



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 917 209 405
Organisasjonsform: Aksjeselskap
Foretaksnavn: EQUINOR REFINING NORWAY AS
Forretningsadresse: 5954 MONGSTAD

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Nei

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: Torben Haurum
Dato for fastsettelse av årsregnskapet: 26.05.2021

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, 03.08.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Revenue	8	366 617 858	2 528 412 741
Other income		230 846 395	258 356 233
Sum inntekter	3	597 464 252	2 786 768 974
Kostnader			
Depreciation	9, 10	587 371 476	747 890 182
Nedskrivning av varige driftsmidler og immaterielle eiendeler	10	8 415 000 000	4 887 500 000
Other operating expenses	4, 6, 8	2 776 424 241	3 090 477 874
Sum kostnader		11 778 795 717	8 725 868 056
Driftsresultat		-11 181 331 465	-5 939 099 082
Annen rentekostnad	5, 8	204 251 212	50 237 599
Sum finanskostnader		204 251 212	50 237 599
Netto finans		-204 251 212	-50 237 599
Ordinært resultat før skattekostnad		-11 385 582 677	-5 989 336 682
Income tax	7	-2 483 889 934	-1 317 654 070
Ordinært resultat etter skattekostnad		-8 901 692 743	-4 671 682 612
Årsresultat	16	-8 901 692 743	-4 671 682 612
Årsresultat etter minoritetsinteresser		-8 901 692 743	-4 671 682 612
Totalresultat		-8 901 692 743	-4 671 682 612



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets	9	839 156	911 640
Utsatt skattefordel	7	2 201 651 375	364 955 878
Sum immaterielle eiendeler		2 202 490 531	365 867 518
Varige driftsmidler			
Equipment		52 883 261	48 777 398
Production plants and oil and gas assets		290 256 090	6 395 986 810
Development assets		69 601 497	1 473 630 986
Sum varige driftsmidler	8, 10	412 740 849	7 918 395 194
Finansielle anleggsmidler			
Investering i datterselskap	11	6 145 281 742	6 297 281 742
Sum finansielle anleggsmidler		6 145 281 742	6 297 281 742
Sum anleggsmidler		8 760 513 122	14 581 544 453
Omløpsmidler			
Varer			
Fordringer			
Accounts receivables			377 221 554
Other receivables		228 160 322	250 957 349
Konsernfordringer	8	2 932 820 949	1 664 211 576
Sum fordringer	12	3 160 981 271	2 292 390 480
Sum omløpsmidler		3 160 981 271	2 292 390 480
SUM EIENDELER		11 921 494 393	16 873 934 933

BALANSE - EGENKAPITAL OG GJELD

Egenkapital



Balanse

Beløp i: NOK	Note	2020	2019
Innskutt egenkapital			
Share capital	17	100 003 000	100 003 000
Annen innskutt egenkapital		4 400 330 224	14 868 748 370
Sum innskutt egenkapital		4 500 333 224	14 968 751 370
Opptjent egenkapital			
Retained earnings			-3 799 497 147
Sum opptjent egenkapital			-3 799 497 147
Sum egenkapital	16	4 500 333 224	11 169 254 223
Gjeld			
Langsiktig gjeld			
Utsatt skatt	7		
Other provisions	13	3 700 000 000	3 008 136 123
Sum avsetninger for forpliktelser		3 700 000 000	3 008 136 123
Annen langsiktig gjeld			
Other long term liabilities	14	130 190 487	203 768 098
Sum annen langsiktig gjeld		130 190 487	203 768 098
Sum langsiktig gjeld		3 830 190 486	3 211 904 221
Kortsiktig gjeld			
Leverandørgjeld	15	386 827 385	888 840 590
Tax payable	7		
Kortsiktig konserngjeld	8, 15	3 193 783 854	1 596 491 454
Other current liabilities	15	10 359 444	7 444 444
Sum kortsiktig gjeld		3 590 970 682	2 492 776 489
Sum gjeld		7 421 161 169	5 704 680 710
SUM EGENKAPITAL OG GJELD		11 921 494 393	16 873 934 933



FINANCIAL STATEMENTS 2020
Equinor Refining Norway AS
Org.no. 917 209 405



Income Statement			
Equinor Refining Norway AS			
	Note	2020	2019
Revenue and other income			
Revenue	8	366 617 858	2 528 412 741
Other income		230 846 395	258 356 233
Total revenue and other income	3	597 464 252	2 786 768 974
Operating expenses			
Depreciation	9, 10	-587 371 476	-747 890 182
Impairment	10	-8 415 000 000	-4 887 500 000
Other operating expenses	4, 6, 8	-2 776 424 241	-3 090 477 874
Total operating expenses		-11 778 795 717	-8 725 868 056
Net operating income/(loss)		-11 181 331 465	-5 939 099 082
Net Financial items	5, 8	-204 251 212	-50 237 599
Income/(loss) before tax		-11 385 582 677	-5 989 336 682
Income tax	7	2 483 889 934	1 317 654 070
Net income/(loss)	16	-8 901 692 743	-4 671 682 612



Balance sheet			
Equinor Refining Norway AS			
Assets	Note	2020	2019
Non-current assets			
Intangible assets			
Intangible assets	9	839 156	911 640
Deferred tax assets	7	2 201 651 375	364 955 878
Total intangible assets		2 202 490 531	365 867 518
Property, plant and equipment			
Development assets		69 601 497	1 473 630 986
Production plants and oil and gas assets		290 256 090	6 395 986 810
Equipment		52 883 261	48 777 398
Total property, plant and equipment	8, 10	412 740 849	7 918 395 194
Financial non-current assets			
Investments in subsidiaries	11	6 145 281 742	6 297 281 742
Total financial non-current assets		6 145 281 742	6 297 281 742
Total non-current assets		8 760 513 122	14 581 544 453
Current assets			
Receivables			
Accounts receivables		0	377 221 554
Receivables from group companies	8	2 932 820 949	1 664 211 576
Other receivables		228 160 322	250 957 349
Total receivables	12	3 160 981 271	2 292 390 480
Total current assets		3 160 981 271	2 292 390 480
TOTAL ASSETS		11 921 494 393	16 873 934 933



Balance sheet			
Equinor Refining Norway AS			
Equity and liabilities	Note	2020	2019
Equity			
Share capital	17	100 003 000	100 003 000
Additional paid-in capital		4 400 330 224	14 868 748 370
Retained earnings		0	-3 799 497 147
Total equity	16	4 500 333 224	11 169 254 223
Liabilities			
Non-current liabilities			
Other provisions	13	3 700 000 000	3 008 136 123
Other long term liabilities	14	130 190 487	203 768 098
Total non-current liabilities		3 830 190 486	3 211 904 221
Current liabilities			
Accounts payable	15	386 827 385	888 840 590
Liabilities to group companies	8, 15	3 193 783 854	1 596 491 454
Other current liabilities	15	10 359 444	7 444 444
Total current liabilities		3 590 970 682	2 492 776 489
Total liabilities		7 421 161 169	5 704 680 710
TOTAL EQUITY AND LIABILITIES		11 921 494 393	16 873 934 933
Stavanger, 10.05.2021 The board of Equinor Refining Norway AS			
<hr/> Grete Birgitte Haaland Member of the board	<hr/> Jofrid Tone Klokkehaug Member of the board	<hr/> Tore Aarreberg Member of the board	
<hr/> Ole-Tobias Frich Chairman of the board	<hr/> Sidsel Lokna Member of the board	<hr/> Sturle Bergaas General Manager	
Equinor Refining Norway AS		Page 4	



Cash Flow Statement		
Equinor Refining Norway AS		
Cash Flow Statement	2020	2019
Operating activities		
Income/(loss) before tax	-11 385 582 677	-5 989 336 682
Asset retirement obligation provisions	67 503 514	37 779 732
Depreciation and impairment losses	9 154 371 476	5 635 390 182
Expensed intangible assets	2 391 497	0
Increase/decrease in accounts receivables and other receivables	400 018 581	-6 442 599
Increase/decrease in accounts payable and other payable	-499 098 206	448 452 586
Increase/decrease in current intercompany accounts	168 556 007	-127 040 546
Cash flow provided by/(used in) operating activities	-2 091 839 808	-1 197 328
Investing activities		
Purchase/disposal of property, plant and equipment	-874 675 780	-2 228 710 494
Purchase of investments in shares	0	-6 297 281 742
Cash flow provided by (used in) investing activities	-874 675 780	-8 525 992 236
Financing activities		
Capital contribution	0	6 330 500 000
Increase/decrease in other non current balance sheet items	-73 577 611	-28 602 377
Received group contribution	1 658 576 758	0
Paid group contribution	0	-51 376 514
Cash flow provided by (used in) financing activities	1 584 999 147	6 250 521 109
Net (increase) decrease in cash and cash equivalents	-1 381 516 441	-2 276 668 455
Cash and cash equivalents at the beginning of the period	-1 568 271 122	708 397 333
Cash and cash equivalents at the end of the period	-2 949 787 564	-1 568 271 122
<p>Cash and cash equivalents at the end of the period in the Cash Flow Statement includes deposits in internal bank arrangement which is presented within the balance sheet item receivables/ (payable) from group companies.</p>		
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Notes to the Financial Statements 2020

Note 1 - Significant accounting policies

The financial statements of Equinor Refining Norway AS are prepared in accordance with the Norwegian Accounting Act of 1998 and Norwegian Generally Accepted Accounting Principles.

The financial statements can be retrieved from www.equinor.com or copies can be ordered by inquiry to Equinor ASA, 4035 STAVANGER.

Revenue Recognition

Revenue is recognised when it is earned and cost of sales is recognised in the same period as the revenue to which they relate.

Use of estimates

Preparation of the financial statements requires the company to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as disclosures of contingencies. Actual results may ultimately differ from the estimates and assumptions used.

Foreign currency translation

Transactions in foreign currencies are translated to NOK at the foreign exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currency are translated to NOK at the foreign exchange rate at balance sheet date. Realised and unrealised exchange differences arising on translation are recognised as financial items in the income statement.

Classification and valuation of balance sheet items

Current assets and liabilities include items included in the operating cycle or due for payment within one year of the date of acquisition. Other assets are classified as non-current assets. Current assets are valued at the lower of cost or fair value. Current liabilities are recorded at nominal value. Next year's instalments on long-term debt are classified as current liabilities. The group's receivables in cash pool arrangements are treated as receivable/payable from/to group companies.

Receivables

Accounts receivables and other receivables are recognised at nominal value, less the accrual for expected losses of receivables.

Intangible assets

Intangible assets are stated at cost, less accumulated depreciation and accumulated impairment losses. Intangible assets depreciates on a straight line, over their expected economic lifetime.

Property, plant and equipment

Property, plant and equipment is reflected at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of an asset retirement obligation, if any, exploration costs transferred from intangible assets and, for qualifying assets, borrowing costs.

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The impairment test is performed at the lowest level where one can identify independent cash inflows. In assessing whether a write-down of the carrying amount of a potentially impaired asset is required, the asset's carrying amount is compared to recoverable amount. If the carrying value exceeds the assets recoverable amount, the asset or the cash-generating unit the asset belongs to, should be impaired to the recoverable amount. The recoverable amount is the higher of the net selling

Notes to the Financial Statements 2020

price and value in use. Value in use is the present value of the future cash flows the asset is expected to generate. The estimated future cash flows are based on reasonable and supportable assumptions, and represents management's best estimate of the different economic conditions that will exist in the cash-generating asset's remaining economic lifetime.

Improvements that significantly increase the capacity or economic lifetime are capitalised.

Depreciation

Depreciation on assets is calculated on a straight-line basis over its estimated economic lifetime.

Investments in subsidiaries

Investments in subsidiaries are accounted for by the cost method. The investment is valued at the acquisition cost of the shares, unless impairment has been necessary. The investment is reduced to fair value when the impairment is not considered temporary, and it is deemed necessary in accordance with GAAP. Impairment losses are reversed when the reason for impairment no longer exists.

Interest

Interest is capitalised for major development projects, until the asset is ready for use. Capitalised interest is included as part of the cost and is depreciated along with the asset.

Asset retirement obligation (ARO)

Provisions for ARO costs are recognised when Equinor 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 amount recognised is the present value of the estimated future expenditures determined in accordance with local conditions and requirements. Cost is estimated based on current regulations and technology, considering relevant risks and uncertainties. The discount rate used in the calculation of the ARO is a risk-free rate based on the applicable currency and time horizon of the underlying cash flows, adjusted for a credit premium which reflects Equinor's own credit risk. The provisions are classified under the provisions in the balance sheet.

When a provision for ARO cost is recognised, a corresponding amount is recognised to increase the related property, plant and equipment and is subsequently depreciated as part of the cost of the facility or item of property, plant and equipment.

Income Tax

Income tax in the income statement includes the period tax payable and deferred tax. Current tax liabilities and assets are recognised at 22 %. Deferred tax liabilities and assets are recognised at 22 %.

Deferred tax is calculated based on temporary differences between accounting and tax values of assets and liabilities and tax losses carried forward at year-end.

Deferred tax assets are recognised only to the extent that it is probable that the company will have future taxable income, against which the asset can be utilised.

Deferred tax liabilities and deferred tax assets are calculated using the tax rules and tax rates applicable at the balance sheet date.

Cash flow

The cash flow statement has been prepared by using the indirect method according to the preliminary Norwegian accounting standard.



Notes to the Financial Statements 2020

Note 2 - Restatement

In 2020, the company sent new tax returns for the years 2017-2019 due to changes in the tax depreciation/deferred tax and also group contributions. To align the financial statement and tax return, the 2019 figures are restated.

Table below shows the effects of the restatements for year 2019.

	Note	2019 as reported	Restatement	2019 restated
Balance sheet line items				
Deferred tax assets	7	470 299 576	-105 343 698	364 955 878
Receivables from group companies	8	1 658 576 758	5 634 818	1 664 211 576
Additional paid-in capital	16	14 864 353 212	4 395 158	14 868 748 370
Retained earnings	16	-3 695 393 108	- 104 104 040	-3 799 497 148

Note 7 - Income tax

Current tax				
Income/ (loss) before tax	7	-5 989 336 682		-5 989 336 682
Increase/(decrease) temp. diff.	7	4 330 759 923	- 5 634 818	4 325 125 106
Group contribution received	7	<u>1 658 576 758</u>	<u>5 634 818</u>	<u>1 664 211 576</u>
Tax base	7	0	0	0
Temporary differences				
Fixed assets	7	1 036 956 655	478 835 006	1 515 791 661
Accruals for liabilities	7	<u>-3 174 681 998</u>	<u>0</u>	<u>-3 174 681 998</u>
Total	7	<u>-2 137 725 344</u>	<u>478 835 006</u>	<u>-1 658 890 337</u>
Deferred tax assets	7	<u>-470 299 576</u>	<u>105 343 702</u>	<u>-364 955 874</u>

Note 3 - Revenues

	2020	2019
Processing income	366 617 858	2 528 412 741
Gain related to fixed assets	179 000	0
Other income	<u>230 667 395</u>	<u>258 356 233</u>
Total	<u>597 464 252</u>	<u>2 786 768 974</u>



Notes to the Financial Statements 2020

Note 4 - Other operating expenses

Auditor's remuneration (excl. VAT)	2020	2019
Audit fees	880 013	330 545
Total	880 013	330 545

There are no employees in the company.

There was no remuneration to the General manager this year.

There was no remuneration to members of the Board this year.

The company is not required to have a mandatory pension scheme.

Note 5 - Net financial items

	2020	2019
Foreign exchange gains (loss), net *	-2 873 576	7 540 141
Interest income from group companies	242 386	1 798 884
Other interest income	31 773 026	14 179 006
Sum interest and other financial income	32 015 412	15 977 890
Interest expenses to Group companies	-13 882 218	-8 373 218
Other interest expense	-746	-535
Other financial expenses	-6 569	-8 132
Impairment of shares in Danske Commodities **	-152 000 000	0
Accretion expense removal obligation	-67 503 514	-65 373 745
Sum Interest and other financial expenses	-233 393 047	-73 755 630
Net financial income (expense)	-204 251 212	-50 237 599

*Foreign exchange gain/(loss) is mainly related transactions denominated in EUR.

** Reference to note 11 for details

Note 6 - Operating lease

The company has entered into various vessel lease agreements ending in 2027. These agreements are classified as operating lease in the Financial Statements. In 2020, the lease payments were NOK 20 million.

	2021	2022
Future minimum lease, vessel	19 997 749	20 415 796
Total future minimum lease payments	19 997 749	20 415 796



Notes to the Financial Statements 2020

Note 7 - Income tax

	2020	2019
Tax rate, current tax	22 %	22 %
Tax rate, deferred tax	22 %	22 %
Income tax expense comprises:	2020	2019
Tax related to prior years*	13 601 874	0
Increase/(decrease) in deferred tax	2 470 288 060	1 317 654 070
Total	2 483 889 934	1 317 654 070
Current tax	2020	2019
Income/ (loss) before tax	-11 385 582 677	-5 989 336 682
Permanent differences	157 000 586	0
Increase/(decrease) temporary differences	8 348 615 911	4 325 125 106
Group contribution received/(submitted)	2 879 966 180	1 664 211 576
Tax base	0	0

Deferred tax:

The tax effect of temporary differences and loss to be carried forward that has formed the basis for deferred tax/deferred tax asset, specified on type of temporary differences:

Temporary differences	2020	2019
Fixed assets*	-6 207 093 540	1 515 791 661
Accruals for liabilities	-3 800 412 709	-3 174 681 998
Total	-10 007 506 248	-1 658 890 337
Deferred tax liability/(deferred tax assets)	-2 201 651 375	-364 955 874
Reconciliation of tax expense:	2020	2019
Income before tax	-11 385 582 677	-5 989 336 682
Nominal tax rate: 22%/ 22%	-2 504 828 189	-1 317 654 070
<i>Tax effect from:</i>		
Permanent differences	34 540 129	0
Taxes payable related to prior years*	-13 601 874	0
Total	-2 483 889 934	-1 317 654 070

*Equinor Refining Norway AS has received new tax assessments for the period 2016-2019. Taxable income in the period has been reduced due to increased depreciations for tax. Resulting in a increase in temporary difference for fixed assets of NOK 478 835 006 and a decrease in deferred tax of NOK 105 343 702.

Group contributions have been changed for 2017-2019 as a result of the change in tax depreciations.

For 2017 NOK 45 878 598 was moved from group contribution with tax effect to group contribution without tax effect. 24% tax rate leading to change in tax of NOK 11 010 864.

For 2018 NOK 11 265 263 was moved from group contribution with tax effect to group contribution without tax effect. 23% tax rate leading to changed tax of NOK 2 591 010.

For 2019 there was an increase in group contribution with tax effect of NOK 5 634 818.

Ref. note 2 - restatement



Notes to the Financial Statements 2020

Note 8 - Transactions with related parties

Group companies:

Equinor ASA

Transactions with related parties:

Transactions with related parties relates to processing income, financial services and support services relating to normal operation. Financial items are linked to the internal bank system and to leasing contract. All transactions are conducted as part of the normal course of business and at market prices. The transactions considered significant for this company are listed below.

	2020	2019
Sales of services to group companies	366 617 858	2 528 412 741
Purchase of services from group companies	2 839 947 482	3 363 552 887
Purchase of capex from group companies	842 902 755	2 214 531 489
Financial income from group companies	242 386	1 798 884
Financial expenses from group companies	13 882 243	8 373 225

For balance sheet items relating to group companies and related parties please see note 12 and 15.

Note 9 - Intangible asset

	Licens
Cost at 01.01.	1 436 808
Additions	0
Cost at 31.12.	1 436 808
Accumulated depreciation at 31.12.	-597 652
Carrying amount 31.12.	839 156
Depreciation	-72 484



Notes to the Financial Statements 2020

Note 10 - Property, plant and equipment

	Retirement assets	Production plants	Cap. interest on construction loan	Development assets
Cost 01.01.	3 015 428 199	28 046 447 881	197 467 091	1 473 630 986
Additions	624 360 363	96 134 283	0	682 447 582
Disposals		-64 200 000		0
Transferred to asset in production		453 477 071		-453 477 071
Cost 31.12.	3 639 788 562	28 531 859 235	197 467 091	1 702 601 497
Accumulated depreciation at 31.12.	-175 441 754	-25 932 422 728	-48 242 736	
Impairment	-3 420 000 000	-2 567 000 000		-1 633 000 000
Carrying amount at 31.12.	44 346 808	32 436 507	149 224 355	69 601 497
Depreciation	-70 149 803	-192 168 153	-9 758 719	
Depreciation method	Straight line	Straight line	Straight line	No depreciaton
	Periodic maintenance	Catalysts	Equipment/licenses	Total
Cost 01.01.	3 665 290 494	250 618 641	365 337 431	37 014 220 723
Additions	76 817 514	6 743 197	12 533 205	1 499 036 144
Disposals	0	0	-315 141	-64 515 141
Transferred to assets in production	0	0	0	0
Cost 31.12.	3 742 108 008	257 361 838	377 555 495	38 448 741 726
Accumulated depreciation at 31.12.	-2 937 100 619	-203 120 808	-324 672 234	-29 621 000 879
Impairment	-795 000 000	0	0	-8 415 000 000
Carrying amount at 31.12.	10 007 389	54 241 030	52 883 261	412 740 849
Depreciation	-277 496 013	-29 298 962	-8 427 342	-587 298 992
Depreciation method	Straight line	Straight line	Straight line	

Impairment loss of 8 415 million NOK mainly due to reduced refinery margin estimates, primarily in the short term. And also increased capex and opex estimates. The impairment is based on value in use from expected future cash flows.

In 2019 impairment losses of 4 888 million NOK was recognized due to reduced refinery margin and increased cost estimates.



Notes to the Financial Statements 2020

Note 11 - Investments in subsidiaries

	Danske Commodities
Registered office	Denmark
Voting share %	100%
Opening balance at 1 January 2020	6 297 281 742
Financial impairment	-152 000 000
Closing balance at 31 December 2020	6 145 281 742
Total equity	2 556 110 916
Result 2020	453 709 388

Impairment loss of 152 million NOK based on calculated value in use from expected future cash flows.

Note 12 - Current receivables

Accounts receivables	2020	2019
Accounts receivables group companies	0	377 221 554
Total	0	377 221 554
Current receivables from group companies		
Other short-term group receivables	47 219 951	0
Group contribution - Statholding AS	2 885 600 998	1 664 211 576
Total	2 932 820 949	1 664 211 576
Other current receivables		
Other current receivables	228 100 319	244 745 938
VAT	60 003	6 211 411
Total	228 160 322	250 957 349
Total receivables	3 160 981 271	2 292 390 480

*The company is taking part in an internal cash pool arrangement with Equinor ASA.



Notes to the Financial Statements 2020

Note 13 - Other provisions

The provision includes asset retirement obligations. Accretion expense on the obligation is classified as a finance cost in the income statement.

	2020	2019
Asset retirement obligations at 01.01	3 008 136 123	2 129 037 673
Accretion expense on the liability	67 503 514	65 373 745
Changes in estimates	624 360 363	841 318 719
Actual retirement expense	0	-27 594 013
Asset retirement obligations at 31.12.	3 700 000 000	3 008 136 123
Non-current assets related to the retirement at 01.01.	2 910 136 248	2 132 149 281
Additions	0	0
Changes in estimate	624 360 363	841 318 719
Depreciation	-70 149 803	-63 331 752
Impairment	-3 420 000 000	0
Non-current assets related to the retirement at 31.12.	44 346 808	2 910 136 248

Asset retirement obligation for the refinery was recognised in 2017.

Note 14 - Non-current liabilities

	2020	2019
Long-term provisions and accrued expenses		
Waste disposal - uncertain liability	100 412 709	115 675 141
Prepayment stream from Vestprosess DA	29 777 778	37 222 223
Earn out Danske Commodities	0	50 870 734
Total	130 190 487	203 768 098

Waste disposal is a provision for disposing of sludge and special waste with an inspection interval of 5-10 years. The time of settlement is considered continuously based on quarterly checks. The total amount is uncertain as the amount of waste that accumulates over the current period and the cost of this is uncertain.



Notes to the Financial Statements 2020

Note 15 - Current liabilities

	2020	2019
Accounts payable		
Accounts payable to group companies	386 645 306	888 840 403
Accounts payable	182 079	187
Total	386 827 385	888 840 590
Current liabilities to Group companies		
Internal bank*	2 949 787 565	1 568 271 122
Other current inter-company liabilities	243 996 290	28 220 332
Total	3 193 783 854	1 596 491 454
Other current liabilities		
Accrual other current liabilities	10 359 444	7 444 444
Total	10 359 444	7 444 444

*The company is taking part in an internal cash pool arrangement with Equinor ASA.

Note 16 - Equity

	Share capital	Additional paid-in capital	Retained earnings	Total equity
Total equity 01.01.	100 003 000	14 864 353 212	-3 695 393 108	11 268 963 104
Restatement*		4 395 158	-104 104 040	-99 708 882
Restated balance 01.01.	100 003 000	14 868 748 370	-3 799 497 148	11 169 254 223
Net loss			-8 901 692 743	-8 901 692 743
Received / (submitted) group contribution (after tax)		2 246 373 620		2 246 373 620
Change group contribution 2017-2018*		-13 601 874		-13 601 874
Transferred to cover the uncovered loss	0	-12 701 189 891	12 701 189 891	0
Total equity 31.12.	100 003 000	4 400 330 224	0	4 500 333 224

* In 2020, the company sent new tax returns for the years 2017-2019 resulting in change in group contributions for those years. Ref. note 2 and note 7 for additional information.

Correction of previous year's errors is posted against equity in accordance with the Accounting Act §4-3 and §6-6.



Notes to the Financial Statements 2020

Note 17 - Share capital and shareholder information

The share capital consists of 1 000 shares with a value NOK 100 003 per share. All shares have the same voting rights.

Shareholder information

All shares are owned by Equinor ASA.

Note 18 - Other

During 2020 the spread of the corona virus (Covid 19) has impacted an increasing number of countries with increasing severity. During this period countries, organizations and Equinor have taken considerable measures to mitigate the risk for communities, employees and business operations.

The impact from Covid-19 was a considerable loss in demand and income in 2020, however the impact is assessed to be limited for Equinor Refining Norway AS in the long term.



Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Torstein Kinden Helleland	13.06.2017	16.06.2017
Telefon	Deres referanse	Var referanse
22078139	Unni Elisabeth Tønning	2014/508346

STATOIL ASA
Postboks 8500
4035 STAVANGER

MOTT. 20.06.2017

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

— Vi viser til deres brev av 13. juli 2017 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

Statoil Kharyaga AS	org.nr. 917 145 563
Statoil Refining Nowvay AS	org.nr. 917 209 405
Hyberbar Mottaks Beredskap AS	org.nr. 979 832 818

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskaper 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

Selskapene det søkes om dispensasjon for er alle eiet av Statoil ASA. Statoil ASA fikk 22. september 2014 tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for 113 juridiske enheter. Det søkes nå om tillatelse til å utarbeide årsregnskap og årsberetning for ytterligere tre selskaper i tillegg til selskapene godkjent i 2014 med samme begrunnelse.

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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Postboks 9200 Grønland
0134 Oslo

Besøksadresse:
Se www.skatteetaten.no
Org.nr. 996250318
E-post: skatteetaten.no/sendepost

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 spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative 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 selskapene inngår i samme konsern. Styrets sammensetning består både av norske og ikke-norske statsborgere. Arbeidsspråket er 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

Jeanette M. Skovholt
seniorradgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke handskrevne signaturer



FINANCIAL STATEMENTS 2020
Equinor Refining Norway AS
Org.no. 917 209 405




Income Statement			
Equinor Refining Norway AS			
	Note	2020	2019
Revenue and other income			
Revenue	8	366 617 858	2 528 412 741
Other income		230 846 395	258 356 233
Total revenue and other income	3	597 464 252	2 786 768 974
Operating expenses			
Depreciation	9, 10	-587 371 476	-747 890 182
Impairment	10	-8 415 000 000	-4 887 500 000
Other operating expenses	4, 6, 8	-2 776 424 241	-3 090 477 874
Total operating expenses		-11 778 795 717	-8 725 868 056
Net operating income/(loss)		-11 181 331 465	-5 939 099 082
Net Financial items	5, 8	-204 251 212	-50 237 599
Income/(loss) before tax		-11 385 582 677	-5 989 336 682
Income tax	7	2 483 889 934	1 317 654 070
Net income/(loss)	16	-8 901 692 743	-4 671 682 612



Balance sheet			
Equinor Refining Norway AS			
Assets	Note	2020	2019
Non-current assets			
Intangible assets			
Intangible assets	9	839 156	911 640
Deferred tax assets	7	2 201 651 375	364 955 878
Total intangible assets		2 202 490 531	365 867 518
Property, plant and equipment			
Development assets		69 601 497	1 473 630 986
Production plants and oil and gas assets		290 256 090	6 395 986 810
Equipment		52 883 261	48 777 398
Total property, plant and equipment	8, 10	412 740 849	7 918 395 194
Financial non-current assets			
Investments in subsidiaries	11	6 145 281 742	6 297 281 742
Total financial non-current assets		6 145 281 742	6 297 281 742
Total non-current assets		8 760 513 122	14 581 544 453
Current assets			
Receivables			
Accounts receivables		0	377 221 554
Receivables from group companies	8	2 932 820 949	1 664 211 576
Other receivables		228 160 322	250 957 349
Total receivables	12	3 160 981 271	2 292 390 480
Total current assets		3 160 981 271	2 292 390 480
TOTAL ASSETS		11 921 494 393	16 873 934 933



Balance sheet			
Equinor Refining Norway AS			
Equity and liabilities	Note	2020	2019
Equity			
Share capital	17	100 003 000	100 003 000
Additional paid-in capital		4 400 330 224	14 868 748 370
Retained earnings		0	-3 799 497 147
Total equity	16	4 500 333 224	11 169 254 223
Liabilities			
Non-current liabilities			
Other provisions	13	3 700 000 000	3 008 136 123
Other long term liabilities	14	130 190 487	203 768 098
Total non-current liabilities		3 830 190 486	3 211 904 221
Current liabilities			
Accounts payable	15	386 827 385	888 840 590
Liabilities to group companies	8, 15	3 193 783 854	1 596 491 454
Other current liabilities	15	10 359 444	7 444 444
Total current liabilities		3 590 970 682	2 492 776 489
Total liabilities		7 421 161 169	5 704 680 710
TOTAL EQUITY AND LIABILITIES		11 921 494 393	16 873 934 933
Stavanger, 10.05.2021 The board of Equinor Refining Norway AS			
Grete Birgitte Haaland (601195)	Jofrid Tone Klokkehaug (038679)		
Grete Birgitte Haaland Member of the board	Jofrid Tone Klokkehaug Member of the board	Tore Aarreberg Member of the board	
Ole-Tobias Frich (438674)	Sidsel Lokna (073806)	Sturle Bergaas (103905)	
Ole-Tobias Frich Chairman of the board	Sidsel Lokna Member of the board	Sturle Bergaas General Manager	
Equinor Refining Norway AS		Page 4	



Cash Flow Statement		
Equinor Refining Norway AS		
Cash Flow Statement	2020	2019
Operating activities		
Income/(loss) before tax	-11 385 582 677	-5 989 336 682
Asset retirement obligation provisions	67 503 514	37 779 732
Depreciation and impairment losses	9 154 371 476	5 635 390 182
Expensed intangible assets	2 391 497	0
Increase/decrease in accounts receivables and other receivables	400 018 581	-6 442 599
Increase/decrease in accounts payable and other payable	-499 098 206	448 452 586
Increase/decrease in current intercompany accounts	168 556 007	-127 040 546
Cash flow provided by/(used in) operating activities	-2 091 839 808	-1 197 328
Investing activities		
Purchase/disposal of property, plant and equipment	-874 675 780	-2 228 710 494
Purchase of investments in shares	0	-6 297 281 742
Cash flow provided by (used in) investing activities	-874 675 780	-8 525 992 236
Financing activities		
Capital contribution	0	6 330 500 000
Increase/decrease in other non current balance sheet items	-73 577 611	-28 602 377
Received group contribution	1 658 576 758	0
Paid group contribution	0	-51 376 514
Cash flow provided by (used in) financing activities	1 584 999 147	6 250 521 109
Net (increase) decrease in cash and cash equivalents	-1 381 516 441	-2 276 668 455
Cash and cash equivalents at the beginning of the period	-1 568 271 122	708 397 333
Cash and cash equivalents at the end of the period	-2 949 787 564	-1 568 271 122
<p>Cash and cash equivalents at the end of the period in the Cash Flow Statement includes deposits in internal bank arrangement which is presented within the balance sheet item receivables/ (payable) from group companies.</p>		
Equinor Refining Norway AS		Page 5



Notes to the Financial Statements 2020

Note 1 - Significant accounting policies

The financial statements of Equinor Refining Norway AS are prepared in accordance with the Norwegian Accounting Act of 1998 and Norwegian Generally Accepted Accounting Principles.

The financial statements can be retrieved from www.equinor.com or copies can be ordered by inquiry to Equinor ASA, 4035 STAVANGER.

Revenue Recognition

Revenue is recognised when it is earned and cost of sales is recognised in the same period as the revenue to which they relate.

Use of estimates

Preparation of the financial statements requires the company to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as disclosures of contingencies. Actual results may ultimately differ from the estimates and assumptions used.

Foreign currency translation

Transactions in foreign currencies are translated to NOK at the foreign exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currency are translated to NOK at the foreign exchange rate at balance sheet date. Realised and unrealised exchange differences arising on translation are recognised as financial items in the income statement.

Classification and valuation of balance sheet items

Current assets and liabilities include items included in the operating cycle or due for payment within one year of the date of acquisition. Other assets are classified as non-current assets. Current assets are valued at the lower of cost or fair value. Current liabilities are recorded at nominal value. Next year's instalments on long-term debt are classified as current liabilities. The group's receivables in cash pool arrangements are treated as receivable/payable from/to group companies.

Receivables

Accounts receivables and other receivables are recognised at nominal value, less the accrual for expected losses of receivables.

Intangible assets

Intangible assets are stated at cost, less accumulated depreciation and accumulated impairment losses. Intangible assets depreciates on a straight line, over their expected economic lifetime.

Property, plant and equipment

Property, plant and equipment is reflected at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of an asset retirement obligation, if any, exploration costs transferred from intangible assets and, for qualifying assets, borrowing costs.

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The impairment test is performed at the lowest level where one can identify independent cash inflows. In assessing whether a write-down of the carrying amount of a potentially impaired asset is required, the asset's carrying amount is compared to recoverable amount. If the carrying value exceeds the assets recoverable amount, the asset or the cash-generating unit the asset belongs to, should be impaired to the recoverable amount. The recoverable amount is the higher of the net selling



Notes to the Financial Statements 2020

price and value in use. Value in use is the present value of the future cash flows the asset is expected to generate. The estimated future cash flows are based on reasonable and supportable assumptions, and represents management's best estimate of the different economic conditions that will exist in the cash-generating asset's remaining economic lifetime.

Improvements that significantly increase the capacity or economic lifetime are capitalised.

Depreciation

Depreciation on assets is calculated on a straight-line basis over its estimated economic lifetime.

Investments in subsidiaries

Investments in subsidiaries are accounted for by the cost method. The investment is valued at the acquisition cost of the shares, unless impairment has been necessary. The investment is reduced to fair value when the impairment is not considered temporary, and it is deemed necessary in accordance with GAAP. Impairment losses are reversed when the reason for impairment no longer exists.

Interest

Interest is capitalised for major development projects, until the asset is ready for use. Capitalised interest is included as part of the cost and is depreciated along with the asset.

Asset retirement obligation (ARO)

Provisions for ARO costs are recognised when Equinor 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 amount recognised is the present value of the estimated future expenditures determined in accordance with local conditions and requirements. Cost is estimated based on current regulations and technology, considering relevant risks and uncertainties. The discount rate used in the calculation of the ARO is a risk-free rate based on the applicable currency and time horizon of the underlying cash flows, adjusted for a credit premium which reflects Equinor's own credit risk. The provisions are classified under the provisions in the balance sheet.

When a provision for ARO cost is recognised, a corresponding amount is recognised to increase the related property, plant and equipment and is subsequently depreciated as part of the cost of the facility or item of property, plant and equipment.

Income Tax

Income tax in the income statement includes the period tax payable and deferred tax. Current tax liabilities and assets are recognised at 22 %. Deferred tax liabilities and assets are recognised at 22 %.

Deferred tax is calculated based on temporary differences between accounting and tax values of assets and liabilities and tax losses carried forward at year-end.

Deferred tax assets are recognised only to the extent that it is probable that the company will have future taxable income, against which the asset can be utilised.

Deferred tax liabilities and deferred tax assets are calculated using the tax rules and tax rates applicable at the balance sheet date.

Cash flow

The cash flow statement has been prepared by using the indirect method according to the preliminary Norwegian accounting standard.



Notes to the Financial Statements 2020

Note 2 - Restatement

In 2020, the company sent new tax returns for the years 2017-2019 due to changes in the tax depreciation/deferred tax and also group contributions. To align the financial statement and tax return, the 2019 figures are restated.

Table below shows the effects of the restatements for year 2019.

	Note	2019 as reported	Restatement	2019 restated
Balance sheet line items				
Deferred tax assets	7	470 299 576	-105 343 698	364 955 878
Receivables from group companies	8	1 658 576 758	5 634 818	1 664 211 576
Additional paid-in capital	16	14 864 353 212	4 395 158	14 868 748 370
Retained earnings	16	-3 695 393 108	- 104 104 040	-3 799 497 148

Note 7 - Income tax

Current tax				
Income/ (loss) before tax	7	-5 989 336 682		-5 989 336 682
Increase/(decrease) temp. diff.	7	4 330 759 923	- 5 634 818	4 325 125 106
Group contribution received	7	<u>1 658 576 758</u>	<u>5 634 818</u>	<u>1 664 211 576</u>
Tax base	7	0	0	0
Temporary differences				
Fixed assets	7	1 036 956 655	478 835 006	1 515 791 661
Accruals for liabilities	7	<u>-3 174 681 998</u>	0	<u>-3 174 681 998</u>
Total	7	<u>-2 137 725 344</u>	<u>478 835 006</u>	<u>-1 658 890 337</u>
Deferred tax assets	7	<u>-470 299 576</u>	<u>105 343 702</u>	<u>-364 955 874</u>

Note 3 - Revenues

	2020	2019
Processing income	366 617 858	2 528 412 741
Gain related to fixed assets	179 000	0
Other income	<u>230 667 395</u>	<u>258 356 233</u>
Total	<u>597 464 252</u>	<u>2 786 768 974</u>



Notes to the Financial Statements 2020

Note 4 - Other operating expenses

Auditor's remuneration (excl. VAT)	2020	2019
Audit fees	880 013	330 545
Total	880 013	330 545

There are no employees in the company.

There was no remuneration to the General manager this year.

There was no remuneration to members of the Board this year.

The company is not required to have a mandatory pension scheme.

Note 5 - Net financial items

	2020	2019
Foreign exchange gains (loss), net *	-2 873 576	7 540 141
Interest income from group companies	242 386	1 798 884
Other interest income	31 773 026	14 179 006
Sum interest and other financial income	32 015 412	15 977 890
Interest expenses to Group companies	-13 882 218	-8 373 218
Other interest expense	-746	-535
Other financial expenses	-6 569	-8 132
Impairment of shares in Danske Commodities **	-152 000 000	0
Accretion expense removal obligation	-67 503 514	-65 373 745
Sum Interest and other financial expenses	-233 393 047	-73 755 630
Net financial income (expense)	-204 251 212	-50 237 599

*Foreign exchange gain/(loss) is mainly related transactions denominated in EUR.

** Reference to note 11 for details

Note 6 - Operating lease

The company has entered into various vessel lease agreements ending in 2027. These agreements are classified as operating lease in the Financial Statements. In 2020, the lease payments were NOK 20 million.

	2021	2022
Future minimum lease, vessel	19 997 749	20 415 796
Total future minimum lease payments	19 997 749	20 415 796



Notes to the Financial Statements 2020

Note 7 - Income tax

	2020	2019
Tax rate, current tax	22 %	22 %
Tax rate, deferred tax	22 %	22 %
Income tax expense comprises:	2020	2019
Tax related to prior years*	13 601 874	0
Increase/(decrease) in deferred tax	2 470 288 060	1 317 654 070
Total	2 483 889 934	1 317 654 070
Current tax	2020	2019
Income/ (loss) before tax	-11 385 582 677	-5 989 336 682
Permanent differences	157 000 586	0
Increase/(decrease) temporary differences	8 348 615 911	4 325 125 106
Group contribution received/(submitted)	2 879 966 180	1 664 211 576
Tax base	0	0

Deferred tax:

The tax effect of temporary differences and loss to be carried forward that has formed the basis for deferred tax/deferred tax asset, specified on type of temporary differences:

Temporary differences	2020	2019
Fixed assets*	-6 207 093 540	1 515 791 661
Accruals for liabilities	-3 800 412 709	-3 174 681 998
Total	-10 007 506 248	-1 658 890 337
Deferred tax liability/(deferred tax assets)	-2 201 651 375	-364 955 874
Reconciliation of tax expense:	2020	2019
Income before tax	-11 385 582 677	-5 989 336 682
Nominal tax rate: 22%/ 22%	-2 504 828 189	-1 317 654 070
<i>Tax effect from:</i>		
Permanent differences	34 540 129	0
Taxes payable related to prior years*	-13 601 874	0
Total	-2 483 889 934	-1 317 654 070

*Equinor Refining Norway AS has received new tax assessments for the period 2016-2019. Taxable income in the period has been reduced due to increased depreciations for tax. Resulting in a increase in temporary difference for fixed assets of NOK 478 835 006 and a decrease in deferred tax of NOK 105 343 702.

Group contributions have been changed for 2017-2019 as a result of the change in tax depreciations.

For 2017 NOK 45 878 598 was moved from group contribution with tax effect to group contribution without tax effect. 24% tax rate leading to change in tax of NOK 11 010 864.

For 2018 NOK 11 265 263 was moved from group contribution with tax effect to group contribution without tax effect. 23% tax rate leading to changed tax of NOK 2 591 010.

For 2019 there was an increase in group contribution with tax effect of NOK 5 634 818.

Ref. note 2 - restatement



Notes to the Financial Statements 2020

Note 8 - Transactions with related parties

Group companies:

Equinor ASA

Transactions with related parties:

Transactions with related parties relates to processing income, financial services and support services relating to normal operation. Financial items are linked to the internal bank system and to leasing contract. All transactions are conducted as part of the normal course of business and at market prices. The transactions considered significant for this company are listed below.

	2020	2019
Sales of services to group companies	366 617 858	2 528 412 741
Purchase of services from group companies	2 839 947 482	3 363 552 887
Purchase of capex from group companies	842 902 755	2 214 531 489
Financial income from group companies	242 386	1 798 884
Financial expenses from group companies	13 882 243	8 373 225

For balance sheet items relating to group companies and related parties please see note 12 and 15.

Note 9 - Intangible asset

	Licens
Cost at 01.01.	1 436 808
Additions	0
Cost at 31.12.	1 436 808
Accumulated depreciation at 31.12.	-597 652
Carrying amount 31.12.	839 156
Depreciation	-72 484



Notes to the Financial Statements 2020

Note 10 - Property, plant and equipment

	Retirement assets	Production plants	Cap. interest on construction loan	Development assets
Cost 01.01.	3 015 428 199	28 046 447 881	197 467 091	1 473 630 986
Additions	624 360 363	96 134 283	0	682 447 582
Disposals		-64 200 000		0
Transferred to asset in production		453 477 071		-453 477 071
Cost 31.12.	3 639 788 562	28 531 859 235	197 467 091	1 702 601 497
Accumulated depreciation at 31.12.	-175 441 754	-25 932 422 728	-48 242 736	
Impairment	-3 420 000 000	-2 567 000 000		-1 633 000 000
Carrying amount at 31.12.	44 346 808	32 436 507	149 224 355	69 601 497
Depreciation	-70 149 803	-192 168 153	-9 758 719	
Depreciation method	Straight line	Straight line	Straight line	No depreciaton
	Periodic maintenance	Catalysts	Equipment/licenses	Total
Cost 01.01.	3 665 290 494	250 618 641	365 337 431	37 014 220 723
Additions	76 817 514	6 743 197	12 533 205	1 499 036 144
Disposals	0	0	-315 141	-64 515 141
Transferred to assets in production	0	0	0	0
Cost 31.12.	3 742 108 008	257 361 838	377 555 495	38 448 741 726
Accumulated depreciation at 31.12.	-2 937 100 619	-203 120 808	-324 672 234	-29 621 000 879
Impairment	-795 000 000	0	0	-8 415 000 000
Carrying amount at 31.12.	10 007 389	54 241 030	52 883 261	412 740 849
Depreciation	-277 496 013	-29 298 962	-8 427 342	-587 298 992
Depreciation method	Straight line	Straight line	Straight line	

Impairment loss of 8 415 million NOK mainly due to reduced refinery margin estimates, primarily in the short term. And also increased capex and opex estimates. The impairment is based on value in use from expected future cash flows.

In 2019 impairment losses of 4 888 million NOK was recognized due to reduced refinery margin and increased cost estimates.



Notes to the Financial Statements 2020

Note 11 - Investments in subsidiaries

	Danske Commodities
Registered office	Denmark
Voting share %	100%
Opening balance at 1 January 2020	6 297 281 742
Financial impairment	-152 000 000
Closing balance at 31 December 2020	6 145 281 742
Total equity	2 556 110 916
Result 2020	453 709 388

Impairment loss of 152 million NOK based on calculated value in use from expected future cash flows.

Note 12 - Current receivables

Accounts receivables	2020	2019
Accounts receivables group companies	0	377 221 554
Total	0	377 221 554
Current receivables from group companies		
Other short-term group receivables	47 219 951	0
Group contribution - Statholding AS	2 885 600 998	1 664 211 576
Total	2 932 820 949	1 664 211 576
Other current receivables		
Other current receivables	228 100 319	244 745 938
VAT	60 003	6 211 411
Total	228 160 322	250 957 349
Total receivables	3 160 981 271	2 292 390 480

*The company is taking part in an internal cash pool arrangement with Equinor ASA.



Notes to the Financial Statements 2020

Note 13 - Other provisions

The provision includes asset retirement obligations. Accretion expense on the obligation is classified as a finance cost in the income statement.

	2020	2019
Asset retirement obligations at 01.01	3 008 136 123	2 129 037 673
Accretion expense on the liability	67 503 514	65 373 745
Changes in estimates	624 360 363	841 318 719
Actual retirement expense	0	-27 594 013
Asset retirement obligations at 31.12.	3 700 000 000	3 008 136 123
Non-current assets related to the retirement at 01.01.	2 910 136 248	2 132 149 281
Additions	0	0
Changes in estimate	624 360 363	841 318 719
Depreciation	-70 149 803	-63 331 752
Impairment	-3 420 000 000	0
Non-current assets related to the retirement at 31.12.	44 346 808	2 910 136 248

Asset retirement obligation for the refinery was recognised in 2017.

Note 14 - Non-current liabilities

	2020	2019
Long-term provisions and accrued expenses		
Waste disposal - uncertain liability	100 412 709	115 675 141
Prepayment stream from Vestprosess DA	29 777 778	37 222 223
Earn out Danske Commodities	0	50 870 734
Total	130 190 487	203 768 098

Waste disposal is a provision for disposing of sludge and special waste with an inspection interval of 5-10 years. The time of settlement is considered continuously based on quarterly checks. The total amount is uncertain as the amount of waste that accumulates over the current period and the cost of this is uncertain.



Notes to the Financial Statements 2020

Note 15 - Current liabilities

	2020	2019
Accounts payable		
Accounts payable to group companies	386 645 306	888 840 403
Accounts payable	182 079	187
Total	386 827 385	888 840 590
Current liabilities to Group companies		
Internal bank*	2 949 787 565	1 568 271 122
Other current inter-company liabilities	243 996 290	28 220 332
Total	3 193 783 854	1 596 491 454
Other current liabilities		
Accrual other current liabilities	10 359 444	7 444 444
Total	10 359 444	7 444 444

*The company is taking part in an internal cash pool arrangement with Equinor ASA.

Note 16 - Equity

	Share capital	Additional paid-in capital	Retained earnings	Total equity
Total equity 01.01.	100 003 000	14 864 353 212	-3 695 393 108	11 268 963 104
Restatement*		4 395 158	-104 104 040	-99 708 882
Restated balance 01.01.	100 003 000	14 868 748 370	-3 799 497 148	11 169 254 223
Net loss			-8 901 692 743	-8 901 692 743
Received / (submitted) group contribution (after tax)		2 246 373 620		2 246 373 620
Change group contribution 2017-2018*		-13 601 874		-13 601 874
Transferred to cover the uncovered loss	0	-12 701 189 891	12 701 189 891	0
Total equity 31.12.	100 003 000	4 400 330 224	0	4 500 333 224

* In 2020, the company sent new tax returns for the years 2017-2019 resulting in change in group contributions for those years. Ref. note 2 and note 7 for additional information.

Correction of previous year's errors is posted against equity in accordance with the Accounting Act §4-3 and §6-6.



Notes to the Financial Statements 2020

Note 17 - Share capital and shareholder information

The share capital consists of 1 000 shares with a value NOK 100 003 per share. All shares have the same voting rights.

Shareholder information

All shares are owned by Equinor ASA.

Note 18 - Other

During 2020 the spread of the corona virus (Covid 19) has impacted an increasing number of countries with increasing severity. During this period countries, organizations and Equinor have taken considerable measures to mitigate the risk for communities, employees and business operations.

The impact from Covid-19 was a considerable loss in demand and income in 2020, however the impact is assessed to be limited for Equinor Refining Norway AS in the long term.



Equinor Refining Norway AS

2020

Annual report



Equinor Refining Norway AS

Annual report 2020

Introduction

The primary purpose of Equinor Refining Norway AS (ERN AS) is to own, manage and operate the refinery at Mongstad in the Alver Municipality, as well as to conduct business in the energy sector and related activities.

Operations

Main focus in 2020 was safe, reliable and efficient operations to sustain regularity and production.

The regularity for 2020 was 82.5%, including planned and unplanned maintenance shutdowns. In 2020 unplanned shutdowns caused a 15.1% loss in the regularity for the year.

The refinery processed 7.7 million tons of crude oil, 0.9 million tons of residue and 1.0 million tons of condensate. Almost all the crude oil was of Norwegian origin and the main source was Troll blend. The refinery had a production of 9.1 million tons of finished products.

Equinor Refining Norway AS and the partners in the Troll license have terminated the gas agreement delivery to the combined heat and power plant (CHP) with effect of 31.12.2018. A new intermediate gas delivery agreement has been agreed between ERN AS and Equinor ASA until 31.12.2021. A new project to set up a Refinery Heater to replace the CHP is ongoing.

Environment and safety

Equinor's operatorship at Mongstad also includes the crude oil terminal (MTDA) and the combined heat and power plant (former MHPP AS, now merged into ERN AS), as well as being Technical Service Provider (TSP) for the operator Gassco for the Vestprosess plant (VPDA), which are all operated as an integral part of the refinery. The emission licenses include Equinor's overall operations at Mongstad. The below quoted figures for health, environment and safety are for Equinor as the operator at Mongstad.

The total emissions were 285 tons of SO₂, 1 333 tons of NO_x and 1 675 591 tons of CO₂. SO₂ emissions were significantly lower due to maintenance of the desulfurization units in 2019, while CO₂ emissions were approximately at same level as in 2019. Mongstad had four oil spills to ground, six to sea and two to air in 2020, volume to ground was about 110 liters, spill to sea about 50 liters and emission to air was about 160 kg. In July 2020, Mongstad had an acute spill of 20 m³ of crude oil into the ground and 200 liters went to the sea. 80% of the generated industrial waste was recycled.

Mongstad has in 2020 had discharges exceeding the permit to sea (oil in water) and air (nmVOC, CO, BTEX and PCB). Management are in close dialogue with the Norwegian Environment Agency regarding these deviations, and a clear direction for work with these challenges has been set.

There is a strong and continuous focus on safety, and further steps to improve the results have been taken. There were 7 serious incidents (including near miss and condition) in 2020. This gave a serious incident frequency (per million working hours) of 2.0 for 2020.

The total injury frequency (TRIF) was 7.6 in 2020 compared to 7.1 in 2019.



Finance

The obtained refining margin in 2020 was 0.5 USD/bbl, which was 3.2 USD/bbl lower than in 2019. Due to lower margins and unplanned shutdowns, the conversion value of crude to refined products decreased from 2 528 million NOK in 2019 to 367 million NOK in 2020.

The acquisition of 100% of the shares in Danish energy trading company Danske Commodities (DC) was completed in 2019. Danske Commodities is a wholly owned subsidiary to Equinor, through Equinor Refining Norway AS, operating under its own name and brand.

The net income for 2020 was -8 902 million NOK (loss) including impairment of 8 415 million NOK for the refinery and 152 million NOK of shares in Danske Commodities, compared to net income of -4 672 million NOK (loss) in 2019 including impairment of 4 888 million NOK.

The total investments in 2020 were 875 million NOK compared to 2 229 MNOK in 2019 (excl shares in DC and change in asset retirement obligation). The largest projects in 2020 were the Refinery Heat project, the completion of Turnaround 2019, the New reactor in the Cracker and the Residue Debottleneck Project.

The Company has no external loans and is financed 100% by the shareholders. However, there is need for additional funding as the market outlook and cashflow is forecasted to be weak in the short term.

Research and development activities related to the Company are executed by Equinor ASA.

The Company has no employees. The personnel are employed by the operator Equinor ASA. For more information about personnel issues such as sick leave, equality etc., the annual report and financial statements for Equinor ASA is referenced.

The Board of Directors consists of three women and two men.

The financial statement for 2020 has been prepared under the assumption of continued operations.

Outlook, risks and uncertainties

The largest risks associated with the Company's future business value and earnings are the refining margin and the US dollar exchange rate.

The refining industry is experiencing fluctuations in margins from year to year. The market conditions are expected to remain challenging with periods of overcapacity, particularly in the European market. Historically the margin and dollar exchange rate have changed significantly, and there is uncertainty also related to the future level. In the estimates of the future cash flows, the Company has used its best estimates.

With effect from 2021 there is a new Processing service agreement with Equinor ASA in place, and the price structure in the new agreement is the basis for the estimated future cash flows.

Another risk is associated with new product quality requirements and government regulatory framework. Property tax is declining from 2019 to 2025, based on decision to phase out "machine tax".

In February 2021 Northern Lights JV DA (NL DA) was established. NL DA is a new company to develop and operate the transport and storage part of Norway's "Langskip" project, which includes capture of CO₂ from industrial point sources in the Oslo region. The partners Equinor, Total and Shell will each hold 33 1/3 % in NL DA, and Equinor's part is held through Equinor Refining Norway AS.

During 2020 the spread of the corona virus (Covid-19) has impacted an increasing number of countries with increasing severity. During this period countries, organizations and Equinor have taken considerable measures to mitigate the risk for communities, employees and business operations. The impact from Covid-19 was a major reduction in demand and market margin, gradually expected to revert to normal level in 1-2 years.



2020 annual accounts include Asset Retirement Obligation. Discounted value of future estimated removal costs is related with some uncertainty.

For further information the financial statements with notes for 2020 are referenced.

Mongstad 10th of May 2021

The Board meeting of Equinor Refining Norway AS

Ole-Tobias Frich (438674)

Ole-Tobias Frich
Chair of the board



Tore Aarreberg
Member of the board

Grete Birgitte Haaland (601195)

Grete Birgitte Haaland
Member of the board

Jofrid Tone Klokkehaug (838679)

Jofrid Tone Klokkehaug
Member of the board

Sidsel Lokna (073806)

Sidsel Lokna
Member of the board

Sturle Bergaas (103905)

Sturle Bergaas
General Manager



Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Equinor Refining Norway AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Equinor Refining Norway 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 - Equinor Refining Norway AS

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Bergen, 11 May 2021
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The auditor's report is signed electronically

Truls Nesslin
State Authorised Public Accountant (Norway)

Penneo Dokumentnøkkel: 61MMV-KB8LQ-LZAXY-BOQEP-H4Y7L-TWINH

Independent auditor's report - Equinor Refining Norway AS

A member firm of Ernst & Young Global Limited



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Truls Nesslin

Statsautorisert revisor

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