1 January	121 594	119 949
Extensions and discoveries	-	7 233
Revisions of estimates	18 198	25 985
Production	(31 346)	(31 573)
Total reserves at 31 December	108 445	121 594

All quantities are in TBOE.

Proved oil and gas reserves are estimated quantities of crude oil, natural gas and natural gas liquids (NGL) that geological and engineering data demonstrate with reasonable certainty to be economically recoverable within the license period from known reservoirs under existing economic and operating conditions, i.e., prices and costs as of the date the estimates are made.



Note 21 – Interests in fields/licenses and pipelines

At 31 December 2020, the company has the following interests in licenses and units:

Field/license	Share	Operator
Gullfaks (PL037B, 037E, 050, 050B, 050C, 050D, 050FS, 152, 277, 277C)	19%	Equinor Energy AS
Gudrun (PL025, 187)	24%	Equinor Energy AS
Aasta Hansteen (PL218, 218B)	15%	Equinor Energy AS
Edvard Grieg (PL338, PL338DS)	20%	Lundin Energy Norway AS
Rolvnes (PL338C, PL338E)	20%	Lundin Energy Norway AS
Solveig (PL359)	20%	Lundin Energy Norway AS
Wisting (PL537, 537B)	25%	Equinor Energy AS
Hades/Iris (PL644, 644B, 644C)	30%	OMV (Norge) AS
Edvard Grieg Oil Pipeline	12.2216 %	Equinor Energy AS
Utsira High Gas Pipeline	8.3324 %	Gassco AS
PL617	30%	MOL Norge AS
PL771	30%	MOL Norge AS
PL814	30%	Aker BP ASA
PL817, 817B	50%	Neptune Energy Norge AS
PL970	50%	OMV (Norge) AS
PL1004	70%	OMV (Norge) AS
PL1007	20%	DNO Norge AS
PL1016	60%	OMV (Norge) AS
PL1019	20%	Equinor Energy AS
PL1020	25%	Wintershall Dea Norge AS
PL1033	60%	OMV (Norge) AS
PL1072	30%	Vår Energi AS
PL1073	30%	Vår Energi AS