Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	922 404 798
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	SVAL ENERGI HOLDING AS
Forretningsadresse:	Veritasveien 29 4007 STAVANGER

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Kari Holm
Dato for fastsettelse av årsregnskapet:	01.06.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert

År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

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, 07.06.2024

Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Kostnader			
Administrative expenses	10	0	0
Sum kostnader		**0**	**0**
Driftsresultat		**0**	**0**
Finansinntekter og finanskostnader			
Finance income	3,4	3 071 000 000	
Sum finansinntekter		**3 071 000 000**	
Finance cost	3,4	233 000 000	1 000 000
Sum finanskostnader		**233 000 000**	**1 000 000**
Netto finans		**2 838 000 000**	**-1 000 000**
Ordinært resultat før skattekostnad		**2 838 000 000**	**-1 000 000**
Income tax expense	5	6 000 000	
Ordinært resultat etter skattekostnad		**2 832 000 000**	**-1 000 000**
Årsresultat		**2 832 000 000**	**-1 000 000**
Overføringer og disponeringer			
From Share premium	9	-4 215 000 000	
Ekstraordinært utbytte	4,9	7 327 000 000	0
Konsernbidrag	9	114 000 000	0
From Other equity	9	-394 000 000	0
Sum overføringer og disponeringer		**2 832 000 000**	**0**

Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	6	1 769 000 000	4 055 000 000
Sum finansielle anleggsmidler		**1 769 000 000**	**4 055 000 000**
Sum anleggsmidler		**1 769 000 000**	**4 055 000 000**
Omløpsmidler			
Varer			
Fordringer			
Konsernfordringer	4	51 000 000	
Sum fordringer		**51 000 000**	
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	7	1 056 000 000	88 000 000
Sum bankinnskudd, kontanter og lignende		**1 056 000 000**	**88 000 000**
Sum omløpsmidler		**1 107 000 000**	**88 000 000**
SUM EIENDELER		**2 876 000 000**	**4 143 000 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Equity	8,9	3 000 000	3 000 000
Overkurs	9	1 730 000 000	3 667 000 000
Annen innskutt egenkapital	9	7 000 000	401 000 000
Sum innskutt egenkapital		**1 740 000 000**	**4 071 000 000**
Sum egenkapital		**1 740 000 000**	**4 071 000 000**

Balanse

Beløp i: NOK	**Note**	**2022**	**2021**
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			
Taxes payable	5	39 000 000	0
Borrowings from shareholders and related parties	4	1 097 000 000	72 000 000
Accounts payables and other current liabilities			1 000 000
Sum kortsiktig gjeld		**1 136 000 000**	**73 000 000**
Sum gjeld		**1 136 000 000**	**73 000 000**
SUM EGENKAPITAL OG GJELD		**2 876 000 000**	**4 144 000 000**

Konsernets resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Revenue from contracts with customers	7	16 981 000 000	226 000 000
Share of net profit/loss in equity accounted investments	33	98 000 000	
Other operating income	7	928 000 000	10 000 000
Sum inntekter		**18 007 000 000**	**236 000 000**
Kostnader			
Production costs	8	3 332 000 000	59 000 000
Depreciation	16,17, 18	2 750 000 000	46 000 000
Exploration expenses	9	559 000 000	305 000 000
Other operating expneses	10	530 000 000	184 000 000
Sum kostnader		**7 171 000 000**	**594 000 000**
Driftsresultat		**10 836 000 000**	**-358 000 000**
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	11	13 000 000	1 000 000
Annen renteinntekt	11	88 000 000	0
Other financial income	11	664 000 000	13 000 000
Sum finansinntekter		**765 000 000**	**14 000 000**
Annen rentekostnad	11	400 000 000	39 000 000
Other financial expenses	11	190 000 000	61 000 000
Sum finanskostnader		**590 000 000**	**100 000 000**
Netto finans		**175 000 000**	**-86 000 000**
Ordinært resultat før skattekostnad		**11 011 000 000**	**-444 000 000**
Income tax expenses	12,13	7 922 000 000	-344 000 000
Ordinært resultat etter skattekostnad		**3 089 000 000**	**-100 000 000**
Profit from disc. operations	34		750 000 000
Årsresultat		**3 089 000 000**	**650 000 000**

Konsernets resultatregnskap

Beløp i: NOK	Note	2022	2021
Other comprehensive income - currency translation differences net of tax	33	27 000 000	-23 000 000
Sum resultatkomponenter for IFRS-foretak		27 000 000	-23 000 000
Totalresultat		**3 116 000 000**	**627 000 000**

Konsernets balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Goodwill	14,16, 19	2 823 000 000	0
Capitalised exploration expenditures	16	8 000 000	50 000 000
Other intangible assets	16	2 000 000	4 000 000
Sum immaterielle eiendeler		**2 833 000 000**	**54 000 000**
Varige driftsmidler			
Property, plant & equipment	17,19, 27	32 196 000 000	4 123 000 000
Right of use asset	18,19	375 000 000	0
Sum varige driftsmidler		**32 571 000 000**	**4 123 000 000**
Finansielle anleggsmidler			
Investment in joint venture	33	303 000 000	746 000 000
Loan to associate/joint venture	11,33	767 000 000	0
Other non-curent assets		134 000 000	
Sum finansielle anleggsmidler		**1 204 000 000**	**746 000 000**
Sum anleggsmidler		**36 608 000 000**	**4 923 000 000**
Omløpsmidler			
Varer			
Inventories	17	168 000 000	41 000 000
Sum varer		**168 000 000**	**41 000 000**
Fordringer			
Accounts receivables		347 000 000	1 000 000
Tax receivables	13	0	1 399 000 000
Other short term receivables	20	4 647 000 000	582 000 000
Konsernfordringer		2 000 000	15 000 000
Sum fordringer		**4 996 000 000**	**1 997 000 000**
Investeringer			

Konsernets balanse

Beløp i: NOK	Note	2022	2021
Short-term derivative financial insturments	24,30	739 000 000	67 000 000
Sum investeringer		**739 000 000**	**67 000 000**
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	21	6 241 000 000	1 555 000 000
Sum bankinnskudd, kontanter og lignende		**6 241 000 000**	**1 555 000 000**
Sum omløpsmidler		**12 144 000 000**	**3 660 000 000**
SUM EIENDELER		**48 752 000 000**	**8 583 000 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Equity	22	3 000 000	3 000 000
Currency translation differences	33	-27 000 000	-54 000 000
Overkurs		1 617 000 000	3 667 000 000
Sum innskutt egenkapital		**1 593 000 000**	**3 616 000 000**
Opptjent egenkapital			
Retained earnings		971 000 000	994 000 000
Sum opptjent egenkapital		**971 000 000**	**994 000 000**
Sum egenkapital		**2 564 000 000**	**4 610 000 000**
Gjeld			
Langsiktig gjeld			
Utsatt skatt	13	8 587 000 000	1 218 000 000
Sum avsetninger for forpliktelser		**8 587 000 000**	**1 218 000 000**
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	5,23,30	10 130 000 000	709 000 000
Long-term decommissioning liabilities	5,26	7 423 000 000	271 000 000
Long-term derivative financial instruments	5,24	0	1 000 000
Long-term lease liabilities	5,29	289 000 000	0
Other non-current liabilities	5,26	154 000 000	0

Konsernets balanse

Beløp i: NOK	Note	2022	2021
Sum annen langsiktig gjeld		**17 996 000 000**	**981 000 000**
Sum langsiktig gjeld		**26 583 000 000**	**2 199 000 000**
Kortsiktig gjeld			
Short term bank borrowings	5,23,30	491 000 000	1 280 000 000
Taxes payable	13	13 785 000 000	0
Accounts payable	5,25	436 000 000	8 000 000
Short-term derivatives	5,24	99 000 000	81 000 000
Short-term lease liability	5,29	89 000 000	0
Short-term decommissioning liabilities	5,26	163 000 000	0
Other current liabilities	5,25	4 543 000 000	406 000 000
Sum kortsiktig gjeld		**19 606 000 000**	**1 775 000 000**
Sum gjeld		**46 189 000 000**	**3 974 000 000**
SUM EGENKAPITAL OG GJELD		**48 753 000 000**	**8 584 000 000**

Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Journalnummer:	2023 545629

Enheten

Organisasjonsnummer:	922 404 798
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	SVAL ENERGI HOLDING AS
Forretningsadresse:	Veritasveien 29 4007 STAVANGER

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Kari Holm
Dato for fastsettelse av årsregnskapet:	01.06.2023

Grunnlag for avgivelse

År 2022: Årsregnskap er elektronisk innlevert.
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022.

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, 05.07.2023

Brønnøysundregistrene
Postadresse: Postboks 900, 8910 Brønnøysund
Telefon: 75 00 75 00
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673

Organisasjonsnr: 922 404 798
SVAL ENERGI HOLDING AS

RESULTATREGNSKAP

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Kostnader			
Administrative expenses	10	0	0
Sum kostnader		**0**	**0**
Driftsresultat		**0**	**0**
Finansinntekter og finanskostnader			
Finance income	3,4	3 071 000 000	
Sum finansinntekter		**3 071 000 000**	
Finance cost	3,4	233 000 000	1 000 000
Sum finanskostnader		**233 000 000**	**1 000 000**
Netto finans		**2 838 000 000**	**-1 000 000**
Ordinært resultat før skattekostnad		**2 838 000 000**	**-1 000 000**
Income tax expense	5	6 000 000	
Ordinært resultat etter skattekostnad		**2 832 000 000**	**-1 000 000**
Årsresultat		**2 832 000 000**	**-1 000 000**
Overføringer og disponeringer			
From Share premium	9	-4 215 000 000	
Ekstraordinært utbytte	4,9	7 327 000 000	0
Konsernbidrag	9	114 000 000	0
From Other equity	9	-394 000 000	0
Sum overføringer og disponeringer		**2 832 000 000**	**0**

Organisasjonsnr: 922 404 798
SVAL ENERGI HOLDING AS

BALANSE

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	6	1 769 000 000	4 055 000 000
Sum finansielle anleggsmidler		**1 769 000 000**	**4 055 000 000**
Sum anleggsmidler		**1 769 000 000**	**4 055 000 000**
Omløpsmidler			
Varer			
Fordringer			
Konsernfordringer	4	51 000 000	
Sum fordringer		**51 000 000**	
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	7	1 056 000 000	88 000 000
Sum bankinnskudd, kontanter og lignende		**1 056 000 000**	**88 000 000**
Sum omløpsmidler		**1 107 000 000**	**88 000 000**
SUM EIENDELER		**2 876 000 000**	**4 143 000 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Equity	8,9	3 000 000	3 000 000
Overkurs	9	1 730 000 000	3 667 000 000
Annen innskutt egenkapital	9	7 000 000	401 000 000
Sum innskutt egenkapital		**1 740 000 000**	**4 071 000 000**
Sum egenkapital		**1 740 000 000**	**4 071 000 000**
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			
Taxes payable	5	39 000 000	0
Borrowings from shareholders and related parties	4	1 097 000 000	72 000 000
Accounts payables and other current liabilities			1 000 000

Sum kortsiktig gjeld	**1 136 000 000**	**73 000 000**
Sum gjeld	**1 136 000 000**	**73 000 000**
SUM EGENKAPITAL OG GJELD	**2 876 000 000**	**4 144 000 000**

Organisasjonsnr: 922 404 798
SVAL ENERGI HOLDING AS

KONSERNRESULTATREGNSKAP

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Revenue from contracts with customers	7	16 981 000 000	226 000 000
Share of net profit/loss in equity accounted investments	33	98 000 000	
Other operating income	7	928 000 000	10 000 000
Sum inntekter		**18 007 000 000**	**236 000 000**
Kostnader			
Production costs	8	3 332 000 000	59 000 000
Depreciation	16,17,18	2 750 000 000	46 000 000
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Other operating expneses	10	530 000 000	184 000 000
Sum kostnader		**7 171 000 000**	**594 000 000**
Driftsresultat		**10 836 000 000**	**-358 000 000**
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	11	13 000 000	1 000 000
Annen renteinntekt	11	88 000 000	0
Other financial income	11	664 000 000	13 000 000
Sum finansinntekter		**765 000 000**	**14 000 000**
Annen rentekostnad	11	400 000 000	39 000 000
Other financial expenses	11	190 000 000	61 000 000
Sum finanskostnader		**590 000 000**	**100 000 000**
Netto finans		**175 000 000**	**-86 000 000**
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Income tax expenses	12,13	7 922 000 000	-344 000 000
Ordinært resultat etter skattekostnad		**3 089 000 000**	**-100 000 000**
Profit from disc. operations	34		750 000 000
Årsresultat		**3 089 000 000**	**650 000 000**
Other comprehensive income - currency translation differences net of tax	33	27 000 000	-23 000 000
Sum resultatkomponenter for IFRS-foretak		27 000 000	-23 000 000

Totalresultat	**3 116 000 000**	**627 000 000**

Organisasjonsnr: 922 404 798
SVAL ENERGI HOLDING AS

KONSERNBALANSE

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Goodwill	14,16,19	2 823 000 000	0
Capitalised exploration expenditures	16	8 000 000	50 000 000
Other intangible assets	16	2 000 000	4 000 000
Sum immaterielle eiendeler		**2 833 000 000**	**54 000 000**
Varige driftsmidler			
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Right of use asset	18,19	375 000 000	0
Sum varige driftsmidler		**32 571 000 000**	**4 123 000 000**
Finansielle anleggsmidler			
Investment in joint venture	33	303 000 000	746 000 000
Loan to associate/joint venture	11,33	767 000 000	0
Other non-curent assets		134 000 000	
Sum finansielle anleggsmidler		**1 204 000 000**	**746 000 000**
Sum anleggsmidler		**36 608 000 000**	**4 923 000 000**
Omløpsmidler			
Varer			
Inventories	17	168 000 000	41 000 000
Sum varer		**168 000 000**	**41 000 000**
Fordringer			
Accounts receivables		347 000 000	1 000 000
Tax receivables	13	0	1 399 000 000
Other short term receivables	20	4 647 000 000	582 000 000
Konsernfordringer		2 000 000	15 000 000
Sum fordringer		**4 996 000 000**	**1 997 000 000**
Investeringer			
Short-term derivative financial insturments	24,30	739 000 000	67 000 000
Sum investeringer		**739 000 000**	**67 000 000**
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	21	6 241 000 000	1 555 000 000
Sum bankinnskudd, kontanter og lignende		**6 241 000 000**	**1 555 000 000**
Sum omløpsmidler		**12 144 000 000**	**3 660 000 000**

SUM EIENDELER		**48 752 000 000**	**8 583 000 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Equity	22	3 000 000	3 000 000
Currency translation differences	33	-27 000 000	-54 000 000
Overkurs		1 617 000 000	3 667 000 000
Sum innskutt egenkapital		**1 593 000 000**	**3 616 000 000**
Opptjent egenkapital			
Retained earnings		971 000 000	994 000 000
Sum opptjent egenkapital		**971 000 000**	**994 000 000**
Sum egenkapital		**2 564 000 000**	**4 610 000 000**
Gjeld			
Langsiktig gjeld			
Utsatt skatt	13	8 587 000 000	1 218 000 000
Sum avsetninger for forpliktelser		**8 587 000 000**	**1 218 000 000**
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	5,23,30	10 130 000 000	709 000 000
Long-term decommissioning liabilities	5,26	7 423 000 000	271 000 000
Long-term derivative financial instruments	5,24	0	1 000 000
Long-term lease liabilities	5,29	289 000 000	0
Other non-current liabilities	5,26	154 000 000	0
Sum annen langsiktig gjeld		**17 996 000 000**	**981 000 000**
Sum langsiktig gjeld		**26 583 000 000**	**2 199 000 000**
Kortsiktig gjeld			
Short term bank borrowings	5,23,30	491 000 000	1 280 000 000
Taxes payable	13	13 785 000 000	0
Accounts payable	5,25	436 000 000	8 000 000
Short-term derivatives	5,24	99 000 000	81 000 000
Short-term lease liability	5,29	89 000 000	0
Short-term decommissioning liabilities	5,26	163 000 000	0
Other current liabilities	5,25	4 543 000 000	406 000 000
Sum kortsiktig gjeld		**19 606 000 000**	**1 775 000 000**
Sum gjeld		**46 189 000 000**	**3 974 000 000**
SUM EGENKAPITAL OG GJELD		**48 753 000 000**	**8 584 000 000**

Organisasjonsnr: 922 404 798
SVAL ENERGI HOLDING AS

NOTEOPPLYSNINGER - SELSKAP

- alle poster oppgitt i hele tall

Note
2

Regnskapsprinsipper
The Financial statements have been prepared in accordance with generally accepted accounting principles in Norway (NGAAP).

Note

Antall årsverk i regnskapsåret
0.00

Sum	Beløp

Balanseført verdi 31.12.	Varige driftsmidler	Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Konsern, tilknyttet selskap m.v. - fordringer og gjeld

Fordringer

Samlet beløp - tilknyttet selskap	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - felles kontrollert virksomhet	Årets	Fjorårets

Pantstillelse	Beløp

Beholdning av egne aksjer	Antall	Pålydende	Andel av aksjek.

Note

Lån og sikkerhetsstillelse til medlemmer
Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Opplysninger om: **Medlemmer av:**

Mer om lån og sikkerhetsstillelse

Organisasjonsnr: 922 404 798
SVAL ENERGI HOLDING AS

NOTEOPPLYSNINGER - KONSERN

- alle poster oppgitt i hele tall

Note
3

Regnskapsprinsipper
IFRS - Please see attached Annual Statement with notes

Note
10

Antall årsverk i regnskapsåret
172.00

Note
10

Spesifisering av resultatregnskapet

Lønnkostnader

Lønn	Årets	Fjorårets
	270000000.00	164000000.00

Folketrygdavgift	Årets	Fjorårets
	46000000.00	24000000.00

Pensjonskostnader	Årets	Fjorårets
	19000000.00	10000000.00

Andre ytelser	Årets	Fjorårets
	12000000.00	1000000.00

Sum lønnskostnader	Årets	Fjorårets
	347000000.00	199000000.00

Mer om årsverk og lønn
Please see attached notes for further information

Note

Ekstraordinære inntekter og kostnader

Sum	Beløp

Balanseført verdi 31.12.	Varige driftsmidler	Immaterielle eiend.

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Konsern, tilknyttet selskap m.v. - fordringer og gjeld

Fordringer

Samlet beløp - tilknyttet selskap	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - felles kontrollert virksomhet	Årets	Fjorårets

Pantstillelse	Beløp

Note

Beholdning av egne aksjer	Antall	Pålydende	Andel av aksjek.

Erverv

Endringer i beholdning av aksjer i løpet av regnskapsåret

Avhendelse

Endringer i beholdning av aksjer i løpet av regnskapsåret

Samvirkeforetak

Vedtektsbestemmelser/årsmøtevedtak/forslag til vedtak om medlemskapskonti

Mer om aksjer

Note

Lån og sikkerhetsstillelse til medlemmer
Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Opplysninger om: **Medlemmer av:**

Mer om lån og sikkerhetsstillelse

Deloitte AS
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To the General Meeting of Sval Energi Holding AS

INDEPENDENT AUDITOR'S REPORT

Opinion
We have audited the financial statements of Sval Energi Holding AS, which comprise:

- The financial statements of the parent company Sval Energi Holding AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Sval Energi Holding AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the income statement, statement of comprehensive income, statement of changes in equity and statement 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 comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion
We conducted our audit in accordance with 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 and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities 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
The Board of Directors (management) is responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

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- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, 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 and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group 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 includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 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. We 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 and the Group'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 and the Group'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 and the Group 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 a true and fair view.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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We communicate with the Board of Directors 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.

Stavanger, 2 June 2023
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Ommund Skailand
State Authorised Public Accountant

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The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Ommund Skailand
State Authorized Public Accountant
On behalf of: Deloitte AS
Serial number: 9578-5999-4-1493317
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2023-06-02 08:02:45 UTC

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SVAL ENERGI HOLDING AS

2022 Board of Director's report

Sval Energi Holding AS with subsidiaries (the Group) was established in 2019 with the aim of building a new generation energy company. The Group started with solely infrastructure assets, but is now positioned in both exploration and production (E&P), and renewables.

Only three years after the Group was formed, the Group is now in the top ten list of the largest oil and gas producers on the Norwegian continental shelf. In 2022, the Group acquired Spirit Energy Norway AS (Spirit)'s (excluding the ownership interest on the Statfjord field) and Suncor Energy Norge AS (Suncor)'s Norwegian businesses. Later the same year, the Group acquired Equinor's shares in the Greater Ekofisk area and 19% of the shares in the Martin Linge field. At year-end 2022, the Group's E&P portfolio consist of several exploration licenses and four fields under development. Also, the Group was operator for two producing fields, Oda and Vale, and partner in 14 additional producing fields.

Acquisitions

Acquisition of the Spirit Energy Norway AS business

On 8 December 2021, the Group signed an agreement to acquire the Spirit Energy Norway AS (Spirit) business (excluding the ownership interest in the Statfjord field), including all employees. The transaction completed 31 May 2022.

The main activity of Spirit prior to the acquisition was exploration and production of oil and gas on the NCS. The acquisition encompassed 45 licences (6 operated), including 7 producing fields (2 operated) and several development and exploration opportunities, combining to add approximately 38,000 boe/d to the Group's production.

Acquisition of shares in Suncor Energy Norge AS

On 22 July 2022, the Group signed a share purchase agreement with Suncor Energy (International) Holdings B.V. to acquire all issued and outstanding shares in Suncor Energy Norge AS (Suncor). The transaction was closed on 30 September 2022, when all approvals were in place. This is also assumed to be the transaction date for accounting purposes. Following the completion of the SPA, Suncor changed its name to Sval SENAS AS (Sval SENAS).

The two acquisitions further strengthened the Group's organization with 100 staff joining from Spirit and 16 from Suncor.

Acquisition of Martin Linge Unit and the Greater Ekofisk Area

30 September 2022, the Group also closed the transaction with Equinor to acquire a share in Martin Linge and the Greater Ekofisk Area. The transactions with Equinor included a 19% share in the Martin Linge Unit and Equinor's full participating interest in the Greater Ekofisk Area: 7.6% of Ekofisk area licenses PL018, PL018B and PL275 (including the Ekofisk, Eldfisk and Embla fields), 6.6% in the Tor Unit, and 18.5% shareholding in Norpipe Oil AS.

Production

At the end of 2022, the Group was operator for two producing fields, Oda and Vale, and partner in 14 additional producing fields. Total volumes produced in 2022 were 12 million boe. Oil represented 59% of the production, with gas and NGL (Natural Gas Liquid) making up 41%. In November 2022, production exceeded 93,000 boe/d – a new record for the Group. On average, the 2022 production was 32,700 boe/d, the three largest producers being Oda, Kvitebjørn and Martin Linge. On a proforma basis, assuming all assets were owned from 1 January 2022, production for the full year would be 25,7 million boe.

Oda production increased significantly following the completion of an infill well in May 2022. Innovative teamwork allowed a beneficial change from the original concept, maintained production during the drilling phase and then a successful well was delivered ahead of schedule and under budget.

The Nova development project was completed and started production in July 2022. With a participating interest of 45% in the license, Nova will be an important contributor to increasing the Group's production.

Development projects

The Group participates in several significant development projects on the NCS which supports the Group's growth ambitions. In 2022, Plans for Development and Operations (PDOs) were submitted to the Norwegian authorities for the Symra, Dvalin Nord, Halten Øst, and Maria Phase 2 developments. Also, the Dvalin and Fenja fields are scheduled to start production in H1 2023.

Exploration

The Group was awarded four new licenses in the APA round in 2022. The Group participated in one exploration well on the NCS in 2022. The Uer well 6607/12-5, drilled in production license 943, encountered reservoir of about 67 meters thickness with moderate to poor quality. The well was classified as dry, with gas shows.

Portfolio optimalisation

In December 2022, the Group reached an agreement to sell its 10% interest in the Berling discovery. Berling is formerly known as Iris Hades. The transaction was closed on the 28 February 2023. In 2022, the Group decided not to proceed with the Fogelberg development project in PL 433. The decision was taken following a project validation process, where risks and opportunities were reviewed.

Renewables

The Group's wholly owned subsidiary Sval Renewables AS holds a 50% interest in the Metsälamminkangas (MLK) onshore wind farm in Finland through its wholly owned subsidiary Sval Wind Farm Oy. In April 2022, the wind farm was commercially handed over from the developer and constructor OX2 to the owners Sval Energi AS and Orrön Energy AB. With 24 turbines and an installed capacity of 132 MW, MLK is expected to produce in excess of 400 GWh per year, which makes it the third largest wind farm in Finland. MLK is producing renewable energy and is a positive contributor to the Northern European energy mix from a greenhouse gas perspective.

The Annual Accounts

Consolidated – Sval Energi Holding AS

The Group prepares and presents its accounts in accordance with International Financial Reporting Standards (IFRS), as adopted by EU and the Norwegian Accounting Act. In accordance with the Accounting Act § 3-3a, we confirm that the Financial Statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the coming years and the Group's economic and financial position is sound.

The Board of Directors believes that the annual accounts provide a true and fair view of the Group's result for 2022 and the financial position at year-end.

Income Statement

The Group's total income of NOK 18 007 million (2021 – NOK 236 million) consist of revenue from contracts with customers of NOK 16 981 million and other operating income of NOK 928 million. The increase in income is explained by the Group's acquisitions in 2022. Share of net profit in the equity accounted investment in MLK in 2022 NOK 98 million compared to nil in 2021.

Total operating expense is NOK 7 171 million (2021 – NOK 594 million). Of this, production cost is NOK 3 332 million, exploration expense is NOK 559 million, depreciation is NOK 2 750 million and other operating expenses is NOK 530 million. The increase in operating expense in 2022 reflects the Group's considerable growth and increased activity in 2022.

Operating profit for 2022 is NOK 10 836 million with 13,2 million boe of oil and gas sold compared to an operating loss of NOK 358 million in 2021 with 332 thousand boe sold.

Net financial income is NOK 175 million (2021 – net financial loss of NOK 86 million). Out of this, other financial income is NOK 664 million, and relates mainly to unrealised gain on forward currency contracts. Interest expense of NOK 400 million of this NOK 286 million relates to interest on loan the Group has with credit institutions and NOK 100 million accretion expenses from E&P asset retirement obligation.

Income tax expense was NOK 7 922 million (2021 – tax income of NOK 345 million). Tax payable was NOK 13 785 million (2021 – taxes receivables of NOK 1 399 million).

Profit for the year was NOK 3 089 million (2021 – NOK 650 million), and total comprehensive income was NOK 3 116 million (2021 – NOK 627 million).

Statement of Financial Position

As with the Group's Income Statement the Financial Position has grown significantly compared to 2021 due to the Group's acquisitions. Total assets amount to NOK 48 753 million at year-end 2022 whereas in 2021 NOK 8 583 million.

Total non-current assets are NOK 36 608 million on 31 December 2022, an increase from NOK 4 923 million at year end 2021. The business acquisition of Spirit increased non-current asset with NOK 15 514 (goodwill NOK 2 823 million, property plant and equipment NOK 12 596 million and other nets to NOK 95 million). The asset acquisitions of Suncor, Martin Linge and the Greater Ekofisk Area increased property plant and equipment with NOK 15 188 million.

Total current assets are NOK 12 145 million on 31 December 2022, this is a net increase of NOK 8 485 million from year end 2021 and reflects the Group's considerable growth and increased activity in 2022. The increase in current assets is mainly within cash and cash equivalents and other short-term receivables.

Total equity on 31 December 2022 is NOK 2 564 million, a decrease from year end 2021 when total equity was NOK 4 610 million. This corresponds to an equity ratio of 5% compared to 54% in 2021. In addition to the profit of the year, the changes in equity are capital increase in September 2022 of NOK 2 165 million and a dividend payment to Sval Energi Invest II AS in December 2022 of NOK 7 327 million.

Non-current liabilities at year-end 2022 are NOK 26 583 compared to NOK 2 198 million in 2021. The main driver for the increase is the acquisitions of business and assets in 2022. The increase is mainly within long-term bank borrowings NOK 10 130 million (2021 – NOK 709 million), deferred tax NOK 8 587 million (2021 – NOK 1 218) and long-term decommissioning liabilities NOK 7 423 million (2021 – NOK 271 million).

Current liabilities are NOK 19 606 million compared to NOK 1 775 million in 2021. The main driver for the increase is the acquisitions of business and assets in 2022. The increase is mainly within tax payable NOK 13 785 (nil in 2021) and other current liabilities of NOK 4 543 million (2021 – NOK 406 million). The increase is offset by a reduction in short-term bank borrowings from NOK 1 280 million in 2021 to NOK 491 million in 2022.

Cash Flow and Liquidity

Cash flow from operating activities was NOK 12 736 million compared to NOK 3 108 million in 2021. The increase in operating cash flow is explained by increased E&P sales volume due to the Group's acquisitions in 2022. The difference between cash from operating activities of NOK 12 736 million, and operating profit NOK 10 836 million are mainly explained by depreciation, net taxes paid and working capital movements.

Sval

Net cash used on investment activities was NOK 11 205 million compared to NOK 525 million in 2021. Cash used on investment activities in 2022 was related to acquisition of Spirit, Suncor, and Martin Linge/Ekofisk with NOK 9 121 million and disbursement on investment in property, plant and equipment of NOK 1 720 million.

Net cash from financing activities was NOK 3 155 million compared to cash used of NOK 1 336 million in 2021. Cash from financing activities in 2022 was mainly related to net proceeds from bank borrowings of NOK 8 717 million due to increased bank facility and capital increase of NOK 2 270 million (USD 220.5 million) received from shareholder in September 2022, partly offset by dividend of NOK 7 462 million (USD 753 million) paid to shareholder in December 2022.

Cash and cash equivalents 31 December 2022 were NOK 6 241 million compared to NOK 1 555 million in 2021.

Parent Company – Sval Energi Holding AS

The parent company, Sval Energi Holding AS, has prepared it's Financial Statements for the year ended 31 December 2022 in accordance with Generally Accepted Accounting Principles in Norway ("NGAAP"). The Financial Statements for the year ended 31 December 2021, were prepared in accordance with International Financial Reporting Standards (IFRS). The company have not identified any accounting differences between NGAAP and IFRS for the income statement or balance sheet for 2021. Comparative figures for 2021 have therefore not been restated.

The Board of Directors believes that the annual accounts provide a true and fair view of the Group's result for 2022 and the financial position at year-end. In accordance with the Accounting Act § 3-3a, we confirm that the Financial Statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the coming years and the Company's economic and financial position is sound.

Income Statement

Sval Energi Holding AS is a holding company without any employees. Operating profit for both 2022 and 2021 is zero.

Net financial income is NOK 2 838 million (2021 – net financial loss of NOK 1 million). Out of this, NOK 2 809 million relates to the dividend received from Sval Energi AS in December 2022.

Profit for the year was NOK 2 832 million (2021 loss of NOK 1 million).

Statement of Financial Position

Total non-current assets related to the investment in the subsidiary Sval Energi AS. The investment is NOK 1 769 million as of 31 December 2022, a decrease from NOK 4 055 million compared to year end 2021. The decrease of net book value of investment is related to dividend received from Sval Energi AS in December 2022, where NOK 4 518 million is recognised as a reduction of investment in subsidiary and partly offset by a capital increase 12 September 2022 of NOK 2 165 million (USD 220.5 million) paid to Sval Energi AS 19 September 2022 (NOK 2 270 million) and accrued group contribution to be paid to Sval SENAS AS of NOK 66 million.

Total current assets are NOK 1 107 million on 31 December 2022, an increase from NOK 88 million 31 December 2021. The increase in current assets is mainly within cash and cash equivalents.

Total assets amount to NOK 2 875 million at year-end 2022 whereas in 2021 it was NOK 4 143 million.

Total equity on 31 December 2022 is NOK 1 740 million, a decrease from year-end 2021 when total equity was NOK 4 070 million. This corresponds to an equity ratio of 61% compared to 98% in 2021. In addition to the profit of the year, the changes in equity are capital increase in September 2022 of NOK 2 165 million and a dividend payment to Sval Energi Invest II AS in December 2022 of NOK 7 327 million.

Current liabilities are NOK 1 136 million compared to NOK 73 million in 2021. The increase in current liability is mainly within borrowings from related parties.

Cash Flow and Liquidity
Sval Energy Holding AS is a holding company and cash flow used in operating activities was NOK 1 million and in line with operating profit.

Net cash from investment activities in 2022 of NOK 5 192 million is related to the dividend received from Sval Energi AS of NOK 7 462 million, partly offset by capital increase in Sval Energi AS of NOK 2 270 million.

Net cash used in financing activities in 2022 was NOK 4 217 million compared to cash gain from finance activities of NOK 786 million in 2021. Cash used in financing activities in 2022 was mainly relates to dividend of NOK 7 462 million (USD 753 million) paid to shareholder in December 2022, partly offset by increased borrowing to Sval Energi AS NOK 936 million and capital increase of NOK 2 270 million (USD 220.5 million) received from shareholder in September 2022.

Cash and cash equivalents 31 December 2022 were NOK 1 056 million compared to NOK 88 million in 2021.

Dividend
Sval Energi Holding AS paid a total dividend of USD 753 million in December 2022 to Sval Invest II AS.

The Group's sustainability approach
Environmental, Social and Governance (ESG) aspects are an integral part of the Group's business strategy and ESG assessments are integrated into business activities and decisions to add value and future-proof the business. The Group supports the goals of the Paris Agreement and recognises the need for the oil and gas industry to reduce its carbon footprint. At the same time the Group expects that oil and gas will continue to play an important role in the energy mix for many years to come. It is our role to produce that oil and gas with a minimum environmental footprint while creating value for our stakeholders and society.

In 2022, the Group revised its ESG materiality assessment to reflect significant changes over the year, including the rapid growth of its oil and gas portfolio, a much larger organisation, and a new role as field operator. The goal of the assessment was to understand the expectations and strategic levers related to sustainability that are most relevant for the Group. The selected ESG topics are sorted under the key overarching environmental, social and governance themes. With the increasing focus on ESG, the Board of Directors in Sval Energi AS established a Sustainability Committee in 2022. The primary objective of this committee is to advise and support the Board in Sval Energi AS in all matters regarding ESG, including strategy development, financial climate risk, and sustainability reporting.

Environment
Portfolio decarbonisation
The Group is focused on reducing greenhouse gas emissions across its portfolio and operations and supports the ambitious joint industry targets to reduce emissions by 50% within 2030. The Group's commitment to minimise the negative impact of its activities is captured in the recently revised ESG and Health, Safety and Environment (HSE) Policies.

The environmental footprint of an asset is a key consideration during any investment decision. This is reflected in the fact that nearly half of the Group's operating and development assets are, or will be, electrified with renewable power from shore. The most recent decision was to partly electrify the new tie-in field Fenja, underpinning the Group's commitment to reducing emissions. At the end of 2022 a new initiative was made amongst the partners in the Ekofisk field to establish a "Low Carbon Committee" aiming to identify new measures to realise the target of 50% emission reduction by 2030. Further measures, including reductions in flaring, energy efficiency measures, and optimalisation of production are continuously evaluated in all assets.

As the Group's current portfolio is dominated by partner-operated assets, the Group is working actively through license committees, direct company to company dialogues, and industry initiatives such as Offshore Norge and the DNV Roundtable on Climate Risk. The Group also supports various research and development projects such as SINTEF's Low Emission Centre, which develops new technology and concepts for offshore energy systems and integration with renewable power production technologies. The Group's exploration strategy contributes to minimise emissions, being focused on near-field exploration to reuse existing infrastructure and favouring host facilities with low emissions.

In 2022, the Group began establishing a decarbonisation roadmap, covering emissions across Scopes 1–3, and establishing reporting routines, processes and methodologies aligned with industry practices.

Low Carbon opportunities

During 2022, the Group continued maturing opportunities within carbon storage on the NCS. These projects target avoided emission on an industrial scale, contributing to a commercial value chain for the capture and storage of CO_2 along the NCS. In Q1 2023 the Group submitted its first application for a CO_2 storage license on the NCS, following a 2022 nomination together with partners Storegga and Neptune.

Social responsibility

Occupational health and safety

Safety is the number one priority in the Group, and the HSE policy defines clear targets and Key Performance Indicators (KPIs) aiming for zero harm to people. With a tripling of the workforce during 2022, the Group has implemented a new comprehensive health and safety management system. The Group had no safety incidents in its own operations in 2022. The current asset portfolio pre-dominantly consists of non-operated fields, and the two operated fields are subsea tiebacks. The Group therefore has no offshore workers, and all employees are office staff. However, the Group systematically audits the HSE and emergency preparedness established by the operator of each asset the Group holds an interest in. Absence from work due to illness was low (3%) in 2022.

Inclusion and diversity

The Group aims to create an inclusive work environment and foster a diverse workforce. At year-end 2022, the Group had 172 employees across the Stavanger and Oslo offices, of which 40% were women, and 18 different nationalities were represented. The Group continues to focus on gender equality and recruiting a workforce from diverse age groups and backgrounds. At the end of 2022, the Group also signed up for a new tool – Equality Check – which will be implemented during 2023 and will allow for better analysis and reporting of the Group's strategic work on equality.

Capacity and capability building

The Norwegian oil and gas industry is experiencing record high activity levels, increasing the competition for qualified personnel. To ensure that the Group can continue to deliver according to its strategy, the Group put several measures in place during 2022 to maintain a high performing team. Strategic resource planning and development of a recruitment and people development philosophy were initiated, along with multiple professional and social initiatives to ensure the Group remains an attractive employer. Examples include the establishment of Sval Young People Network, and expansion of the social activity group "Team Sval".

Local community engagement

Contributing positively to society and the local communities in which the Group operates is important for the Group, and it is actively looking for opportunities to strengthen local value creation through its activities. In 2022, the Group contributed through sponsorships, engagement initiatives and fundraisers. The Group was the main sponsor and contributor to "3-sjøersløpet" in Stavanger, promoting physical and mental health, "Gi-en-jul" (Give a Christmas) helping families in need, and in a partnership with "Sammen-om-en-jobb" (Together for a job) through Rogaland Fylkeskommune (County Municipality). A newly developed Social Engagement Strategy was decided on in early 2023. It will mean further increased commitment from the Group, especially related to measures related to mental and physical health.

Governance

Ethical business practises

The Group is committed to operating in an ethical and responsible manner. The foundation of the Group's governance approach is transparency and sustainability. The Group will openly report on its own impacts and contributions, based on acknowledged standards. During 2022, the Group initiated a major revision of its Business Management System (BMS) to set up a solid foundation for the Group's further development. This work is still ongoing. The Group has already established a full suite of policies to embed the highest ethical standards into the employee's business conduct. During 2022, all new employees completed e-learning modules on the Sval Code of Conduct, policies and the BMS. There have been no reported cases of non-compliance with laws and regulations in the fiscal year of 2022. The Group has established a supplier code of conduct and has implemented the regulatory requirements of the new Transparency Act into its established vendor due diligence system. The Group will report according to the new requirements within 30 June 2023.

Cyber security

Following geopolitical developments, the Group has directed particular focus to improving its security and resilience against cyber threats. In 2022, the Group initiated an Information Security Management System in accordance with its Information Security Policy. The Group also performed an in-depth study into its information security risks and established an action plan for further improvement. The Group continues its targeted digital security training to raise awareness and knowledge around cyber security amongst its employees.

Reporting of payments to governments

The subsidiary Sval Energi AS has prepared a report on government payments in accordance with the Norwegian Accounting Act section 3-3d, and the Norwegian Securities Trading Act section 5-5a. It states that companies engaged in activities within the extractive industries shall annually prepare and publish a report containing information about their payments to governments at country and project level. The report is available on the Sval Energi AS's website (www.sval-energi.no).

Norwegian Equality and Anti-Discrimination Act

The subsidiary Sval Energi AS is required according to the Norwegian Equality and Anti-Discrimination Act to give a statement of the actual condition of affairs in terms of gender equality, and what is being done to fulfil the activity obligation according to the Norwegian Equality and Anti-Discrimination Act § 26. Sval Energi AS's statement is available on Sval Energi AS's website (www.sval-energi.no).

Norwegian Transparency Act

In July 2022, the Norwegian Transparency Act entered into force. The act is founded on a desire to protect fundamental human rights and decent working conditions through increased transparency related to production of goods and provision of services. In addition to the Group's Code of Conduct and Integrity Due Diligence (IDD) procedure, which already had set out a clear commitment to respect human rights and principles relating to selecting our business partners carefully, the Group has during 2022 implemented additional measures to ensure compliance with the Transparency Act. The Group has not identified any negative impacts with respect to potential violations of human rights or working conditions in relation to our supply chain or other business partners. Sval Energi AS's Transparency Statement will be available on Sval Energi AS's website (www.sval-energi.no).

Sval

Financial risk

Liquidity risk and cash management

The Group's strategy is to have access to sufficient liquidity to meet anticipated cash needs, through detailed liquidity forecasts and utilisation of available free-cash resources, or available credit line headroom, with an acceptable liquidity margin.

Interest rate risk

Interest rate risk is the risk of potential reduction in asset value and profitability arising through adverse variations in interest rates. The Group is exposed to interest rate risk, primarily as a consequence of its third-party bank debt that is offered on floating rate terms. The Group monitors its interest rate exposure and considers the use of interest rate derivatives to reduce its interest rate risk and protect its liquidity position.

Foreign exchange rate risk

Following the sale of the Group's ownership in Gassled and Polarled in December 2021, combined with the upstream transactions closed in 2022, the Group's business activities have during 2022 changed from being predominately NOK denominated infrastructure revenues to primarily being oil & gas revenues going forward.

Crude oil revenues are all USD denominated, while the gas is EUR and GBP denominated depending on whether it is sold to the European continent or to the UK. Some revenues, e.g. resale of transportation capacity, are still NOK denominated.

The majority of the costs, including tax payments, are NOK denominated although there is some USD exposure related to ongoing development projects as well as some costs being incurred in EUR and GBP.

At the balance sheet date, the Group's main non-current financing is in USD. Rapid and significant fluctuations in NOK against EUR, GBP and USD may affect the Group's liquidity adversely. The foreign exchange exposure is actively monitored and hedged using financial derivatives, primarily foreign exchange forward contracts.

Credit risk

Credit risk is the risk of potential loss arising when a counterparty is unable to fulfil its obligations. The Group has assessed that it is exposed to credit risk amongst others in relation to payment of petroleum revenues and various obligations.

The Group will monitor credit risk by periodic assessments of the credit worthiness of its counterparties and consider adequate corrective actions in case of negative developments in credit worthiness.

Task force of Climate-related Financial Disclosures

The Group is committed to reporting with reference to the Global Reporting Initiative (GRI) and the recommendations of the Taskforce on Climate related Financial risk Disclosure (TCFD). The Group is set to publish its second annual sustainability report in 2023, with reference to the GRI.

The Group takes climate risks and opportunities into account when developing strategies and financial plans. The Group`s TCFD-aligned climate risk assessment was updated in 2022 to reflect company changes and onboard the new members of the leadership team. The climate-related risks are viewed as material and are continuously monitored and managed, and this is also reflected in the Group's overall Enterprise Risk Management register. In 2022, the Group also completed its first report to the UN Global Compact covering the UN's Ten principles for Responsible Business and Sustainability Goals.

Board of Directors

The Board of Directors has three board members. Board members are nominated through the general meeting. The Board is responsible for approving all significant transactions of Sval Energi Holding AS, such as debt refinancing, acquisitions and disposals, and the issuance of additional equity shares. The Board of Directors are covered by the Group's directors' and officers' liability insurance.

Subsequent events and outlook

In January 2023, the Group was awarded four new exploration licenses on the NCS. The licences awarded have two firm well commitments with tieback to Sval hosts of Martin Linge and Kvitebjørn. New and attractive exploration acreage in areas where the Group owns existing infrastructure forms part of the Group's growth ambition.

The Norwegian Ministry of Petroleum and Energy announced on 11 January 2023 a new area in the North Sea for applications related to injection and storage of CO_2. The Group, together with partners, applied for a CO_2 storage license in the Norwegian sea with potential to store up to 225 million tonnes of CO_2.

In February 2023 Norwegian authorities approved Halten East development project in the Norwegian sea.

The Dvalin field was scheduled to start production in February 2023, but start-up has been delayed until Q2 2023.
Fenja started to produce in April 2023.

Continued growth of the Group´s portfolio through both organic and non-organic activities in line with group strategy are key objectives for 2023.

Stavanger, 1 June 2023

The Board of Directors of Sval Energi Holding AS

Einar Gjelsvik
Chair

Ove Martin Juul
Board member

Kjell Erik Endresen
Board member

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CONSOLIDATED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

SVAL ENERGI HOLDING AS

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Consolidated Income Statement

NOK million	Note	2022	2021
Revenue from contracts with customers	7	16 981	226
Share of net profit/loss in equity accounted investments	33	98	-
Other operating income	7	928	10
Total income		**18 007**	**236**
Production costs	8	-3 332	-59
Exploration expenses	9	-559	-305
Depreciation	16, 17, 18	-2 750	-46
Other operating expenses	10	-530	-184
Total operating expenses		**-7 171**	**-594**
Operating profit/loss		**10 836**	**-358**
Interest income[1]	11	88	0
Interest income from companies in the same group[1]	11	13	1
Other financial income[1]	11	664	13
Interest expenses[2]	11	-400	-39
Other financial expenses[2]	11	-190	-61
Net financial items		**175**	**-86**
Profit/loss before taxes		**11 012**	-444
Income tax expense	12, 13	-7 922	345
Profit/loss for the year from continued operations		**3 089**	**-100**
Discontinued operations			
Profit/loss from discontinued operations	34	-	750
Profit/loss for the year		**3 089**	**650**

[1] Presented as Finance income in the Financial Statements for 2021.

[2] Presented as Finance cost in the Financial Statements for 2021.

Consolidated Statement of Comprehensive Income

NOK million	Note	2022	2021
Profit/loss for the year		**3 089**	**650**
Other comprehensive income			
Items that will be reclassified to income statement:			
Currency translation differences, net of tax	33	26	-23
Total comprehensive income		**3 116**	**627**

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Consolidated Statement of Financial Position

NOK millions	Note	31 December 2022	31 December 2021
ASSETS			
Intangible assets			
Goodwill	14, 16, 19	2 823	-
Capitalised exploration expenditures[1]	16	8	50
Other intangible assets[1]	16	2	4
Tangible assets			
Property, plant and equipment[2]	17, 19, 27	32 196	4 123
Right-of-use assets	18, 19	375	-
Financial assets			
Investment in joint venture	33	303	745
Loan to associate/joint venture	11, 33	767	-
Other non-current assets		134	-
Total non-current assets		**36 608**	**4 923**
Current assets			
Inventories[2]	17	168	41
Accounts receivable		347	1
Tax receivable	13	-	1 399
Short-term derivative financial instruments	24,30	739	67
Borrowings to shareholders and related parties		2	15
Other short-term receivables[3]	20	4 647	582
Cash and cash equivalents	21	6 241	1 555
Total current assets		**12 145**	**3 660**
Total assets		**48 753**	**8 583**

[1] Intangible assets presented in the Financial Statements for 2021 have been split into capitalised exploration expenditures and other intangible assets.

[2] Property, plant and equipment as of 31 December 2021 have been adjusted with NOK 41 million due to reclassification from property, plant and equipment to inventories.

[3] The balance as of 31 December 2021 includes a reclassification from other short-term receivables to other current liabilities with NOK 20 million.

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Consolidated Statement of Financial Position

NOK million	Note	31 December 2022	31 December 2021
EQUITY AND LIABILITIES			
Equity			
Share capital	22	3	3
Share premium		1 617	3 667
Currency translation differences[1]	33	-27	-54
Retained earnings[1]		971	994
Total equity		**2 564**	**4 610**
LIABILITIES			
Non-current liabilities			
Deferred tax	13	8 587	1 218
Long-term bank borrowings	5, 23, 30	10 130	709
Long-term decommissioning liabilities	5, 26	7 423	271
Long-term derivative financial instruments	5, 24	-	1
Long-term lease liabilities	5, 29	289	-
Other non-current liabilities	5, 26	154	-
Total non-current liabilities		**26 583**	**2 198**
Current liabilities			
Accounts payable[2]	5, 25	436	8
Taxes payable	13	13 785	-
Short-term derivatives[2]	5, 24	99	81
Short-term bank borrowings	5, 23, 30	491	1 280
Short-term lease liabilities	5. 29	89	-
Short-term decommissioning liabilities	5, 26	163	-
Other current liabilities [2] [3]	5, 25	4 543	406
Total current liabilities		**19 606**	**1 775**
Total liabilities		**46 189**	**3 973**
Total equity and liabilities		**48 753**	**8 583**

[1] Currency translation differences and Retained earnings were presented as Retained earnings in 2021 Financial Statements.

[2] Accounts Payable, short-term derivatives and other current liabilities were presented as trade and other payables in 2021 Financial Statements.

[3] The balance as of 31 December 2021 has reclassified from other short-term receivables to other current liabilities with NOK 20 million.

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Stavanger, 1 June 2023

The Board of Directors of Sval Energi Holding AS

Einar Gjelsvik
Chair

Ove Martin Juul	Kjell Erik Endresen
Board member	Board member

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Consolidated Statement of Changes in Equity

NOK million	Share capital	Share premium	Currency translation differences	Retained earnings	Total equity
Balance at 1 January 2022	**3**	**3 667**	**-54**	**994**	**4 610**
Profit/loss for the year	-	-	-	3 089	3 089
Currency translation differences	-	-	26	-	26
Capital increase [1]	-	2 165	-	-	2 165
Dividend [2]	-	-4 215	-	-3 112	-7 327
Balance at 31 December 2022	**3**	**1 617**	**-27**	**971**	**2 564**

[1] Capital increase of USD 220.5 million (NOK 2 165 million) was approved by shareholder Sval Energi Invest II AS the 12 September 2022 and received 19 September 2022 (NOK 2 270 million).

[2] The Board in Sval Energi Holding AS approved in a board meeting the 14 December 2022 a dividend of USD 753 million (NOK 7 327 million) to Sval Energi Invest II AS. The dividend of USD 753 million (NOK 7 462 million) was paid 19 December 2022.

NOK million	Share capital	Share premium	Currency translation differences[1]	Retained earnings[1]	Total equity
Balance at 1 January 2021	**2**	**2 818**	**-30**	**344**	**3 133**
Profit/loss for the year	-	-	-	650	650
Currency translation differences	-	-	-23	-	-23
Capital increase	1	849	-	-	849
Balance at 31 December 2021	**3**	**3 667**	**-54**	**994**	**4 610**

[1] Currency translation differences and Retained earnings were presented as Retained earnings in 2021 Financial Statements.

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Consolidated Statement of Cash Flow

Cash flow from operating activities	Note	2022	2021
Profit/loss before income tax from continued operations		11 012	-444
Adjusted for:			
Finance costs, net	11	-175	86
Depreciation	16, 17, 18	2 750	46
Expensed capitalised dry wells	9, 16	125	107
Updated decommissioning estimate	10, 26	96	-
Taxes paid	12, 13	-2 761	-
Tax received	12, 13	1 537	1 268
Interest paid	11	-3	-
Reversal of share of net profit/loss in equity accounted investments	33	-98	-
Changes in inventories, accounts payable and accounts receivable[1)]	20, 25	254	19
Net cash generated from operating activities in discontinued operations	34	-	2 026
Net cash generated from/used in operating activities		**12 736**	**3 108**
Cash flow from investing activities			
Payment for decommissioning of oil and gas fields	26	-70	-
Disbursement on investment in capitalised exploration expenditures	16	-128	-130
Disbursement on investment in fixed assets	17	-1 720	-580
Asset acquisition[1)]	15	-2 184	-
Acquisition of shares in subsidiaries	15	-3 385	-
Consideration paid in business combination	14	-3 552	-
Acquisition of shares		-	-606
Prepayment on investment		-	-447
Cash obtained through merger with subsidiary		-	78
Net cash from investment in Joint Venture	29	-166	-328
Repayment of loan in acquired company		-	-2 290
Net generated from/used in investing activities from discontinued operations	34	-	3 778
Net cash generated from/used in investing activities		**-11 205**	**-525**

[1)] Asset acquisition relates to the acquisition of Martin Linge Unit and the Greater Ekofisk Area NOK 3 233 million and deducted for Suncor bank balances received of NOK 973 million. See note 15 for further information.

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Cash flow from financing activities	Note	2022	2021
Dividend paid	11	-7 462	-
Capital increase		2 270	714
Proceeds from bank borrowings	5, 23, 30	12 166	2 232
Repayment of bank borrowings	5, 23, 30	-3 449	-1 157
Interest paid	11	-240	-62
Interest received	11	100	
Repayment of lease liabilities	29	-28	-
Other finance expense	11	-197	-13
Receipt/payment upon settlement of derivatives related to financing	24, 30	-4	-
Net cash used in financing activities from discontinued operations	34	-	-3 050
Net cash generated from/used in financing activities		**3 155**	**-1 336**
Net increase/decrease in cash and cash equivalents		**4 686**	**1 247**
Effect of exchange rate in Sval Wind Farm Oy	11	13	-
Effect of foreign exchange rate changes on cash and cash equivalents	11	-14	-
Cash, cash equivalents and bank overdrafts at start of the period		1 555	308
Cash and cash equivalents at end of the period		**6 241**	**1 555**

[1)] Changes in inventories, accounts payable and accounts receivable are presented combined, whereas on separate lines in the Financial Statements of 2021.

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1. General information

Sval Energi Holding AS with subsidiaries (the Group) was established in 2019 with the aim of building a new generation energy company. The Group started with solely infrastructure assets, but is now positioned in both exploration and production (E&P), and renewables.

Only three years after the Group was formed, the Group is now in the top ten list of the largest oil and gas producers on the Norwegian continental shelf. In 2022, the Group acquired Spirit Energy Norway AS (Spirit)'s (excluding the ownership interest on the Statfjord field) and Suncor Energy Norge AS (Suncor)'s Norwegian businesses. Later the same year, the Group acquired Equinor's shares in the Greater Ekofisk area and 19% of the shares in the Martin Linge field. At year-end 2022, the Group's E&P portfolio consist of several exploration licenses and four fields under development. Also, the Group was operator for two producing fields, Oda and Vale, and partner in 14 additional producing fields.

The Group's corporate headquarter is located in Stavanger, and the business address is Veritasveien 29, 4007 Stavanger.

The Financial Statements were authorised for issue by the Annual General Meeting on 1 June 2023.

2. Basis of presentation

The Financial Statements for the year ended 31 December 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and adopted by the European Union and are mandatory for financial years beginning on or after 1 January 2022, and Norwegian disclosure requirements listed in the Norwegian Accounting Act as of 31 December 2022. The Financial Statements have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value and receivables, loans, and other financial liabilities, that are recognised at amortized cost. Accounts payables are recognised initially at fair value and subsequently measured at amortised cost.

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in note 4.

The Financial Statements have been prepared under the assumption of going concern. The accounts are presented in NOK. All amounts in the financial statements are shown in millions of Norwegian kroner unless stated otherwise.

3. Significant accounting policies

The following description of accounting principles applies to the Group's 2022 Financial Statements, including all comparative figures.

Changes in accounting policies and disclosures

As of 1 January 2022, spare parts are presented as part of inventories, and inventories are presented on a separate line in the Statement of Financial Position. Previous years, spare parts were presented under property, plant and equipment.

The accounting policies adopted are consistent with those of the previous financial year.

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Significant accounting policies

Current versus non-current classification

The Group presents assets and liabilities in the Statement of Financial Position based on their current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
- Cash or cash equivalent unless restricted from being foreign exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Foreign currencies

The functional currency is determined in each entity in the Group based on the currency within the entity's primary economic environment. For 2022 and 2021, the functional currency is NOK for all subsidiaries apart from Sval Wind Farm Oy and Metsälamminkangas Wind Oy. The latter use EURO as functional currency.

Transactions in foreign currency are translated to functional currency using the exchange rate at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated using the closing rate, non-monetary items that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction and non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. Changes in the exchange rate are recognised continuously in the accounting period.

Business combinations

Business combinations are accounted for using the acquisition method. The acquisition date is the date on which the acquirer achieves control over the acquiree. At the date of acquisition, identifiable assets, liabilities, and contingent liabilities are measured at fair value. The cost of an acquisition is measured against the fair value of the acquired assets and liabilities. If identifiable intangible assets can be separated from other assets, or meet the legal contractual criteria, they will be included. In the cases where the acquisition cost exceeds the fair value, goodwill will arise.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge,

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or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. The acquired petroleum reserves and resources that can be reliably measured are recognised separately in the assessment of fair values on acquisition. Other potential reserves, resources and rights, for which fair values cannot be reliably measured, are not recognised separately, but instead are subsumed in goodwill.

Licences on the Norwegian Continental Shelf are only sold in a post-tax market. Meaning, the acquirer takes over the tax written down values of the seller and is therefore not entitled to a tax deduction for the consideration paid over and above the seller's tax values. A provision for deferred taxes on the difference between the acquisition cost and the transferred tax depreciation bases is made, and this is in accordance with IAS 12 Income Taxes. The offsetting entry to this deferred tax liability is goodwill. Therefore, in addition to the ordinary goodwill, the Group will also get goodwill as a technical effect of deferred taxes recognised for the after-tax consideration paid in business combinations for assets acquired under section 10 of the Norwegian Petroleum Tax Act.

The valuation of the business combination is based on information about fair values available at the acquisition date. Fair value has been obtained by discounting expected cash flows from future operations to get to the net present value. The Group may make changes to the purchase price allocation (PPA) if new information becomes available within 12 months from the acquisition date and provisional PPA.

Acquisition related costs are expensed as incurred.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 (Financial Instruments) is measured at fair value, with changes in fair value recognised in the Income Statement.

Due to the nature of the contingent oil and gas considerations and the fact that it is directly linked to income through the price and volume of gas delivered, any changes in fair value will be recognised in the Income Statement. Changes in fair value are not in scope for IFRS 15 (Revenue from Contracts with Customers) and will be recognised as 'Other income' in the Income Statement.

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for any non-controlling interest and the acquisition date fair value of any previously held interest (aggregate consideration transferred), over the fair value of the identifiable net assets acquired and liabilities assumed. If the fair value of the identifiable net assets acquired is in excess of the aggregate consideration transferred (bargain purchase), before recognising a gain, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the Income Statement.

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After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not depreciated, but the Group test for impairment when there are indications of impairment and at least annually. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Goodwill impairments cannot be reversed later if impairment indicators are no longer present.

Where goodwill forms part of a CGU and part of the operation in that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

Investments in joint operations

The Group has interests in licences on the Norwegian Continental Shelf. IFRS 11 (Joint Arrangements) define a joint arrangement as an arrangement where two or more parties have joint control. Joint control is the contractually agreed sharing of control over an arrangement which exists only when the decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. Joint arrangements in accordance with IFRS 11 can be either joint operations or joint ventures, depending on the contractual rights and obligations of each investor.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The Group has evaluated its joint arrangement investments in upstream assets, and it is the Group's assessment that no individual partner has control over the assets alone. It has also been assessed that no parties have joint control because several combinations of participants could achieve majority voting and the investment is out of scope for IFRS 11. For investments that are not deemed to be joint operations as there is no joint control (pursuant to the definition of IFRS 11), the Group recognises its share of each joint operation's individual revenue and expenses, as well as the assets, liabilities and cash flows on a line-by-line basis with similar items in the Financial Statements in accordance with applicable IFRSs. As this is very similar to how to account for joint operations according to IFRS 11, these investments are referred to as joint operations in these Financial Statements.

The Group's investment in the Metsälamminkangas Wind Farm is classified as a joint venture as there is a contractually agreed sharing of control of the investment. The wind farm investment is therefore accounted for in the consolidated financial statements in accordance with the equity method and are initially recognised at cost. The difference between the acquisition cost of the joint venture investment and the net fair value of the assets, liabilities and contingent liabilities of the joint venture recognised at the date of acquisition is recognised as goodwill. The Group's share of the results of the joint venture is recognised in the consolidated income statement.

Acquisition of interests in joint operations

When entering into an agreement to acquire interests in licenses, the Group evaluates whether the acquisition should be treated as a business combination or an asset acquisition. The definition of a business combination requires that the assets acquired, and liabilities assumed constitute a business. If the assets acquired and liabilities assumed do not constitute a business, the transaction is to be accounted for as an asset acquisition. For accounting purposes, the main difference between a business combination and an asset acquisition is that a business combination will result in deferred tax liabilities and goodwill that will not arise if it is an asset acquisition.

Acquired businesses are included in the Financial Statements from the transaction date. The transaction date is defined as the date on which the Group achieved control over the business. The date may differ from the actual date on which the assets are transferred.

Management's opinion is that the accounting guidelines are unclear on how to account for acquisitions of interests in licenses considered as businesses, but not within the scope of IFRS 11. Management has therefore developed an accounting policy to account for such transactions as asset acquisitions.

Sale of interests in joint operations

Upon the sale of an interest in a joint operation that is accounted for on a line-by-line basis in accordance with the above accounting principles, all asset and liabilities sold are derecognised from the Statement of Financial Position. Revenues and expenses are included in the Income Statement until the transaction date. Gains and losses relating to the sale of interests in joint operations are determined by comparing the selling price with the net book value of the interest sold. Realised gain or loss from the sale is included in other operating income or expenses in the Income Statement. If the entity disposes of or classifies as held for sale a component that meets the definition of a discontinued operation, the presentation and disclosure requirements of IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) apply. Through the sale of Gassled and Polarled in December 2021, the Group no longer have any gas infrastructure assets. The sold assets are therefore considered a discontinued part of operations in the Group and is therefore classified accordingly in the Financial Statements. Net result from the discontinued is presented as other comprehensive income in the Income Statement and specified in note 34. Net cash flow from discontinued operations is also separated in the cash flow statement for each cash flow type.

Exploration expenditures

The Group uses the successful efforts method of accounting for exploration and evaluation expenditure. Exploration and evaluation expenditure associated with an exploration well are capitalised initially as intangible assets. Certain expenditures such as geological and geophysical exploration costs are expensed. If the prospects are subsequently determined to be successful on completion of evaluation the relevant expenditure including licence acquisition costs is transferred to property plant and equipment. If the prospects are subsequently determined to be unsuccessful on completion of evaluation, the associated costs are expensed in the period in which that determination is made within operating cost in the Income Statement.

Property, plant, and equipment

All field development costs are capitalised as property, plant and equipment. The development phase commences when the licence partners have decided the concept selection.

Property, plant, and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation is recognised rateably over the useful lives of the assets. The Group's oil and gas assets are depreciated using the unit of production method based on proven reserves after production start-up. Onshore assets are depreciated over the assets' estimated useful life according to the straight-line method. Repairs and maintenance cost are charged to the Income Statement during the financial reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised as operating income or operating expenses in the Income Statement.

Ownership interests in assets which are shared by other owners (undivided interests) are accounted for by analogy to IAS 16, property, plant, and equipment.

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Impairment

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. When estimating value in use and fair value less costs of disposal, expected future cash flows are discounted to the net present value applying a discount rate after tax that reflects the current market valuation of the time value of money and risks specific to the asset or CGU. The discount rate is derived from a weighted average cost of capital (WACC) determination. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). For oil and gas assets, this is typically the field or licence level.

The assets' residual values and useful lives are reviewed and adjusted if appropriate on an annual basis. An asset's carrying amount is written down immediately after an impairment test to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Prior year impairments of tangible fixed assets and intangible assets are reviewed for possible reversal at each financial reporting date.

See goodwill section for the accounting policy for impairment of goodwill.

Decommissioning assets and liabilities

The Group has an obligation to decommission and remove assets in licenses which the Group holds an interest. The decommissioning liability is the net present value of the expected costs of decommissioning. Provision for the decommission liability is made for the net present value of the estimated cost of decommissioning gas and oil production facilities at the end of the producing lives of fields, based on price levels and current technology at the balance sheet date. The removal activities are many years into the future and technology and costs are constantly changing. The estimates include several assumptions of i.e. the time required, methods and costs relating to the removal, discount rate etc. As a result, the initial recognition of the liability and the capitalised cost associated with decommissioning and removal obligations, and the subsequent adjustment of these balance sheet items, involve the application of significant judgement. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related tangible oil and gas asset and depreciated over the useful life of the asset (by the application of the unit-of-production method). Changes in the estimated timing or cost of decommissioning are dealt with prospectively by recording an adjustment to the provision and a corresponding adjustment to assets. For end-of-life assets without remaining production change in decommissioning estimates are recognised as a change in decommission liability with contra in other operating expenses in the Income Statement. The periodic unwinding of the discount is recognised in the Income Statement as financial expense. The discount rate used when calculating the net present value of the decommissioning liability is a risk-free rate without the addition of a credit risk element.

Upon retirement of the Gassled pipelines, the costs of decommissioning will be recharged to the users (shippers) of the pipelines based on shipped volumes. The Group's liability as a shipper is presented as other non-current liability and estimated based on the net present value of the estimated future retirement costs on the basis of accumulated shipped volumes. Change in estimates are recognised as a change in decommission liability with contra in other operating expenses in the Income Statement.

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Financial assets

Regular purchases and sales of financial assets are recognised on the trade-date, being the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through the Income Statement.

Loans and receivables are subsequently carried at amortised cost using the effective interest method. Financial assets and liabilities are only offset, and net reported in the Statement of Financial Position, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of accounts receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value, plus, in the case of a financial asset not at fair value through the Income Statement, transaction costs.

The Group classified all its financial assets in two categories as assets at amortised cost.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the Income Statement when the asset is derecognised, modified, or impaired.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's Statement of Financial Position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
- the Group has transferred substantially all the risks and rewards of the asset, or
- the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through the Income Statement. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For accounts receivable and other short-term receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Inventories

Capital spare parts and drilling and well equipment are measured at the average cost price of the inventory items and presented as inventories. Consumables are charged to the income statement. Physical stock of crude oil is valued at production cost and presented as others short-term receivables (underlift) or other short-term receivables (overlift).

Accounts receivable

Accounts receivables are amounts related to sale of produced oil, gas and Natural Gas Liquid (NGL) from the Group's joint operating upstream assets. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Accounts receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

Cash and cash equivalents

In the Statement of Financial Position and the Statement of Cash Flow, cash and cash equivalents includes cash on hand and deposits at banks.

Share capital

Ordinary shares are classified as equity. Transaction costs directly related to an equity transaction are recognised directly in equity after deducting tax expenses.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Income Statement over the period of the borrowings using the effective interest method.

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Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down. Prepaid financing fees are deferred until the draw-down occurs. If there no longer is evidence that the facility will be drawn down, deferred fees are expensed.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Income Statement in the period in which they are incurred.

Financial liabilities

Financial liabilities are classified, at initial recognition, as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Derivatives are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Derivatives are financial liabilities when the fair value is negative, accounted for similarly as derivatives as assets.

Loans, borrowings and payables

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognised in the Income Statement when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Income Statement.

Payables are measured at their nominal amount when the effect of discounting is not material.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Income Statement.

Accounts payables

Accounts payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Accounts payables are recognised initially at fair value and subsequently measured at amortised cost.

Revenue from contracts with customers

Revenue which is defined as revenue from contracts with customers according to IFRS 15, is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Recognition of petroleum revenues is based on actual sold volumes to customers (sales method). As a result, overlift is valued at production cost, while underlift is valued at the lower of production cost and sales value. Changes in over/underlift balances are presented as an adjustment to production cost.

Finance income and costs

Finance income comprises interest income on bank deposits and foreign exchange gains, and gains on derivatives not designated as hedging instruments. Finance costs comprise interest expense on borrowings and foreign exchange losses, and losses on derivatives not designated as hedging instruments.

Financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether or not the derivative is designated as a hedging instrument. The Group designates none of it's derivatives as hedges.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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For 2021 the Group is taxable in accordance with the Petroleum Taxation Act which gives rise to an additional petroleum tax on offshore income at a rate of 56%, giving a total tax rate of 78%. Changes to the Petroleum Tax Act has been enacted with the effect from 1 January 2022. The combined tax rate of 78% was not changed, but special tax was restructured to a cash-flow tax. Investments incurred from 2022 and forward will be deducted immediately in the special tax base. This immediate expense replaces the current depreciation and uplift deduction will be discontinued. The changes only apply to new investments from 2022, and not to investments covered by the temporary rules introduced in 2020. In order to maintain the combined tax rate of 78%, the calculated corporate tax (22%) is deductible against the special tax base, and the special tax rate is therefore technically increased from 56% to 71.8%. The total tax rate will remain at 78%: 22% + (1 – 22%) * 71.8% = 78%.

Dividend distribution and group contribution

Dividend distribution and group contribution to the Group's shareholder is recognised as a liability in the Group's Financial Statements in the period in which the dividends are approved by the Group's shareholder.

Cash flow statement

The Statement of Cash Flow is prepared using the indirect method.

Events after the reporting period

New information on the Group's financial position at the end of the reporting period which becomes known after the reporting period, is recorded in the annual accounts. Events after the reporting period that do not affect the Group's financial position at the end of the reporting period, but which will affect the Group's financial position in the future are disclosed if significant.

Standards issued but not yet effective

No new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of these Financial Statements with an expected material impact on the Group's disclosures, financial position or performance when applied at a future date, are identified.

4. Significant accounting judgements, estimates and assumptions

The preparation of Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses, and the accompanying disclosures. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Management has identified the following areas were critical judgements, estimates and assumptions are required:

a) Impairment and depreciation

Impairment

The Group assesses each asset or CGU in each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs of disposal and value in use. The assessments require the use of estimates and assumptions such as future level of income, license periods, discount rates, operating costs, future capital requirements, decommissioning costs etc. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGUs.

Depreciation

The depreciation recognised in the Income Statement depends on the estimated useful lives of the assets, the usage pattern of the assets within individual periods and residual values at the end of useful lives. The estimated useful lives for the oil and gas production assets are dependent on the remaining reserves related to the assets. The assets are considered consumed according to the production from the related reserves using a unit-of-production depreciation method. This is based on current practice on the Norwegian Continental Shelf, together with previous experience and knowledge of the manner in which those assets will be used and retired from use. Changes in the pattern of use, or other variations from the pattern of expected use from these estimates, would significantly impact such conclusions and the amounts recognised in these Financial Statements, and future changes may lead to adjustments in the carrying value or estimated lives of the assets.

b) Decommissioning liability and related decommissioning asset

Decommissioning costs will be incurred by the Group at the end of the operating life of the Group's interests in upstream assets. The estimated cost of decommissioning at the end of the producing lives of oil and gas fields is reviewed annually and is based on reserves, price levels and technology at the balance sheet date. The ultimate decommissioning costs are uncertain and amongst others dependent on the production life of the respective field. The level of provision held is also sensitive to the discount rate used to discount the estimated decommissioning costs.

For upstream assets the decommissioning cost will be covered by the Group based on its interests in the underlying assets, a decommissioning asset is recognised concurrently to the liability recognition. Such assets are classified together with the underlying asset and is depreciated accordingly.

Therefore, significant estimates and assumptions are made in determining the provision for decommissioning liabilities and assets. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

The provision at the reporting date represents the Group's best estimate of the present value of the future decommissioning costs required.

5. Financial risks and risk management

In support of the desired capital structure and targeted debt-equity ratio, and in order to support the financing of business operations, the Group utilises external financing (third party debt financing).

The following financing sources have been used during the reporting period:

- Revolving credit facility – funding to part-finance the acquisition of interests in licenses and related investments
- Company working capital financing – funding to finance capital expenditure elements of cash calls and temporary working capital requirements

Additional or alternative financing shall be secured in line with objectives and guidelines set forth by the Board of Directors and with due consideration to financing costs, repayment terms and the ability to satisfy lender covenant requirements.

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Overriding principles

The Group's Board of Directors is responsible for defining the Group's risk profile and for ensuring that appropriate risk management and governance is exercised by the Group. As a guiding principle, the Group's strategy is to meet its stated objectives without exposing itself to material financial risk. Furthermore, the Group will not seek to increase profitability through actively seeking to increase its financial risk exposure but will instead seek to ensure that financial risks are managed to within acceptable thresholds.

a) Liquidity risk and cash management

The Group's strategy is to have access to sufficient liquidity to meet anticipated cash needs, through detailed liquidity forecasts and utilisation of available free-cash resources, or available credit line headroom, with an acceptable liquidity margin.

The table below analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period between the balance sheet date and the contractual maturity dates.

The amounts disclosed in the table below are the financial liabilities contractual undiscounted cash flows at 31 December 2022:

NOK million	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Bank borrowings	82	491	-	10 130	-	10 703
Accounts payable and other current liabilities	4 979	-	-	-	-	4 979
Decommissioning liabilities	41	123	954	630	7 172	8 920
Lease liabilities	22	67	178	106	55	428
Total at 31 December 2022	**5 124**	**681**	**1 132**	**10 866**	**7 227**	**25 030**

The amounts disclosed in the table below are the financial liabilities contractual undiscounted cash flows at 31 December 2021:

NOK million	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Bank borrowings	1 280	19	294	541	-	2 133
Accounts payable and other current liabilities	326	169	-	-	-	495
Decommissioning liabilities	-	-	-	-	271	271
Total at 31 December 2021	**1 606**	**188**	**294**	**541**	**271**	**2 899**

b) Market risk: Interest rate risk

Interest rate risk is the risk of potential reduction in asset value and profitability arising through adverse variations in interest rates. The Group is exposed to interest rate risk, primarily as a consequence of its third-party bank debt that is offered on floating rate terms. The Group monitors its interest rate exposure and considers the use of interest rate derivatives to reduce its interest rate risk and protect its liquidity position.

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c) Market risk: Foreign exchange rate risk

Following the sale of the Group's ownership in Gassled and Polarled in December 2021, combined with the upstream transactions closed in 2022, the Group's business activities have during 2022 changed from being predominately NOK denominated infrastructure revenues to primarily being oil & gas revenues going forward.

Crude oil revenues are all USD denominated, while the gas is EUR and GBP denominated depending on whether it is sold to the European continent or to the UK. Some revenues, e.g. resale of transportation capacity, are still NOK denominated.

The majority of the costs, including tax payments, are NOK denominated although there is some USD exposure related to ongoing development projects as well as some costs being incurred in EUR and GBP.

At the balance sheet date, the Group's main non-current financing is in USD. Rapid and significant fluctuations in NOK against EUR, GBP and USD may affect the Group's liquidity adversely. The foreign exchange exposure is actively monitored and hedged using financial derivatives, primarily foreign exchange forward contracts.

d) Credit risk

Credit risk is the risk of potential loss arising when a counterparty is unable to fulfil its obligations. The Group has assessed that it is exposed to credit risk in relation to:

- Payment of petroleum revenues - This risk is considered low given the financial status of the customers.
- Obligations of counterparties in relation to settlements due under derivative contracts – This risk is considered low given the financial standing of the financial institutions with which derivative contracts have been placed, however, periodic monitoring of such counterparties' credit worthiness is undertaken.
- Obligations due from other third parties, e.g. payment of insurance proceeds - This risk is considered low given the financial standing of the financial institutions with which insurance contracts are undertaken, however, periodic monitoring of these institutions' credit worthiness is undertaken.
- Decommissioning receivable – As the credit ratings of large corporate counterparties to the receivable are high, the credit risk for the Group is considered low.
- Cash deposits – The risk is considered low given the credit rating of the banks in the Group's bank syndicate.

The Group will monitor credit risk by periodic assessments of the credit worthiness of its counterparties and consider adequate corrective actions in case of negative developments in credit worthiness.

e) Fair value estimation

The Group analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs) (Level 3).

In 2022 and 2021, the Group only had financial instruments in level 2 and level 3.

6. Segment information

For management purposes, the Group has through the reporting period 2022 and 2021 been organised as one business unit with one operating segment and the internal reporting has been structured in the same manner. The Group's business has until the sale of Gassled and Polarled in December 2021 consisted of operations related to both infrastructure assets and upstream assets.

7. Revenues

In 2022, revenue from crude oil, gas and NGL relates to Duva for the whole year, Ivar Aasen, Oda, Vale, Kvitebjørn, Vega and Maria from June 2022, and Ekofisk, Tor and Martin Linge from October. In 2021, revenue from crude oil sales relates to Duva.

NOK million	2022	2021
Revenue from contracts with customers		
Revenue from crude oil sales	8 407	226
Revenue from gas sales	7 823	-
Revenue from NGL sales	218	-
Tariff income	533	3 549
Revenues related to discontinued operations	-	-3 549
Total revenue from contracts with customers	**16 981**	**226**
Other operating income		
Other income	15	23
Contingent consideration[1)]	913	-
Gain on sale of operations	-	767
Gain on sale related to discontinued operations	-	-767
Other income related to discontinued operations	-	-13
Total other operating income	**928**	**10**
Total income	**17 909**	**236**

[1)] See note 14 Business combinations and note 15 Asset acquisition.

Sales in thousand boe	2022	2021
Sales of crude	8 596	332
Sales of gas	4 219	-
Sales of NGL	422	-

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Revenue from crude oil, gas and NGL split by geographic area (by place of delivery) in 2022:

NOK million	Crude oil	Gas	NGL	Total
UK	1 241	7 473	76	8 790
Singapore	3 868	-	-	3 868
Norway	2 498	43	26	2 567
Switzerland	800	-	116	916
Germany	-	308	-	308
Total revenue from crude oil, gas and NGL	**8 407**	**7 824**	**218**	**16 449**

Revenue from crude oil, gas and NGL split by geographic area (by place of delivery) in 2021:

NOK million	Crude oil	Gas	NGL	Total
Norway	226	-	-	226
Total revenue from crude oil, gas and NGL	**226**	**-**	**-**	**226**

8. Production costs

Specification of production costs

NOK million	2022	2021
Cost of operation	1 005	1 056
Transportation	844	2
Production costs related to discontinued operations	-	-1 012
Production cost based on produced volumes	**1 849**	**46**
Change in over/underlift (-)	1 354	-
Commodity price hedging	129	14
Production cost based on sold volumes	**3 333**	**60**

Produced volumes (million boe)	12.2	0.3
Production cost pr boe produced (NOK)	151	181

9. Exploration expenses

Specification of exploration expenses

NOK million	2022	2021
Seismic[1]	304	32
Area fee	10	14
Dry well expenses[2]	125	107
Other exploration expenses	119	151
Total exploration expenses	**558**	**304**

[1] For 2022 this includes change of control cost related to the acquisitions.

[2] The dry well expenses in 2022 relates to the Uer exploration well (NOK 90 million), well 34/9-1S license PL 1049 (NOK 14 million) and the well PL018ES (NOK 12 million).

10. Other operating expenses

Specification of other operating expenses

NOK thousand	2022	2021
Total payroll expenses	346 270	198 648
Total other costs	405 947	142 589
Net hours allocated to capex, operated and non-operated activity	-222 461	-157 246
Total other operating expenses	**529 755**	**183 991**

Payroll expenses

Alle employees in the group are employed in subsidiary Sval Energi AS.

Specification of payroll expenses

NOK thousand	2022	2021
Payroll expense	229 558	143 705
Bonus	40 339	20 080
Social security contribution	45 941	24 394
Pensions	18 554	9 627
Other personnel expenses	11 877	842
Total payroll expenses	**346 270**	**198 648**

Number of employees

Total numbers of employees at 31 December 2022 are 172 (2021 - 59). The number of women employed in the Group at year-end was 66, and 106 men.

Policy statement concerning salaries and other remuneration of senior employees

The Board has established guidelines for salaries and other remuneration to the CEO and other senior employees. Senior employees receive a basic salary, reviewed annually. The Group's senior employees participate in the general arrangements applicable to all the Group's employees for defined contribution pension plans, bonus schemes and other payments in kind such as internet connection at home and mobile telephone subscription shown above as "Other remuneration".

The CEO in Sval Energi AS has a termination clause that allow for termination payments in the event that the Group requests him to resign as a result of events outside of his control. CEO remuneration and compensation to Board of Directors are included in other operating expenses.

Key management remuneration

NOK thousand	Salary and bonus	Pension contribution	Other remuneration	Total 2022
Key management remuneration 2022	5 127	553	33	5 713
Total	**5 127**	**553**	**33**	**5 713**

NOK thousand	Salary and bonus	Pension contribution	Other remuneration	Total 2021
Key management remuneration 2021	3 431	538	33	4 001
Total	**3 431**	**538**	**33**	**4 001**

The specification above is for the actual amount of compensation paid to the CEO in Sval Energi during the calendar year. This compensation is classified under "Other operating expenses" in the Income Statement. It is up to the Board to decide whether to pay bonuses, based on previous year performance.

Pensions

The Group has a defined contribution pension plan for its employees, which satisfies the statutory requirements in Norwegian law on required occupational pension ("Lov om obligatorisk tjenestepensjon").

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Compensation to Board of Directors

No payment made to the Board of Sval Energi Holding AS.

The Board of Sval Energi AS received the following remuneration:

Name (amounts in NOK thousand)	Role	Director's fee 2022	Director's fee 2021
Martin Bachmann	Chairman	175	-
Gunnar Kristoffer Hviding Olsen[1)]	Board member	292	500
John Alexander King	Board member	175	300
Anne Torunn Strømmen Lycke	Board member	175	300
Kristin Gjertsen	Board member	300	200
Timothy Dodson	Board member	300	88
Kristin Færøvik	Board member	125	-
Einar Gjelsvik	Board member	-	-
John Nicholas Knight	Board Member	-	-
Gunnar Halvorsen	Previous Board member	-	260
Lars Christian Bacher	Previous Board member	-	40
Timothy Paul Bushell	Previous Board member	-	225
Kari Ekelund Thørud	Previous Board member	-	100
Total		**1 542**	**2 013**

1) Gunnar Kristoffer Hviding Olsen chair in 2021.

In addition, TwoB Consulting GmbH, owned by a board member, has received NOK 1 million for consulting services in 2022.

Specification of paid auditor's fees

NOK thousand (exclusive VAT)	2022	2021
Statutory audit	2 223	1 023
Other assurance services	181	1 033
Other services	983	-
Tax advisory services	550	-
Total auditor remuneration	**3 937**	**2 057**

Specification of other costs

NOK thousand	2022	2021
Decommissioning estimate update	95 770	-
Insurance	32 857	-
Consultants	59 032	16 599
Fees for legal services/financing assistance	89 238	74 015
Information technology	75 586	29 461
Other cost	53 464	22 173
Total other costs	**405 947**	**142 248**

11. Finance income and cost

NOK million	2022	2021
Interest income from associates and joint venture [1]	13	1
Other interest income	88	-
Total interest income[2]	**102**	**1**
Unrealised currency forward contracts gain	649	-
Unrealised gain from interest swap	13	-
Other finance income	1	15
Finance income from discontinued operations	-	-2
Total other financial income[2]	**664**	**13**
Interest expense on bank loans	-261	-154
Interest on lease liabilities	-6	-
Capitalised interest cost	-	41
Amortised finance cost	-25	-10
Other interest expenses	-7	-
Finance cost from discontinued operations	-	84
Accretion expenses (asset retirement obligation)	-100	-
Total interest expenses[3]	**-400**	**-39**
Realised currency forward contracts loss	-8	-
Other financial expenses	-42	-31
Net foreign exchange loss	-141	-30
Total other financial expenses[2]	**-190**	**-61**
Net financial items	**175**	**-86**

[1] Interest income from companies in the same group relates to loan from Sval Wind Farm OY to Metsälamminkangas Wind Oy (the Groups helds a 50% interest in Metsälamminkangas Wind Oy). The loan balance at 31 December 2022 is 767.

[2] Finance income presented in the Financial Statements for 2021 has been split into interest income and other financial income.

[3] Finance cost presented in the Financial Statements for 2021 has been split into interest expenses and other financial expenses.

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12. Income tax

Income tax recognised in the Income Statement.

NOK million	2022	2021
Current taxes for the year	-7 119	1 174
Deferred tax liabilities recognised in the period	-1 550	-830
Deferred tax (technical goodwill)	806	-
Current taxes for prior year	-10	-
Deferred tax true-up previous years	-49	1
Tax expense	**-7 922**	**344**
Current tax expense from discontinued operations	-	-1 681
Deferred tax expense from discontinued operations		-129
Income tax expense from continued operations	**-7 922**	**-1 466**

Income tax recognised in other comprehensive income

NOK million	2022	2021
Other comprehensive income	-	-
Tax effect	-	-
Other comprehensive income (net of tax)	**-**	**-**

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Income tax expense recognised in the Income Statement.

NOK million	2022	2021
Profit/loss before income tax	11 012	-444
Profit/loss before income tax from discontinued operations	-	2 560
Profit/loss before income tax	**11 012**	**2 116**
Tax calculated at the corporate tax rate (22%)	2 423	465
Tax calculated at the petroleum rate (71.8%/56%)	6 166	1 185
Total expected tax expense 78%	**8 589**	**1 650**
Tax effects of:		
Expenses not deductible for tax purposes	22	20
Other permanent differences	-412	-909
Financial items	-201	113
Onshore items	96	669
Uplift and other special tax differences	-154	-189
Permanent differences due to disposals	-	-1 950
Tax expense disposals	-	2 064
Current tax prior year adjustment	10	-1
Deferred tax true-up previous years	49	-
Share of net profit/loss in equity accounted investments	-77	-
Income tax expense	**7 922**	**1 466**
Profit/loss before income tax	**11 012**	**2 116**
Effective income tax rate	**72%**	**68%**

Changes to the Petroleum Tax Act were enacted in June 2022 with effect from 1 January 2022. The combined tax rate of 78% is maintained, but the new special petroleum tax regulations is converted into a cash-based tax. When calculating the special petroleum tax for 2022 and onwards, companies can make immediate deductions for expenditures incurred, but with no right for uplift. In addition, a calculated corporate tax (22%) is deductible in the special tax base. In order to maintain the overall tax rate of 78%, the special tax rate is increased to 71.8% [56% / (1-22%)].

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13. Current and deferred tax balances

Specification of deferred tax liabilities/(asset)

NOK million	31 December 2022	31 December 2021
Property, plant and equipment	8 473	1 445
Decommissioning payable	-6 035	-211
Hedging	141	-3
Lease liabilities	-291	-
Amortised finance cost	34	16
Other receivable/payable	-75	-25
USD loan revaluation	57	-
Deferred tax (technical goodwill)[1)]	6 283	-
Uplift relating to acquired assets	-	-4
Total deferred tax liabilities[2)]	**8 587**	**1 218**

[1)] Remaining deferred tax arise from technical goodwill, see note 14 Business combinations.

[2)] Temporary differences related to deferred tax assets and liabilities will be taxed within the ordinary tax system at a rate of 22%. Temporary differences subject to special tax offset by a calculated corporate tax element 22% will be taxed at an additional rate of 71.8%.

Deferred tax liability has increased with NOK 7 369 million compared to a deferred tax income of NOK 154 million which is recognised in the Income Statement. The difference relates to the opening balance from the acquisition of Spirit, Martin Linge Unit and the Greater Ekofisk Area and Suncor.

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

Specification of taxes receivable/payable

NOK million	31 December 2022	31 December 2021
Taxes receivable/payable 1 January	1 399	- 359
Current taxes for the year	-8 055	1 248
Taxes received/paid in the period	1 224	510
Tax payable Pro Contra acquisition[1)]	-6 816	-
Prior year adjustments	-10	-
Uncertain tax provision[2)]	-1 527	-
Total taxes receivable/payable	**-13 785**	**1 399**

[1)] Tax payable Pro Contra acquisition relates to the opening balance from the acquisition of Spirit, Martin Linge Unit and the Greater Ekofisk Area and Suncor.

[2)] Tax payable includes a uncertain tax provision of NOK 1 527 million from the acquisition of Spirit. The Group have a tax indemnity against Spirit for these cases, hence is a contra of NOK 1 527 million recognised as other short-term receivables.

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14. Business combinations

Acquisition of the Spirit Energy Norway AS business

On 8 December 2021 the Group signed an agreement to acquire the Spirit Energy Norway AS (Spirit) business (excluding the ownership interest on the Statfjord field), with a commercial effective date 1 January 2021 and with a tax effective date 1 January 2022. Closing of the transaction took place 31 May 2022 and the Group strengthened its position on the Norwegian Continental Shelf with the completion of the acquisition.

The main activity of Spirit prior to the acquisition was exploration and production of oil and gas on the Norwegian Continental Shelf. In 2021, Spirit produced oil and gas from the fields Statfjord, Kvitebjørn, Oda, Ivar Aasen, Maria, Vega Unit and Vale. The Nova field came on stream in the summer of 2022. In addition, they were working with the licence partners to develop economic concepts for Halten East, Berling and Symra. In January 2022, as part of the Awards in Predefined Areas (APA) 2021, Spirit was awarded ownership interests in seven new licences, two of which as operator. The sales agreement between the Group and Spirit is a transfer of the entire company's activities (excluding the ownership interest on the Statfjord field), including all employees.

The part of Spirit bought by the Group constitute a business, and thus the transaction falls under the definition of a business combination and has been accounted for using the acquisition method of accounting in accordance with IFRS 3 (Business Combinations). A purchase price allocation (PPA) has been performed to allocate the consideration to fair value of assets and liabilities. Closing of the transaction 31 May 2022 is the acquisition date for accounting purposes. Acquisition date fair values are measured in accordance with the rules of IFRS 13 (Fair Value Measurement). Assets and liabilities recognised at the acquisition date from the business combination assumed at the date of the acquisitions were as follows:

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NOK million	31 May 2022
Goodwill[1)]	2 823
Property, plant and equipment	12 596
Right-of-use assets	5
Other non-current assets	90
Total non-current assets	**15 514**
Inventories	210
Accounts receivable	1
Other short-term receivables[2)]	3 214
Total current assets	**3 425**
Total assets	**18 939**
Long-term decommissioning liabilities	2 261
Other non-current liabilities	88
Deferred tax[1)]	7 141
Total non-current liabilities	**9 490**
Other current liabilities[3)]	1 618
Short-term decommissioning liabilities	24
Taxes payable[2)]	4 255
Total current liabilities	**5 897**
Total liabilities	**15 387**
Net assets and liabilities recognised	3 552
Fair value of consideration paid on acquisition	**3 552**

[1)] NOK 7 089 million of the deferred tax balance have a contra in technical goodwill.

[2)] Tax payable of NOK 4 255 million includes uncertain tax provision of NOK 1 395 million from the acquisition of Spirit. The Group has a tax indemnity against Spirit for these cases, hence is a contra of NOK 1 395 million recognised as other short-term receivables.

[3)] The sale and purchase agreement (SPA) between the Group and Spirit includes a post-tax contingent consideration for the period starting 5 October 2021 to 31 December 2022 depending on the development in the commodity prices for gas. The contingent consideration is measured at fair value as a financial liability in the balance sheet at the date of control transfer, and changes in fair value is recognised in the Income Statement in accordance with IFRS 9 subsequent to initial recognition. Due to the nature of the contingent consideration and the fact that it is directly linked to income (through the price and volume of gas delivered) any changes in fair value is classified as other income in the Income Statement. Fair value of contingent consideration at the transfer of control was NOK 405 million, the liability was recognised as other current liabilities.

Sval

Reconciliation of goodwill from the acquisition:

NOK million	31 May 2022
Badwill – Residual goodwill	-4 266
Technical goodwill as a result of deferred tax[1)]	7 089
Net goodwill from the acquisition	**2 823**

[1)] In acquisitions made on a post-tax basis according to the rules on the NCS, a provision for deferred tax is reflected in the accounts based on the difference between the assigned fair values and the tax bases of assets acquired and liabilities assumed in a business combination. The offset to such deferred tax is reflected as goodwill or "technical goodwill" as it arises as an effect of deferred tax.

15. Asset acquisitions

Acquisition of Martin Linge Unit and the Greater Ekofisk Area

On Friday 30 September, the Group closed the Martin Linge Unit and the Greater Ekofisk Area transactions with Equinor Energy AS (Equinor). This date is also defined to be the transaction date for accounting purposes. For commercial and tax purposes the effective date is 1 January 2022. Headline consideration for the acquisition is approximately USD 1 billion. The transaction with Equinor includes a 19% share in the Martin Linge Unit and Equinor's full participating interest in the Greater Ekofisk Area (7.60% of Ekofisk area licenses, 6.64% in the Tor Unit and an 18.5% shareholding in Norpipe Oil AS). The transactions add around 34.000 barrels of oil equivalent per day to the Group's production.

The Group's view is that no business has been acquired, and as a result the transaction is considered as an asset acquisition rather than a business combination, and thus outside the scope of IFRS 3.

Martin Linge Unit relates to purchase of 19% of Equinor's 70% participating interest in PL 040, PL 043 and PL 043BS on the Norwegian Continental Shelf (NCS). Following the agreement, Equinor will still hold the rights to the majority (51%) of these production licenses and will remain the operator of the Martin Linge Unit.
The Greater Ekofisk area relates to purchase of the participating interests of 7.60% in PL 018, PL 018B and PL 275 and 6.64% of the Tor Unit on the NCS. Equinor will hold no participating interests in these production licenses following the agreement. ConocoPhillips is, and will continue to be, the operator of these production licenses.

Norpipe SPA, is an agreement to purchase Equinor's share of Norpipe Oil AS (Norpipe). Norpipe owns the Norpipe pipeline, a 354 km long crude oil pipeline from the Ekofisk field to Teesside in the United Kingdom (UK). The company is owned by ConocoPhillips (35.05%). Equinor's share is 18 658 shares which constitutes 18.5% of the total number of outstanding shares in the company and is the share acquired by the Group. Norpipe generates revenues through charges for the use of the pipeline system.

The SPA between the Group and Equinor includes a post-tax contingent consideration for the period starting 1 January 2022 to 31 December 2023 depending on the development in the commodity prices for oil and gas. The contingent consideration is measured at fair value as a financial liability in the balance sheet at the date of control transfer, and changes in fair value is recognised in the Income Statement accordance with IFRS 9 subsequent to initial recognition. Due to the nature of the contingent consideration and the fact that it is directly linked to income (through the price and volume of oil and gas delivered) any changes in fair value is recognised as other operating income in the Income Statement.

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Acquisition of shares in Suncor Energy Norge AS

On 22 July 2022, the Group signed a share purchase agreement with Suncor Energy (International) Holdings B.V. to acquire all issued and outstanding shares in Suncor Energy Norge AS (Suncor). The transaction was closed on 30 September 2022, when all approvals were in place. This is also assumed to be the transaction date for accounting purposes. Following the completion of the SPA, Suncor changed its name to Sval SENAS AS (Sval SENAS).

16. Intangible assets

NOK million	Goodwill	Capitalised exploration wells	Other intangible assets	Total
Cost at 1 January 2022	**-**	**50**	**4**	**54**
Addition through business combinations	2 823[1)]	-	-	2 823
Additions	-	128	-	128
Depreciation	-	-	-1	-1
Dry well write-off	-	-125[2)]	-	-125
Reclassification	-	-45[3)]	-	-45
Cost at 31 December 2022	**2 823**	**8**	**2**	**2 833**

[1)] Goodwill relates to the Spirit acquisition in May 2022, see note 14 Business combinations.

[2)] The dry well write-off relates mostly to the Uer exploration well (NOK -90 million), well 34/9-1S license PL 1049 (NOK -14 million) and the well PL018ES (NOK -12 million).

[3)] PL 211 Dvalin North moved from exploration asset to asset under development.

Intangible assets related to exploration are measured according to the successful efforts method and are not depreciated. Other intangible assets with limited financial life is depreciated on a straight-line basis (5 years).

NOK million	Goodwill	Capitalised exploration wells	Other intangible assets[2)]	Total
Cost at 1 January 2021	**-**	**27**	**6**	**33**
Additions	-	130	-1	129
Depreciation	-	-	-1	-1
Dry well write-off	-	-107[1)]	-	-107
Cost at 31 December 2021	**-**	**50**	**4**	**54**

[1)] The dry well write-off relates to write-off of well PL 722 Shenzhou (NOK -82.5 million) and well PL248/PL880 Duncan (NOK -25.5 million).

[2)] Software and licenses presented in the Financial Statements for 2021 have been presented as other intangible assets above.

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17. Property, plant and equipment

NOK million	Assets under development	Production assets	Other property, plant and equipment	Total
Cost 1 January 2022	**3 243**	**916**	**10**	**4 169**
Additions	919	791	10	1 720
Additions through business combination[1)]	3 347	9 233	16	12 596
Asset acquisition[2)]	1 102	14 038	48	15 188
Change in ARO estimate	30	1 212	-	1 242
Reclassification[3)]	-5 187	5 232	-	45
Cost at 31 December 2022	**3 440**	**31 419**	**84**	**34 960**
Depreciation and impairment				
Accumulated at 1 January 2022	**-**	**40**	**5**	**46**
Depreciation[4)]	28	2 663	7	2 698
Disposal	-	-	21	21
Accumulated at 31 December 2022	**28**	**2 704**	**32**	**2 765**
Book value at 31 December 2022	**3 412**	**28 716**	**52**	**32 196**

[1)] Addition through business combination relates to the Spirit transaction of NOK 12 596 million (NOK 3 347 million in assets under development, NOK 9 233 million in production assets and NOK 16 million in other property, plant and equipment).

[2)] Addition through asset acquisition relates to the Magenta transaction of NOK 13 654 million (NOK 5 314 million relates to Ekofisk, NOK 7 979 million Martin Linge and NOK 361 million Tor) and the Suncor transaction of NOK 1 621 million.

[3)] Transferred from asset under development to production assets NOK 5 232 million mainly related to Nova on stream in 2022, NOK 45 million moved from exploration to asset under development (Dvalin North).

[4)] The Group has decided to not proceed with Fogelberg, and has booked a write-down of NOK 28 million.

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NOK million	Infrastructure assets	Assets under development	Production assets	Other property, plant and equipment	Total
Cost					
Cost 1 January 2021	**13 643**	**1 691**	**-**	**26**	**15 360**
Additions	256	579	103	32	970
Capitalised interest	-	31	19	-	50
Change in ARO estimate	-	7	-7	-	-
Acquisitions	-	1 736	-	-	1 736
Disposal	-13 899	-	-	-7	-13 906
Reclassification[1)]	-	-801	801	-42	-42
Cost at 31 December 2021	**-**	**3 243**	**916**	**9**	**4 168**
Depreciation and impairment					
Accumulated at 1 January 2021	**6 854**	**-**	**-**	**1**	**6 855**
Depreciation	-	-	40	4	44
Depreciation, discontinued	-739	-	-	-	-739
Disposals	-6 115	-	-	-	-6 115
Accumulated at 31 December 2021	**-**	**-**	**40**	**5**	**45**
Book value at 31 December 2021	**-**	**3 243**	**876**	**4**	**4 123**

[1)] Transferred from asset under development to production assets NOK 801 million. NOK 42 million relates to reclassification of working capital spare parts moved to inventory (spare parts were presented as other property, plant and equipment in the Financial Statements for 2021).

Inventory (useful life): 5 years

Hardware (useful life): 3 years

Production assets: Unit of production method

All the property, plant and equipment are pledged as collateral for the non-current borrowings.

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18. Right-of-use assets

In 2022, the Group has entered into two new lease agreements. One is a rental agreement for office building at Veritasveien 29 in Stavanger. The other is for the lease of FSO Hanne Knutsen. In this lease, the Group enters as a non-operating partner in the Martin Linge oil and gas field, and the lease liabilities disclosed represents the Group's share only.

NOK million	Offices	Vessels	Other equipment	Total
Cost at 1 January 2022	**25**	**-**	**-**	**25**
Additions	130	-	-	130
Additions through asset acquisition	-	269	-	269
Additions through business combinations	-	-	5	5
Disposals	-	-	-5	**-5**
Cost at 31 December 2022	**154**	**269**	**-**	**424**
Accumulated depreciation at 1 January 2022	**-25**	**-**	**-**	**-25**
Depreciation	-8	-17	-	-24
Accumulated depreciation at 31 December 2022	**-32**	**-17**	**-**	**-49**
Net book value at 31 December 2022	**122**	**253**	**-**	**375**

No right-of-use assets or lease liabilities in 2021. Refer to note 29 Lease liabilities, for more information related to lease liabilities.

19. Impairment

Periodically the Group reviews whether its non-financial assets have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset is written down to its recoverable amount when the recoverable amount is lower than the carrying value of the asset. The recoverable amounts of the non-financial assets have been determined based on the highest of fair value less cost to sell and value-in-use calculations. The recoverable amount calculations are based on contractual cash flows and estimates of future cash flows over the useful lives of the assets. The recoverable amount is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. Calculation of the recoverable amount requires use of estimates. At year-end, the Group reviews for indicators of impairment such as material change in price or fundamental change in another assumption.

Exploration assets

The group's policy for exploration assets is to perform review of the carrying amount annually. The cost of unsuccessful exploration activity is expensed as it is incurred. At year-end 2022 the book value of exploration assets is immaterial.

Oil and gas assets

Impairment review is done on CGU level, and any potential write-backs are considered on a case-by-case basis. To ensure that there are no material unadjusted amounts on a portfolio basis, amounts are aggregated and reconsidered at the end of the process. Based on the current marked situation the management has done an impairment assessment as of 31 December 2022.

Oil, gas and NGL prices

In the impairment assessment, the Group used 5 years forward prices as of 31 December 2022. The prices are inflated with a rate of 2%.

Nominal price forecast	**2023**	**2024**	**2025**	**2026**	**2027**
	Forward	*Forward*	*Forward*	*Forward*	*Forward*
Oil price (USD/bbl)	85	79	75	72	70
Gas price NBP (p/therm)	212	213	167	113	105
Gas price TTF (EUR/Mwh)	80	76	59	39	33
NGL price	51	48	45	43	42

Currency rates

Below shows the currency rates as of 31 December 2022 used in the calculations.

GBP/NOK	11.85
USD/NOK	9.86
EUR/NOK	10.51

Weighted average cost of capital (WACC) and risk-free rate

Sval Energi AS's approach to valuation of E&P assets is by applying discount rate of 8%. The methodology is based on a management adjusted generic weighted average cost of capital (WACC) calculation. For the WACC calculation a risk-free rate of 3.8% is applied.

Leverage ratio

Sval Energi AS assume future financing with 50% debt and 50% equity. The main source of future debt is assumed to be reserve based lending (RBL) financing in addition to receivable financing. The cost of RBL financing is SOFR plus a margin currently of 3.45%. The receivable financing has similar cost as RBL. The margin might improve in the future, however this is applied for the WACC calculation. The 5-year swap rate was 3.8% on at 31 December 2022. This results in a total cost of debt of 7.3%. Corporate tax rate is 22%, and only a minor part of the finance cost is subject to deduction in the special tax, this upside is not included in the calculation.

Conclusion

Based on the calculations done with inputs shown above, no impairment is recognised for the oil and gas assets.

Goodwill

The acquisition of Spirit in May 2022 was considered as a business combination and all of the goodwill balance as of 31 December 2022 relates to this acquisition. The carrying value of aggregate goodwill is NOK 2 823 million as of 31 December 2022.

Impairment assessment performed for the year 2022 confirmed that the net present value significantly exceeds net book value, and no impairment is recorded for goodwill as of 31 December 2022.

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20. Other short-term receivables

NOK million	31 December 2022	31 December 2021
Accrued income	1 731	-
Share of other current receivables in joint operations	1 042	108
Tax indemnity from acquisition of Spirit[1)]	1 527	-
Underlift of hydrocarbons	308	-
Prepaid expenses	34	6
Other receivables	6	468
Total other short-term receivables[2)]	**4 647**	**582**

[1)] See note 14 Business combination for further information.

[2)] The balance as of 31 December 2021 has reclassified from other short-term receivables to current liabilities with NOK 20 million.

21. Cash and cash equivalents

NOK million	31 December 2022	31 December 2021
Bank deposit, unrestricted	6 224	1 549
Restricted bank deposit, employee taxes[1)]	17	6
Total cash and cash equivalents	**6 241**	**1 555**

[1)] For each salary payment, the Group must make a tax deduction (advanced deduction) in employees' salary and deposit the deduction in a separate bank account. The Group has established a separate bank account to facilitate compliance with Norwegian payroll tax law. Deposits in the separate bank account are reconciled with the account for withholding tax.

22. Share capital and other reserves

Capital management

The primary objectives of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and healthy capital ratios to support its business and to maximise shareholder value.

The Group manages its capital structure and adjusts it according to changes in economic conditions and the risk characteristics of its activities. To maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies, and processes from the previous years. However, they are under constant review by the Board.

The Group has 200 050 000 ordinary shares as of 31 December 2022 with a nominal value of NOK 0.014 per share.

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	31.12.2022	31.12.2021
Shareholder	Sval Energi Invest II AS	Sval Energi Invest II AS
Ownership	100%	100%
Share capital	2 800 700	2 600 650
Number of shares	200 050 000	200 050 000
Nominal value of each share	0.014	0.013

The Group has only a single class of shares and all shares carry a single voting right.

23. External borrowings

The external financing agreement has in the subsidiary Sval Energi AS increased from NOK 700 million to NOK 1 250 million during 2022, for the subsidiary Sval Renewables AS no change in the external financing agreement.

As of 31 December 2022, the external debt consists of one bank facility in USD and two bank facilities in EUR:

Facility	Type	Borrower	Currency	Limit (NOK million)
Revolving facility	Bank facility	Sval Energi AS	USD	1 250
Revolving facility	Bank facility	Sval Renewables AS	EUR	47.7
Revolving facility	Bank facility	Sval Renewables AS	EUR	0.8

As of year-end 2022 and 2021, the Group had the following external debt:

		Nominal amount (NOK million)		
Loan	Currency	2022	2021	Maturity
Revolving facility – Upstream tranche	USD	1 000	-	31 December 2027
Revolving facility – Upstream tranche	NOK	942	-	31 December 2027
Revolving facility – Upstream tranche	USD	-	191	31 December 2025
Revolving facility – Upstream tranche	EUR	47	37	31 December 2023

The facility is multi-currency and carries a floating interest rate plus a margin of 3.45%. Debt can be drawn in either USD, NOK, EUR or GBP, with the respective floating interest rates being SOFR, NIBOR, EURIBOR and SONIA.

A commitment fee is calculated as a percentage on the undrawn, non-cancelled amount of commitments under the revolving facility. All borrowings under the agreements are secured by the Group's assets.

The new revolving credit facility agreement contains the following financial covenants:

Covenant	Trigger event
Net debt to EBITDAX ratio	3.0 and above
12 months liquidity	Below 0

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The 12 month liquidity is tested quarterly whereas the net debt to EBITDAX ratio is tested on a semi-annual basis. Any additional financial indebtedness must comply with the requirements in the financing agreements. The book value of the 2022 and 2021 year-end balances on external borrowings are assumed to be equal to the fair value of the balances.

NOK million	Book value 31 December 2022	Book value 31 December 2021
Bank borrowings		
Bank borrowings principal amount unamortised	10 286	2058
Financing fees and establishment costs	-156	-69
Current bank borrowings	-	-1 280
Total non-current bank borrowings	**10 130**	**709**
Bank borrowings principal amount unamortised	493	1 280
Financing fees and establishment costs	-2	-
Total current bank borrowings	**491**	**1 280**

The Group has no other undrawn borrowing facilities.

24. Derivative financial instruments

Commodity price risk has been hedged using put options which protect against a drop in prices while leaving the Group exposed to the full upside. Foreign exchange risk has been mitigated with foreign exchange forwards where USD has been sold and NOK bought at fixed forward rates. All hedging has been conducted with hedge banks within Sval Energi AS's bank syndicate.

At the balance sheet date, the Group holds commodity derivatives that are accounted for with changes in fair value through production cost in the Income Statement.

Commodity derivatives

NOK million	2022	2021
Fair value at 1 January	67	-
Fair value at hedging trade date for new hedges	149	82
Change in fair value in the period - unrealised	-139	-15
Fair value at 31 December	**77**	**67**

In addition to the above, the Group holds a deferred hedging premium of NOK 99 million at 31 December 2022 (31 December 2021 – NOK 81 million). This is included in the liability account short-term derivatives.

At the balance sheet date, the Group holds currency forward contracts that are accounted for at fair value through other financial income or expense in the Income Statement.

Currency forward contracts

NOK million	2022	2021
Fair value at 1 January	-	-
Change in fair value in the period - unrealised	649	-
Fair value at 31 December	**649**	**-**

The currency forward contracts at 31 December 2022 mainly relates to NOK 900 million USD/NOK hedge with settlement dates in January, March and May 2023.

Interest rate swap

NOK million	2022	2021
Fair value at 1 January	-1	-
Change in fair value in the period – unrealised gain(+) / loss(-)	14	-1
Fair value at 31 December	**13**	**-1**

The Group has in place an interest rate swap with a fixed EURIBOR rate of -0.31%. The notional amount at year-end 2022 was EUR 36 761 012. The interest rate swap matures on 29 December 2023.

25. Accounts payable and other current liabilities

Accounts payable

After the due date (approximately 30 days) most suppliers charge interest on the outstanding balance at various interest rates. Accounts payable are reconciled monthly. The Group has financial risk management policies in place to ensure that all payables are paid within the agreed terms of payment and prior to the due date.

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Other current liabilities

NOK million	31 December 2022	31 December 2021
Share of other current liabilities in joint operations (note 27)	1 149	230
Deferred consideration related to the acquisition of former Edison Norge AS	116	110
Overlift	529	-
Contingent consideration[1)]	1 216	-
Accrued public charges and indirect taxes	351	59
Accrued expenses	165	1
Prepayment[2)]	993	-
Other current liabilities	24	6
Total	**4 543**	**406**

[1)] Contingent consideration of NOK 1 216 as of December 2022 relates to the acquisition of Spirit NOK 380 million and a share in the Greater Ekofisk Area and Martin Linge Unit from Equinor of NOK 836 million, see note 14 Business combination and note 15 Asset acquisitions for further information.

[2)] Oil prepayment of USD 100 million received in December 2022. The advanced payment will be repaid in 2023.

26. Decommissioning

The Group has obligations to decommission and remove installations at the end of their production period. Decommissioning and removal are recognised at present value of future expenditures at the date they are expected to be incurred. There is significant future uncertainty in the estimate of costs for decommissioning and removal. Estimates of costs for decommissioning and removal are based on existing technologies and current laws and regulations. Since most decommissioning and removal activities will take place in the future, laws, and regulations as well as technology can and will change, hence the uncertainty. The estimates include several assumptions such as the time required, methods and cost relating to the removal, discount rate and other. The initial recognition of the liability and the capitalised cost associated with decommissioning and removal obligations, involve the application of significant judgement. Changes in the time value of the obligation related to decommissioning and removal accretion are recognised as financial expenses with a corresponding increase in the decommissioning liabilities. Changes in the estimates of the decommissioning expenses are recognised as operating expenses in the Income Statement. The calculations as of 31 December 2022 assume an inflation rate of 2.7% and discount rate 3.8%. The discount rate used when calculating the net present value of the decommissioning liability is a risk-free rate (USD bonds) without addition of credit margin. Changes in estimate during the year mainly relate to updated foreign exchange rates, inflation and new wells and offshore template installations.

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NOK million	2022	2021
Total provisions as of 1 January	271	219
Addition through business combination[1)]	2 285	-
Addition through asset acquisition[2)]	3 728	137
Disposal due to sale	-	-106
Change in estimate	1 273	8
Payments for decommissioning	-69	-
Accretion expense	98	13
Total provisions as of 31 December	**7 586**	**271**

[1)] See note 14 Business combination

[2)] See note 15 Asset acquisition

Breakdown of the decommissioning liabilities to short-term and long- term liabilities	2022	2021
Long-term decommissioning liabilities	7 423	271
Short-term decommissioning liabilities	163	-
Total decommissioning liabilities	**7 586**	**271**

Provisions by decommissioning period	31 December 2022	31 December 2021
2023 - 2030	2 705	-
2031 - 2040	2 916	165
2041 - 2060	1 965	106
Total provisions	**7 586**	**271**

Retirement obligation as shipper in Gassled is classified as non-current provision in the Statement of Financial Position of NOK 154 million.

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27. Interests in joint operations

Fields	Share	Operator	Concession period expires
Berling	10.00%	OMV (Norge) AS	2023
Duva	10.00%	Neptune Energy Norge AS	2044
Dvalin	10.00%	Wintershall Dea Norge AS	2041
Dvalin North	10.00%	Wintershall Dea Norge AS	2032
Edvard Grieg Oil Pipeline (EGOP)	4.93%	Equinor Energy AS	2029
Ekofisk	7.60%	ConocoPhilips Skandinavia AS	2048
Eldfisk	7.60%	ConocoPhilips Skandinavia AS	2048
Embla	7.60%	ConocoPhilips Skandinavia AS	2048
Fenja	17.50%	Neptune Energy Norge AS	2039
Halten East	11.80%	Equinor Energy AS	2032
Hanz	15.00%	Aker BP ASA	2036
Heimdal	28,80%	Equinor Energy AS	2024
Ivar Aasen	12.32%	Aker BP ASA	2036
Kvitebjørn Oil Pipeline (KOR)	19.00%	Equinor Energy AS	2031
Kvitebjørn	19.00%	Equinor Energy AS	2031
Maria	20.00%	Wintershall Dea Norge AS	2036
Martin Linge	19.00%	Equinor Energy AS	2027
Nova	45.00%	Wintershall Dea Norge AS	2041
Oda	70.00%	Sval Energi AS	2036
Symra	20.00%	Aker BP ASA	2030
Tor	6.64%	ConocoPhilips Skandinavia AS	2048
Trym	50.00%	DNO Norge AS	2027
Utsira High Gas Pipeline (UHGP)	7,39%	Gassco	2029
Vale	50.00%	Sval Energi AS	2023
Vega Sør	25.00%	Wintershall Dea Norge AS	2024
Vega Unit	5.50%	Wintershall Dea Norge AS	2035

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Fields	Share	Operator	Concession period expires
PL018ES	15.00%	A/S Norske Shell	2028
PL 043BS	19.00%	Equinor Energy AS	2027
PL 090HS	25.00%	Equinor Energy AS	2024
PL 211CS	10.00%	Wintershall Dea Norge AS	2032
PL 242	15.00%	Aker BP ASA	2036
PL 249	50.00%	Sval Energi AS	2023
PL 263/263B	30.00%	Equinor Energy AS	2037
PL 275	7.604%	ConocoPhilips Skandinavia AS	2048
PL 375	20.00%	Equinor Energy AS	2041
PL 378	12.12%	Wintershall Dea Norge AS	2041
PL 418B	45.00%	Wintershall Dea Norge AS	2041
PL 433	60.82%	Sval Energi AS	2042
PL 528/528B	40.00%	Sval Energi AS	2024
PL 586B	17.50%	Neptune Energy Norge AS	2023
PL 636B/C	10.00%	Neptune Energy Norge AS	2044
PL 836S/836SB	30.00%	Wintershall Dea Norge AS	2026
PL 886/886B	20.00%	Aker BP ASA	2025
PL 917/917B	20.00%	Vår Energi ASA	2026
PL 927	50.00 %	Wintershall Dea Norge AS	2022
PL 943	20.00%	Equinor Energy AS	2025
PL 956	15.00%	Vår Energi ASA	2027
PL 969 /969B	15.00%	A/S Norske Shell	2026
PL 1002/1002B	60.00%	Vår Energi ASA	2027
PL 1040	30.00%	Equinor Energy AS	2027
PL 1043/1043B	30.00%	Vår Energi ASA	2027
PL 1049	20.00%	Equinor Energy AS	2025
PL 1057	40.00%	Aker BP ASA	2028
PL 1082	50.00%	Aker BP ASA	2028
PL 1096	20.00%	Vår Energi ASA	2028
PL 1098	50.00%	Sval Energi AS	2028
PL 1103	10.00%	Wintershall Dea Norge AS	2028
PL 1112	20.00%	A/S Norske Shell	2027
PL 1113	30.00%	Neptune Energy Norge AS	2028
PL 1114	30.00%	Harbour Energy Norge AS	2028
PL 1121	30.00%	Equinor Energy AS	2027
PL 1138	30.00%	Harbour Energy Norge AS	2028
PL 1139	20.00%	Aker BP ASA	2028
PL 1147	40.00%	Sval Energi AS	2029
PL 1150S	40.00%	Sval Energi AS	2029
PL 1158	20.00%	Aker BP ASA	2029
PL 1160	40.00%	DNO Norge AS	2029

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28. Commitments and contingencies

Nearly all the Group's commitments and contingencies are due to Sval Energi's operations. Sval Energi has an interest across a wide portfolio of exploration, development and production licenses. In 2022 that portfolio has grown significantly following the acquisition of Spirit, the Martin Linge Unit and Greater Ekofisk Area transactions with Equinor and the acquisition of Suncor.

Committed future obligations

Sval Energi is required to participate in the approved work programs for the licenses which also includes obligations to participate in exploration wells. Total drilling commitments as of 31 of December 2022 are 10 wells over 2023 and 2024 with an estimated cost of NOK 735 million. Sval Energi has also commitments related to gas transportation with estimated cost of NOK 864 million.

Planned investments

The numbers disclosed in the table below, represents Sval Energi's share of capital and operation expenditures from its participation in operated and non-operated exploration, development, and production projects, as well as corporate activities. The main development projects are Symra, Maria Revit, Halten East and Dvalin North. The estimates include cost and time for discretionary projects, and therefore do not necessarily represent a committed liability. The table below excludes contracts reported as lease, as disclosed in note 29 Lease liabilities.

NOK million	**31 December 2022**	**31 December 2021**
Within one year	2 094	751
One to five years	4 994	88
After five years	11	-
Total other commitments	**7 099**	**839**

Contingent considerations

As part of Sval Energi's acquisition of Spirit, and the acquisition of a share in Martin Linge Unit and Greater Ekofisk Area, Sval Energi has agreed to pay contingent considerations. For Spirit this relates to gas revenues for the full year 2022, for the share in Martin Linge Unit and the Greater Ekofisk Area this relates to oil and gas revenue for the full year 2022 and 2023. These contingencies are accounted for in current liabilities and further detailed in note 14 Business combinations, note 15 Asset Acquisitions and note 25 Accounts payable and other current liabilities.

Guarantees

As part of Sval Energi AS's purchase of Spirit, the Company has issued a replacement DSAs for NOK 294 million in favour of Equinor and Centrica for future decommissioning cost on Skirne, Kvitebjørn, Heimdal, Kvitebjørn Oil Pipeline and Vale. It has also issued an exit DSA in favour of Centrica and SWM Gasbeteilgungs GmbH. Sval Energi AS has provided a guarantee of NOK 640 million in favour of Gassco for future transportation of natural gas.

The shares in Sval Energi AS are pledged as a security for the bank facility in Sval Energi AS. Sval Energi Holding AS has also guaranteed the same bank facility.

Sval Energi Holding AS, on behalf of Sval Energi AS, has provided a parent company guarantee of NOK 10 million in favour of Rosenberggata 101 AS, for the lease of the office building at Veritasveien 29, 4007 Stavanger.

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29. Lease liabilities

NOK million	2022
Total liability as of 1 January	-
New lease liabilities in the period	-399
Payments of lease liabilities	28
Interest expense on lease liabilities	-6
Total liability as of 31 December	**-378**

Breakdown of the lease liabilities to short-term and long-term liabilities	
Short-term lease liabilities	-89
Long-term lease liabilities	-289
Total liability as of 31 December	**-378**

Nominal lease liabilities maturity breakdown	
Within one year	-89
One to five years	-268
After five years	-71
Total nominal lease liabilities	**-429**

No right-of-use assets or lease liabilities in 2021.

30. Changes in liabilities arising from financing activities

			Non-cash changes		
	01.01.2022	**Cash flow**	**Foreign exchange movement**	**Other[1)]**	**31.12.2022**
Current interest-bearing borrowings	1 280	-1 240	26	425	491
Non-current interest-bearing borrowings	709	9 845	-20	-404	10 130
Total liabilities from financing operations	**1 989**	**8 605**	**6**	**22**	**10 621**

[1)] Bank borrowings in Sval Renewables AS classified as non-current interest-bearing borrowings in 2021, current interest-bearing borrowing in 2022.

			Non-cash changes			
	01.01.2021	**Cash flow**	**Foreign exchange**	**Fair value changes**	**Other**	**31.12.2021**
Current interest-bearing borrowings	617	-617	36	-	1 244	1 280
Non-current interest-bearing borrowings	3 213	-1 266	6	-	-1 244	709
Borrowings from shareholder	128	-129	1	-	-	-
Total liabilities from financing operations	**3 958**	**-2 012**	**43**	**-**	**-**	**1 989**

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31. Proved and probable reserves (un-audited)

Proved and probable reserves	Million boe
Proved and probable reserves as of 1 January 2022[1)]	42
Acquisitions[2)]	174
Change in estimate	27
Production	-12
Proved and probable reserves as of 31 December 2022	**230**

[1)] Opening balance as of 1 January 2022 have been adjusted to reflect the Group's total proved and probable reserves (2P). Last year reserves only included proved reserves (1P) for the producing licence Duva.

[2)] The increase in the Group's proved and probable reserves (2P) is due to acquisitions related to Spirit 88.3 million boe, Equinor's shares in the Greater Ekofisk and Martin Linge Unit of 72.0 million boe and Suncor 13.2 million boe.

32. Group information

The consolidated financial statement of the Group includes, in addition to the parent company Sval Holding AS:

Company	Principal activities	Country of incorporation	Equity interest 31.12.2022
Sval Energi AS	E&P company	Norway	100%
Sval SENAS AS	Former E&P company	Norway	100%
Sval Renewables AS	Holding company	Norway	100%
Sval Wind Farm OY	Holding company	Finland	100%

33. Investments in Joint Ventures

The 50% interest held in Metsälamminkangas Wind OY relates to the wind farm project in Finland. The wind farm started production in April 2022. The equity method is applied to the accounting of the investment in accordance with IFRS 12.

	31 December 2022					
NOK million	**Number of shares**	**Ownership**	**Net book value of investment**	**Share of equity**	**Goodwill**	**Share of profit/ loss for the year**
Metsälamminkangas Wind Oy, Finland	1 250	50%	303	294	9	98

	31 December 2021					
NOK million	**Number of shares**	**Ownership**	**Net book value of investment**	**Share of equity**	**Goodwill**	**Share of profit/ loss for the year**
Metsälamminkangas Wind Oy, Finland	1 250	50%	745	737	9	-

The change in group book value of the joint venture investment is reconciled as follows:

Thousand	EUR	NOK
Group book value at 1 January 2022	**74 614**	**745 309**
Debt conversion to equity during the year	-55 572	-566 446
Share of gain in joint venture	9 722	98 230
Currency conversion difference	-	26 059
Group book value at 31 December 2022	**28 763**	**303 152**

Thousand	EUR	NOK
Group book value at 1 January 2021	**32 565**	**340 967**
Debt conversion to equity during the year	42 106	428 142
Share of loss in joint venture	- 57	-578
Currency conversion difference	-	-23 222
Group book value at 31 December 2021	**74 614**	**745 309**

The table below shows details about the gain in the joint venture for 2022. Amounts in 2021 were immaterial.

Thousand	EUR	NOK
Revenue	17 034 283	172 114 398
Production costs	-5 994 160	-60 564 991
Financial items	-1 318 267	-13 319 772
Profit/loss for the year	**9 721 856**	**98 229 635**

34. Discontinued operations

Net result from discontinued operations as presented in other comprehensive income in the income statement for 2021 is related the two infrastructure assets Gassled and Polarled sold to Hav Energy Ncs Gas AS in December 2021. The Group was solely an infrastructure company before it was acquired by the current owner HitecVision. The continuing operations of the Group is upstream petroleum assets and renewables.

NOK millions	2021
Tariff income (note 7)	3 549
Other income (note 7)	13
Production expenses (note 8)	-1 012
Depreciation, amortisation and impairment (note 17)	-607
Finance cost, net (note 11)	-81
Net result from discontinued operations before income tax	**1 862**
Income tax expense (note 12)	-1 810
Gain on sale of discontinued operations (note 7)	698
Net result from discontinued operations	**750**

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35. Subsequent events

The Awards in Predefined Areas (APA) round were announced on 10 January 2023 and the Group was awarded three non-operated licences on the Norwegian shelf. The licences awarded has two firm well commitments with tie-back to the Group's host of Martin Linge and Kvitebjørn. New and attractive exploration acreage in areas where the Group owns existing infrastructure is an important part of the Group's growth ambition. The goal is that new exploration licences will lead to new discoveries that can be efficiently developed.

The Norwegian Ministry of Petroleum and Energy announced on 11 January 2023 a new area in the North Sea for applications related to injection and storage of CO_2. The Group, Storegga and Neptune applied for the CO_2 storage license in the Norwegian sea. The project, called Trudvang, has the potential to store up to 225 million tonnes of CO_2.

The Dvalin field was scheduled to start production in February 2023, but start-up has been delayed until Q2 2023.
Fenja started to produce in April 2023.

The Board does not consider the above to have an impact on the Financial Statements for the Group for 2022.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

SVAL ENERGI HOLDING AS

Sval

Contents

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Income Statement

NOK million	Note	2022	2021
Administrative expenses	10	-	-
Operating profit		**-**	**-**
Finance income	3, 4	3 071	1
Finance cost	3, 4	-233	-1
Net financial items		**2 838**	**-1**
Income tax expense	5	-6	-
Profit/loss for the year		**2 832**	**-1**
Extraordinary dividend	4, 9	7 327	-
From share premium	9	-4 215	-
Group contribution	9	114	-
From other equity	9	-394	-
Attributable to the owner		**2 832**	**-1**

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Balance Sheet

NOK million	Note	31 December 2022	31 December 2021
ASSETS			
Investments in subsidiary	6	1 769	4 055
Total non-current assets		**1 769**	**4 055**
Borrowings to shareholders and related parties	4	51	-
Cash and cash equivalents	7	1 056	88
Total current assets		**1 107**	**88**
Total assets		**2 875**	**4 143**
EQUITY AND LIABILITIES			
Share capital	8, 9	3	3
Share premium	9	1 730	3 667
Other equity	9	7	401
Total equity		**1 740**	**4 070**
Borrowings from shareholders and related parties	4	1 097	72
Accounts payable and other current liabilities		-	1
Taxes payable	5	39	-
Total current liabilities		**1 136**	**73**
Total liabilities		**1 136**	**73**
Total equity and liabilities		**2 875**	**4 143**

Stavanger, 1 June 2023

The Board of Directors of Sval Energi Holding AS

Einar Gjelsvik
Chair

Ove Martin Juul
Board member

Kjell Erik Endresen
Board member

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Cash Flow

NOK million	Note	2022	2021
Cash generated from operating activities			
Profit before income tax		2 838	-1
Adjusted for:			
Finance costs, net	3	-2 838	1
Changes in accounts payables		-1	-
Net cash generated from/used in operating activities		**-1**	**-**
Cash flow from investing activities			
Dividend received	6,9	7 462	-
Capital increase	9	-2 270	-714
Net cash generated from/used in investing activities		**5 192**	**-714**
Cash flow from financing activities			
New borrowings from subsidiary	6	2 716	72
Repayment to subsidiary		-1 780	-
Capital increase	9	2 270	714
Dividend paid	9	-7 462	-
Interest received	3	39	-
Net cash generated from/used in financing activities		**-4 217**	**786**
Net increase/decrease in cash and cash equivalents		**974**	**72**
Effect of exchange rate changes on cash and cash equivalents		-6	-
Cash, cash equivalents and bank overdrafts at start of the period	7	88	15
Cash and cash equivalents at end of the period		**1 056**	**88**

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1. General information

Sval Energi Holding AS (the Company) was established on 28th February 2019. The Company is a wholly owned subsidiary of the HitecVision controlled company Sval Energi Invest II AS. Sval Energi Holding AS and subsidiaries (the Group) was established in 2019 with the aim of building a new generation energy company from the start as an infrastructure company but is now positioned in both E&P and renewables. Sval Energi Holding AS is a holding company without any employees and 100 % share in Sval Energi AS. The subsidiary Sval Energi AS E&P portfolio consist of several exploration licenses and fields under development. Also, Sval Energy AS at year-end 2022 was operator for two producing fields, Oda and Vale, and partner in 14 additional producing fields.

Sval Energi Holding AS corporate headquarter is located in Stavanger, and the business address is Veritasveien 29, 4007 Stavanger. The consolidated Financial Statements for Sval Energi Holding AS can be obtained, if requested, at the address above.

The Financial Statements were authorised for issue by the Annual General Meeting on 1 June 2023.

2. Accounting principles

Basis of preparations

The Financial Statements have been prepared in accordance with the Company's accounting policies which are further described below. These accounting policies are based on Generally Accepted Accounting Principles in Norway ("NGAAP"). The Financial Statements for the year ended 31 December 2021, were prepared in accordance with International Financial Reporting Standards (IFRS). The company have not identified any accounting differences between NGAAP and IFRS for the income statement or balance sheet for 2021 and therefore comparative figures for 2021 have not been restated.

The consolidated Financial Statements for the Group for the year ended 31 December 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated Financial Statements for the Group are presented in Sval Energi Holding AS.

Valuation and classification of assets and liabilities

Net current assets and liabilities comprise receivables and payables due within one year. Other entries are classified as fixed assets and/or long-term creditors. Current assets are valued at the lower of cost and fair value. Short-term liabilities are recognized at nominal value. Fixed assets are valued at cost, less depreciation and impairment losses. Long-term liabilities are recognized at nominal value.

Investments in subsidiary

Subsidiaries and investments in associates are carried at cost in the parent company accounts. The cost price of the investment of subsidiaries is increased when capital in subsidiaries is increased or when group contribution or dividend is given to a subsidiary. Distribution received is initially recognised as other financial income. Distribution that exceeds earned equity after purchase of the subsidiary is recognised as a reduction of investment in subsidiary.

A write-down to fair value will be performed if the impairment is not considered to be temporary, and an impairment charge is deemed necessary according to generally accepted accounting principles.

Cash and cash equivalents

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

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Tax

Tax in the Income Statement includes both payable taxes and changes in deferred tax. Deferred tax is calculated at 22% based on the temporary differences between accounting and tax values including tax loss carry forwards at the end of the fiscal year. Taxable and deductible temporary differences that reverse or may reverse in the same period are netted.

3. Finance income and cost

Finance income

NOK million	2022	2021
Other interest income	40	-
Dividend received	2 809	-
Group contribution received	85	-
Net foreign exchange gain	138	-
Total finance income	**3 071**	**-**
Finance cost		
Interest expense on bank borrowings	-	-1
Interest expense from group companies	-95	-
Net foreign exchange loss	-138	-
Total finance cost	**-233**	**-1**
Net financial items	**2 838**	**-1**

4. Intercompany, related parties and key management remuneration

Related party transactions

NOK million	Type	2022	2021
Sval Energi AS	Interest expense	95	-
Sval Energi AS[1)]	Dividend received	7 462	-
Sval Energi Invest II AS[2)]	Dividend paid	-7 462	-
Sval Energi Invest II AS[3.1)]	Group contribution accrual - payable	-115	-
Sval Energi Invest II AS[3.1)]	Group contribution accrual – receivable	147	-
Sval SENAS AS[3.2)]	Group contribution accrual - payable	-66	-
Sval SENAS AS[3.2)]	Group contribution accrual- receivable	85	-
Total		**146**	**-**

[1)] The Board in Sval Energi AS approved in extraordinary shareholders' meeting the 14 December 2022 a dividend of USD 753 million (NOK 7 327 million) to Sval Energi Holding AS, NOK 2 809 million was recognised as finance income and NOK 4 518 million as a reduction of investment in subsidiary. The dividend of USD 753 million (NOK 7 462 million) was received 19 December 2022.

[2)] The Board in Sval Energi Holding AS approved in extraordinary shareholders' meeting the 14 December 2022 a dividend of USD 753 million (NOK 7 327 million) to Sval Energi Invest II AS, NOK 3 932 million was recognised as reduction in share premium and NOK 3 395 million as a reduction of other equity. The dividend of USD 753 million (NOK 7 462 million) was paid 19 December 2022.

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[3] Recognised group contributions is the best estimate expected group contribution to be approved and paid in 2023. The group contribution is structured as circle group contribution where the contribution to be received are taxable income for the company (positive amount in the table), while the group contribution to be paid are not tax deductible.

[3.1] The group contribution between the company and Sval Energi Invest II AS is structured as circle group contribution where the contribution to be received from Sval Energi Invest II AS is recognised as intercompany receivable of NOK 147 million, payable tax liability NOK 32 million and increase in share premium of NOK 115 million. While the group contribution to be paid to Sval Energi Invest II AS without tax effect is recognised as a decrease in other equity of NOK 115 million with contra as reduction in intercompany receivable.

[3.2] The group contribution between the company and Sval SENAS AS is structured as circle group contribution where the contribution to be received from Sval SENAS AS of is recognised as intercompany receivable of NOK 85 million with contra in taxable finance income of NOK 85 million. While the group contribution to be paid to Sval SENAS AS without tax effect is recognised as an increase in investment of subsidiary of NOK 66 million with contra as reduction in intercompany receivable.

Intercompany payables contribution consist of:

		31 December 2022	31 December 2021
Loan	**Category**	**Nominal amount**	**Nominal amount**
Sval Energi AS[1]	Current liabilities	1 097	72
Total payable		**1 097**	**72**

[1] Borrowings from shareholders and related parties of NOK 1 097 million consist of loan to Sval Energi AS of NOK 1 002 and accrued interest to Sval Energi AS of NOK 95 million.

The loan carried interest on arm's length conditions and was subordinated to all other liabilities in Sval Energi Holding AS. The Company has financial risk management policies in place to ensure that all loans and receivables are paid within the agreed terms of payments.

Intercompany receivables consist of:

		31 December 2022	31 December 2021
Group contribution	**Category**	**Nominal amount**	**Nominal amount**
Sval Energi Invest II AS	Current assets	32	-
Sval SEANS AS	Current assets	19	-
Total receivable		**51**	**0**

Sval Energi Holding AS, on behalf of Sval Energi AS, has provided a parent company guarantee, see note 10 for more details. Apart from this guarantee, there are no pledges, guarantees or other security in favour of companies in the same group.

Key management remuneration

The Board members did not receive any remuneration for 2022 or 2021.

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5. Tax

Income tax recognised in the Income Statement can be reconciled as follows:

NOK million	2022	2021
Profit/loss before income tax	2 838	-1
Tax calculated at the domestic rate (22%)	624	-
Tax effects of:		
Received group dividend	-618	-
Total income tax expense recognised in the Income Statement	**6**	**-**
Effective income tax rate	**0%**	**-42%**

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The deferred tax assets and liabilities relate to temporary differences which will be taxed within the ordinary tax system in Norway at a future tax rate of 22%.

There are no deferred tax balances recognised for either of the years 2022 and 2021.

Specification of tax payable:

NOK million	2022	2021
Balance at 1 January	**-**	**-**
Current tax for the year	6	-
Tax on received group contribution[1)]	33	-
Balance at 31 December	**39**	**-**

Payable tax on group contribution received from Sval Energi Invest II is not recognised as current tax in the income statement but directly against current tax in the balance sheet. Please see note 4 for further information.

6. Investment in subsidiary

NOK million	Country of incorporation	Number of shares owned	Ownership	Net book value of investment[1)]	Equity as at 31.12	Profit/loss for the period ending 31.12
31 December 2022						
Sval Energi AS	Norway	21 637 312	100 %	1 769	2 609	3 107
31 December 2021						
Sval Energi AS	Norway	21 637 312	100 %	4 055	4 664	716

The decrease of net book value of investment from NOK 4 055 million in 2021 compared to NOK 1 769 million in 2022 are related to dividend received from Sval Energi in December 2022 where NOK 4 518 million is recognised as a reduction of investment in subsidiary partly offset by a capital increase 12 September 2022 of USD 220.5 million (NOK 2 165 million) paid to Sval Energi 19 September 2022 (NOK 2 270 million) and accrued group contribution to be paid to Sval SENAS of NOK 66 million.

The shares in Sval Energi AS are pledged as a security for the bank facility in Sval Energi AS. The Company has also guaranteed the same bank facility.

Assessment of impairment indicators for investments in subsidiary

Impairment assessment of the investment in Sval Energi was performed at year-end. No impairment is recognised in 2022 or 2021.

7. Cash and cash equivalents

NOK million	31 December 2022	31 December 2021
Bank deposit	1 056	88
Cash and cash equivalents	**1 056**	**88**

8. Share capital

	31.12.2022	31.12.2021
Shareholder	Sval Energi Invest II AS	Sval Energi Invest II AS
Ownership	100%	100%
Share capital	2 800 700	2 600 650
Number of shares	200 050 000	200 050 000
Nominal value of each share	0.014	0.013

The Company has only a single class of shares and all shares carry a single voting right.

9. Equity

NOK million	Share capital	Share premium	Other equity	Total equity
Balance at 1 January 2022	3	**3 667**	**401**	**4 070**
Profit for the year	-	-	2 832	2 832
Dividend[1)]	-	-4 215	-3 112	-7 327
Capital increase[2)]	-	2 165	-	2 165
Group contribution[3)]	-	114	-114	0
Balance at 31 December 2022	**3**	**1 730**	**7**	**1 740**

NOK million	Share capital	Share premium	Other equity	Total equity
Balance at 1 January 2021	**2**	**2 818**	**402**	**3 221**
Loss for the year	-	-	-1	-1
Capital increase[4)]	-	849	-	849
Balance at 31 December 2021	**3**	**3 667**	**401**	**4 070**

[1)] The Board in Sval Energi Holding AS approved in extraordinary shareholders' meeting the 14 December 2022 a dividend of USD 753 million (NOK 7 327 million) to Sval Energi Invest II AS, NOK 4 215 million was recognised as reduction in share premium and NOK 3 112 million as a reduction of other equity. The dividend of USD 753 million (NOK 7 462 million) was paid 19 December 2022.

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[2] Capital increase of USD 220.5 million (NOK 2 165 million) was approved by shareholder Sval Energi Invest II AS the 12 September 2022 and received 19 September 2022 (NOK 2 270).

[3] The group contribution is structured as circle group contribution where the contribution to be received from Sval Energi Invest II AS of NOK 114 million is recognised as an increase of share premium, while the group contribution to be paid to Sval Energi Invest II AS is recognised as a decrease of other equity.

[4] Share capital increase of NOK 0.2 million, from NOK 2.4 million to NOK 2.6 million, was approved by shareholder Sval Energi Invest II AS the 19 March 2021 and received 23 March 2021.

10. Auditor remuneration

Specification of other operating expenses

NOK thousand	2022	2021
Statutory audit[1]	155	85
Other assurance services	7	62
Total auditor remuneration	**162**	**147**

[1] The audit fee is presented excluding VAT.

11. Commitments and guarantees

The shares in Sval Energi AS are pledged as a security for the bank facility in Sval Energi AS. The Company has also guaranteed the same bank facility.

Sval Energi Holding AS, on behalf of Sval Energi AS, has provided a parent company guarantee of NOK 10 million in favour of Rosenberggata 101 AS, for the lease of the office building at Veritasveien 29, 4007 Stavanger.

12. Subsequent events

There are no subsequent evens after the balance sheet date.

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"By my signature I confirm all dates and content in this document."

Ove Martin Juul
Board member
On behalf of: Sval Energi Holding AS
Serial number: 9578-5998-4-1082585
IP: 185.51.xxx.xxx
2023-06-01 11:46:31 UTC

bank ID

Kjell Erik Endresen
Board member
On behalf of: Sval Energi Holding AS
Serial number: 9578-5997-4-913700
IP: 84.208.xxx.xxx
2023-06-01 12:34:20 UTC

bank ID

Einar Gjelsvik
Chairman
On behalf of: Sval Energi Holding AS
Serial number: 9578-5995-4-45671
IP: 77.16.xxx.xxx
2023-06-01 12:56:25 UTC

bank ID

Penneo document key: QK56E-EFSFD-IIGMU-B7OEF-LBUGK-T8CZU

Skatteetaten

Vår dato	Din/Deres dato	Saksbehandler
25.06.2021		Kjell Knutsen
800 80 000	Din/Deres referanse	Telefon
Skatteetaten.no		94897296
Org.nr	Vår referanse	Postadresse
974761076	2021/6022005	Postboks 9200 Grønland 0134 OSLO

U.off.

SVAL ENERGI HOLDING AS
Postboks 130
4068 STAVANGER

Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk

Vi viser til deres søknad av 14. juni 2021 om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk for følgende selskaper:

Sval Energi Holding AS	922 404 798
Sval Energi AS	996 888 177
Sval Renewables AS	824 442 592

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapene dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller 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
Fra søknaden siteres:

> Selskapene som er opplistet i vedlegg til denne søknaden («Selskapene») er norske drifts, investerings- og holdingselskaper hel- eller deleid av to ulike HitecVision private equity fond lokalisert på Guernsey («Fondene»). De aktuelle fondene er HitecVision VII, L.P. («HV VII») og HitecVision North Sea Opportunity Fund («NSOF»).
>
> Selskapenes formål er *«Produksjon og transport av olje og gass, samt alt som naturlig hører til derved, herunder investere i gass infrastruktur aktiva relatert til den norske kontinentalsokkelen»*, og *«Produksjon og salg av vindkraft, samt alt som naturlig hører til derved, herunder investere i infrastrukturaktiva relatert til dette og i selskaper med tilsvarende formål»*
>
> Samtlige av Selskapenes direkte- og indirekte aksjonærer er profesjonelle investorer. I tillegg

benyttes engelsk som arbeidsspråk i Selskapene, hos Fondene, hos långivere og i de selskaper hvor Selskapene har foretatt- eller vil foreta sine investeringer innenfor energibransjen. Energibransjen er en internasjonal bransje som benytter engelsk som bransjespråk. Selskapenes kunder og leverandører benytter i stor grad engelsk som arbeidsspråk.

All kommunikasjon med og rapportering til Selskapets aksjonærer og långivere skjer på engelsk. Kravet i regnskapsloven §3-4 om utarbeidelse av årsregnskap og årsberetning på norsk fremstår følgelig som lite hensiktsmessig for Selskapene. I tillegg til at det er ressurskrevende vil kravet øke risikoen for unødvendige misforståelser som følge av oversettelse og uoverensstemmelser mellom engelsk og norsk versjon.

Selskapene vurderer at alle brukere av regnskapene, herunder mer tilfeldige regnskapsbrukere, vil kunne forstå regnskapet og årsberetningen selv om disse dokumentene blir utarbeidet i sin endelige form på engelsk.

Basert på ovennevnte søkes herved om at Selskapene kan utarbeide årsregnskap og årsberetning på engelsk språk. Søknaden vil gjelde fra og med årsregnskapet for 2020. Selskapene vil på forespørsel fra myndighetene vederlagsfritt framlegge norsk oversettelse dersom dette er nødvendig for å kunne gjennomføre ettersyn og kontroll.

Skattekontorets 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 mv., 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 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, kunder og lokalsamfunnet.

Det er etter skattekontorets 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.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I dette tilfellet er det opplyst at engelsk er arbeidsspråk i selskapene, hos fondene, hos långivere og i de selskaper hvor selskapene har foretatt eller vil foreta sine investeringer og at all kommunikasjon og rapportering til selskapenes aksjonærer og långivere skjer på engelsk. Det er også opplyst at energibransjen er en internasjonal bransje hvor engelsk benyttes som bransjespråk. Det nevnes også at selskapenes kunder og leverandører i stor grad benytter engelsk som arbeidsspråk. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Gro Stangeland
Underdirektør
Innsats, storbedrift
Skatteetaten

Kjell Knutsen

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.