



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 996 888 177  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: SVAL ENERGI AS  
Forretningsadresse: Veritasveien 29  
4007 STAVANGER

### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

### Konsern

Morselskap i konsern: Ja  
Konsernregnskap lagt ved: Nei

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: IFRS

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Helge Endresen  
Dato for fastsettelse av årsregnskapet: 30.03.2022

### Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert  
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

*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, 07.05.2023



## Resultatregnskap

Beløp i: NOK	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	7	226 000 000	
Annen driftsinntekt	7	10 000 000	2 000 000
<b>Sum inntekter</b>		<b>236 000 000</b>	<b>2 000 000</b>
<b>Kostnader</b>			
Varekostnad	9	60 000 000	7 000 000
Avskrivning	16,17	52 000 000	3 000 000
Annen driftskostnad	8,10,2 7	487 000 000	419 000 000
<b>Sum kostnader</b>		<b>599 000 000</b>	<b>429 000 000</b>
<b>Driftsresultat</b>		<b>-363 000 000</b>	<b>-427 000 000</b>
<b>Finansinntekter og finanskostnader</b>			
Annen finansinntekt	11	18 000 000	106 000 000
<b>Sum finansinntekter</b>		<b>18 000 000</b>	<b>106 000 000</b>
Annen finanskostnad	11	105 000 000	92 000 000
<b>Sum finanskostnader</b>		<b>105 000 000</b>	<b>92 000 000</b>
<b>Netto finans</b>		<b>-87 000 000</b>	<b>14 000 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-450 000 000</b>	<b>-413 000 000</b>
Skattekostnad på ordinært resultat	12	-350 000 000	-157 000 000
<b>Ordinært resultat etter skattekostnad</b>		<b>-100 000 000</b>	<b>-256 000 000</b>
Ekstraordinære poster	14,15	815 000 000	340 000 000
<b>Årsresultat</b>		<b>715 000 000</b>	<b>84 000 000</b>
<b>Overføringer og disponeringer</b>			
Overføring til/fra annen egenkapital		715 000 000	84 000 000
<b>Sum overføringer og disponeringer</b>		<b>715 000 000</b>	<b>84 000 000</b>



### Balanse

Beløp i: NOK	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Konsesjoner, patenter, lisenser, varemerker o.l.		54 000 000	33 000 000
<b>Sum immaterielle eiendeler</b>		<b>54 000 000</b>	<b>33 000 000</b>
<b>Varige driftsmidler</b>			
Maskiner og anlegg	16,17, 25	4 119 000 000	8 466 000 000
Driftsløsøre, inventar, verktøy, kontormaskiner		46 000 000	39 000 000
<b>Sum varige driftsmidler</b>		<b>4 165 000 000</b>	<b>8 505 000 000</b>
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	26	523 000 000	364 000 000
Andre fordringer	24		125 000 000
<b>Sum finansielle anleggsmidler</b>		<b>523 000 000</b>	<b>489 000 000</b>
<b>Sum anleggsmidler</b>		<b>4 742 000 000</b>	<b>9 027 000 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Kundefordringer	18	578 000 000	739 000 000
Andre fordringer	13	1 399 000 000	
Konsernfordringer	27	72 000 000	
<b>Sum fordringer</b>		<b>2 049 000 000</b>	<b>739 000 000</b>
<b>Investeringer</b>			
Andre finansielle instrumenter	22	67 000 000	
<b>Sum investeringer</b>		<b>67 000 000</b>	
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	19	1 404 000 000	289 000 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>1 404 000 000</b>	<b>289 000 000</b>



## Balanse

Beløp i: NOK	Note	2021	2020
Sum omløpsmidler		3 520 000 000	1 028 000 000
<b>SUM EIENDELER</b>		<b>8 262 000 000</b>	<b>10 055 000 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Aksjekapital	20	3 000 000	2 000 000
Annen innskutt egenkapital		4 150 000 000	3 302 000 000
<b>Sum innskutt egenkapital</b>		<b>4 153 000 000</b>	<b>3 304 000 000</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital		512 000 000	-205 000 000
<b>Sum opptjent egenkapital</b>		<b>512 000 000</b>	<b>-205 000 000</b>
<b>Sum egenkapital</b>		<b>4 665 000 000</b>	<b>3 099 000 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	13	1 218 000 000	2 064 000 000
Andre avsetninger for forpliktelser	5,24	271 000 000	219 000 000
<b>Sum avsetninger for forpliktelser</b>		<b>1 489 000 000</b>	<b>2 283 000 000</b>
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	5,21,2 9	339 000 000	3 075 000 000
<b>Sum annen langsiktig gjeld</b>		<b>339 000 000</b>	<b>3 075 000 000</b>
<b>Sum langsiktig gjeld</b>		<b>1 828 000 000</b>	<b>5 358 000 000</b>
<b>Kortsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	5,21,2 9	1 280 000 000	617 000 000
Betalbar skatt	13		359 000 000
Kortsiktig konserngjeld	5,27,2 9		128 000 000
Annen kortsiktig gjeld	5,23	490 000 000	494 000 000



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Sum kortsiktig gjeld		1 770 000 000	1 598 000 000
 Sum gjeld		 3 598 000 000	 6 956 000 000
 <b>SUM EGENKAPITAL OG GJELD</b>		 <b>8 263 000 000</b>	 <b>10 055 000 000</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 689032

#### Enheten

Organisasjonsnummer: 996 888 177  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: SVAL ENERGI AS  
Forretningsadresse: Building C, 3rd floor  
Jåttåvågveien 7  
4020 STAVANGER

#### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

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Mørselskap i konsern: Ja  
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årsregnskapet til selskapet: IFRS

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Brønnøysundregistrene, 23.07.2022



Organisasjonsnr: 996 888 177  
SVAL ENERGI AS

## RESULTATREGNSKAP

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Annen driftsinntekt	7	10 000 000	2 000 000
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Organisasjonsnr: 996 888 177  
SVAL ENERGI AS

## BALANSE

Beløp i: NOK	Note	2021	2020
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### BALANSE - EIENDELER

#### Anleggsmidler

##### Immaterielle eiendeler

Konsesjoner, patenter, lisenser, varemerker o.l.		54 000 000	33 000 000
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##### Varige driftsmidler

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<b>Sum anleggsmidler</b>		<b>4 742 000 000</b>	<b>9 027 000 000</b>
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#### Omløpsmidler

##### Varer

##### Fordringer

Kundefordringer	18	578 000 000	739 000 000
Andre fordringer	13	1 399 000 000	
Konsernfordringer	27	72 000 000	
<b>Sum fordringer</b>		<b>2 049 000 000</b>	<b>739 000 000</b>

##### Investeringer

Andre finansielle instrumenter	22	67 000 000	
<b>Sum investeringer</b>		<b>67 000 000</b>	

##### Bankinnskudd, kontanter og lignende

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<b>Sum omløpsmidler</b>		<b>3 520 000 000</b>	<b>1 028 000 000</b>
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<b>SUM EIENDELER</b>		<b>8 262 000 000</b>	<b>10 055 000 000</b>
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### BALANSE - EGENKAPITAL OG GJELD



<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
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<b>Sum avsetninger for forpliktelse</b>		<b>1 489 000 000</b>	<b>2 283 000 000</b>
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	5,21,29	339 000 000	3 075 000 000
<b>Sum annen langsiktig gjeld</b>		<b>339 000 000</b>	<b>3 075 000 000</b>
<b>Sum langsiktig gjeld</b>		<b>1 828 000 000</b>	<b>5 358 000 000</b>
<b>Kortsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	5,21,29	1 280 000 000	617 000 000
Betalbar skatt	13		359 000 000
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Annen kortsiktig gjeld	5,23	490 000 000	494 000 000
<b>Sum kortsiktig gjeld</b>		<b>1 770 000 000</b>	<b>1 598 000 000</b>
<b>Sum gjeld</b>		<b>3 598 000 000</b>	<b>6 956 000 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>8 263 000 000</b>	<b>10 055 000 000</b>



Organisasjonsnr: 996 888 177  
SVAL ENERGI AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note  
2

**Regnskapsprinsipper**  
Årsregnskapet er satt opp etter IFRS.

Note  
20

**Antall aksjer og aksjeeiere**

<u>Aksjeklasse</u>	<u>Ant. aksjer</u>	<u>Pålydende</u>	<u>Bokført verdi</u>
Ordinære aksjer	21637312.00	0.13	2812850.56
<u>Aksjeeiere - fritekst</u>	<u>Antall</u>	<u>Eierandel</u>	<u>Aksjeklasse</u>
Sval Energi Holding AS	21637312.00	100.00%	Ordinære aksjer
<u>Sum</u>	<u>Sum antall</u>	<u>Sum eierandel</u>	
	21637312.00	100.00%	

Note

**Lønn og ytelser**

<u>Lønn</u>	<u>Årets</u>	<u>Fjorårets</u>
	163785000000.00	70202000000.00
<u>Arbeids giveravgift</u>	<u>Årets</u>	<u>Fjorårets</u>
	24394000000.00	10797000000.00
<u>Pensjonskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	9627000000.00	5045000000.00
<u>Andre ytelser</u>	<u>Årets</u>	<u>Fjorårets</u>
	842000000.00	796000000.00
<u>Sum lønnskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	198648000000.00	86840000000.00

Note  
27

**Ytelser til ledende personer**



## Ytelser til daglig leder

Note

## Ytelser til andre ledende personer

<u>Ledende person</u>	<u>Lønn</u>	<u>Pensj.forpl.</u>	<u>Andre godtgj.</u>
Key management remuneration	3431000000.00	538000000.00	33000000.00
	0		
<u>Sum ytelse andre led.pers.</u>	<u>Lønn</u>	<u>Pensj.forpl.</u>	<u>Andre godtgj.</u>
	3431000000.00	538000000.00	33000000.00
	0		

Note

10

## Ytelser til revisjon

<u>Revisjon</u>	<u>Årets</u>	<u>Fjorårets</u>
	750000000.00	932000000.00
<u>Andre tjenester</u>	<u>Årets</u>	<u>Fjorårets</u>
	966000000.00	1132000000.00
	0	0
<u>Sum godtgjørelse til revisor</u>	<u>Årets</u>	<u>Fjorårets</u>
	1716000000.00	2064000000.00
	0	0

Note

10

## Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:

59.00

Note

9

## Obligatorisk tjenstepensjon

Er virksomheten pliktig til å ha tjenstepensjonsordning etter lov:

Ja

Oppfyller pensjonsordning lovkravene: Ja

Note

## Lån og sikkerhetsstillelse til ledende personer og aksjeeiere





Skatteetaten

Vår dato  
25.06.2021

Din/Deres dato

Saksbehandler  
Kjell Knutsen

800 80 000  
Skatteetaten.no

Din/Deres referanse

Telefon  
94897296

Org.nr  
974761076

Vår referanse  
2021/6022005

Postadresse  
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.*



Admincontrol

## List of Signatures Page 1/1

### Sval Energi AS - Financial Statement 31 December 2021.pdf

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FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2021  
SVAL ENERGI AS



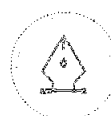
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## Contents

2021 Board of Director's report.....	3
Statement of Profit and Loss and Other Comprehensive Income.....	10
Statement of Financial Position.....	11
Statement of Changes in Equity.....	12
Statement of Cash Flows.....	13
Notes.....	15
1. General information.....	15
2. Basis of presentation.....	15
3. Significant accounting policies.....	15
4. Significant accounting judgements, estimates and assumptions.....	22
5. Financial risks and risk management.....	23
6. Segment information.....	25
7. Revenues.....	25
8. Production expenses.....	25
9. Exploration expenses.....	26
10. Employee benefit expense and auditor's fees.....	26
11. Finance income and cost.....	27
12. Income tax.....	27
13. Current and deferred tax balances.....	29
14. Discontinued operations.....	30
15. Intangible assets.....	30
16. Property, plant and equipment.....	31
17. Impairment.....	32
18. Trade and other receivables.....	32
19. Cash and cash equivalents.....	32
20. Share capital and other reserves.....	33
21. External borrowings.....	33
22. Derivative financial instruments.....	35
23. Trade and other payables.....	35
24. Decommissioning.....	36
25. Interests in Joint Operations.....	37
26. Investments in subsidiaries.....	38
27. Related parties and key management remuneration.....	38
28. Commitments and contingencies.....	39
29. Changes in liabilities arising from financing activities.....	40
30. Reserves (un-audited).....	40
31. Subsequent events.....	41



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## 2021 Board of Director's report

Sval Energi AS (the Company or Sval) is owned by Sval Energi Holding AS. The Company's main office is located in Stavanger, Norway.

### Key events in 2021

On 25<sup>th</sup> March 2021, the acquisition of all shares in Edison Norge AS was completed, and the name of the acquired company was changed to Sval Norge AS (Sval Norge). At the time of completion, Sval Norge had 24 employees, and by this transaction the Company's interest in the Nova field increased from 10% to 25%. Sval Norge also held a 10% interest in the Dvalin development field and a portfolio of 7 exploration licences.

On 16<sup>th</sup> April 2021, the petroleum activities in Sval Norge including all employees and assets were sold to the Company through a business transfer agreement. A tax loss carried forward of NOK 1 068 million remained in Sval Norge until it was refunded in November 2021 and transferred to the Company through a liquidation dividend and repayment of a negative settlement following the business transfer. An exploration drilling campaign in PL 211 (Sval working interest 10%), a former Sval Norge licence, resulted in the Company's first exploration discovery. The gas discovery is located 10 km from the Dvalin field and is being evaluated as a possible tie-back to existing infrastructure in the area.

Production commenced on the Duva field (Sval Working Interest 10%) on 23<sup>rd</sup> August 2021, and this is the Company's first development field to come on stream. The Duva field is operated by Neptune Energy and has been developed through a strong collaboration with the entire license partnership consisting of Neptune as well as Idemitsu Petroleum Norge, PGNiG Upstream Norway and Sval Energi. The Nova and Dvalin development fields are expected to enter production phase in second half of 2022.

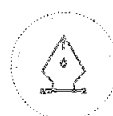
The construction of the Metsälamminkangas wind farm project in Finland (Sval WI 50%) progressed in 2021, and the first wind turbine entered production phase in the fourth quarter of 2021. Takeover of the fully operating wind farm is expected in the second quarter of 2022.

In November 2021 the Company entered into an agreement with Storegga Geotechnologies Ltd (Storegga) to explore joint business opportunities for carbon storage on the Norwegian Continental Shelf (NCS). The purpose of the agreement is to establish a common platform to secure the award of CO2 storage licenses on the NCS through identifying carbon storage opportunities and building a robust business case.

On 8<sup>th</sup> December 2021, the Company signed a Sales and Purchase Agreement with Spirit Energy to acquire the majority of Spirit Energy's Norwegian operations and assets. Through this USD 1 026 million transaction, Sval takes a significant step on its growth plan. The transaction includes 45 licenses (6 operated), including 7 producing fields (2 operated) and several development and exploration opportunities. With this transaction, the Company's total portfolio will at plateau have an average production of approximately 60 000 barrels per day of oil equivalents with an average carbon footprint of approximately 6 kg CO2 per barrel of oil equivalent, well below the average on the NCS. The acquisition has a commercial effective date of 1<sup>st</sup> January 2021 and is expected to be completed in the second quarter of 2022.

On 21<sup>st</sup> December 2021, the Company completed the sale of its gas infrastructure assets Gassled and Polarled to Hav Energy Ncs Gas AS.

The Company has during 2021 evaluated thoroughly several possibilities to continue its growth in line with agreed overall objectives while also having ESG as a key objective.



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## Review of annual accounts

The Company prepares and presents its accounts in accordance with IFRS. 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.

The Board of Directors believes that the annual accounts provide a satisfactory description of the Company's financial position as of 31<sup>st</sup> December 2021 and the results for the year then ended.

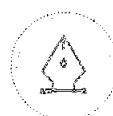
## Income statement

The Company's statement of profit and loss does not include revenues and costs from the discontinued operations following the sale of the infrastructure assets in December 2021. Net result from the discontinued operations is presented as other comprehensive income in the income statement. The following table presents the income statement for both the continued and discontinued operations, and the two combined for 2021:

NOK millions	2021		
	Continued	Discontinued	Combined
Tariff income	-	3 549	3 549
Petroleum income	226	-	226
Gain on sale of discontinued operations	-	767	767
Other income	10	13	23
Production expenses	-60	-1 012	-1 072
<b>Gross profit</b>	<b>176</b>	<b>3 317</b>	<b>3 493</b>
Administrative expenses	-184	-	-184
<b>EBITDAX</b>	<b>-8</b>	<b>3 317</b>	<b>3 309</b>
Exploration expenses	-304	-	-304
Depreciation, amortisation and impairment	-52	-739	-791
<b>Operating profit/ (loss)</b>	<b>-363</b>	<b>2 578</b>	<b>2 214</b>
Finance income	18	2	20
Finance cost	-105	-83	-188
<b>Profit/ (loss) before income tax</b>	<b>-450</b>	<b>2 496</b>	<b>2 046</b>
Income tax expense	350	-1 681	-1 331
<b>Profit/ (loss) for the year</b>	<b>-100</b>	<b>815</b>	<b>715</b>

The turnover of NOK 226 million (2020 – nil) and production costs of NOK 60 million (2020 - NOK 7 million) from the Company's continuing operations is mainly related to the Duva field which entered production phase in August 2021.

The increase in administrative expenses from NOK 103 million in 2020 to NOK 184 million in 2021 is explained by the increase in the number of employees and integration cost in the Company following the acquisition of Sval Norge AS in March 2021. The number of employees increased from 42 in 2020 to 59 in 2021.



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Costs related to the exploration activities for the Company was NOK 304 million (2020 – NOK 316 million). This consists of exploration cost of NOK 165 million (2020 – NOK 62 million), expensed dry well of NOK 107 million (2020 – NOK 74 million) and seismic costs of NOK 32 million (2020 – NOK 180 million).

Depreciation of NOK 52 million (2020 – NOK 3 million) consist mostly of NOK 40 million of depreciation on the Duva field. No impairment charge on the assets of the continuing operation for either of the years 2021 and 2020.

Finance income amounts to NOK 18 million (2020 - NOK 106 million). The main reasons for the material decrease in finance income in 2021 compared to 2020 is a net foreign exchange gain of NOK 89 million in 2020 and interest income on cash in first quarter of 2020 of NOK 13 million. Finance cost of NOK 105 million (2020 - NOK 91 million) includes interest expense on external borrowings of NOK 116 million (2020 – NOK 150 million), other finance costs of NOK 35 million (2020 – NOK 16 million) and net foreign exchange loss of NOK 27 million (2020 – net foreign exchange gain of NOK 89 million). Finance cost from discontinued operations in 2021 amounts to NOK 82 million (2020 – NOK 383 million).

Tax income for the year amounts to NOK 350 million (2020 – NOK 156 million) of which NOK 1 174 million is tax income for the year (2020 - NOK 867 million) and NOK 824 million is a movement in deferred tax liability (2020 – NOK 711 million). Tax expense from discontinued operations amounted to NOK 1 681 million (2020 – NOK 1 765 million).

A significant portion of the depreciation on the offshore part of the purchase prices of asset acquisitions is viewed as a permanent difference which does not give rise to a current or a deferred tax deduction and which accordingly have resulted in a high effective tax rates in previous years. The main reason for the low effective tax rate in 2021 is the disposal of the Gassled and Polarled gas infrastructure assets and the following change in permanent difference which arose through the asset acquisitions in 2011 (Gassled) and 2019 (Polarled).

Loss from continued operations for 2021 is NOK 100 million (2020 – NOK 256 million). Total comprehensive income is NOK 715 million (2020 - NOK 84 million) due to net profit from discontinued operations of NOK 815 million (2020 – NOK 340 million).

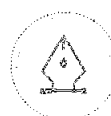
#### Balance sheet

Property, plant and equipment of NOK 4 165 million compared to NOK 8 505 million in 2020 reflects the sale of Gassled and Polarled of NOK 6 796 million, acquisition of former Edison Norge AS assets of NOK 1 736 million, capex of NOK 970 million, capitalised interest of NOK 50 million and depreciation of NOK 44 million.

Intangible assets of NOK 54 million (2020 – NOK 33) consist mostly of the two exploration wells PL 211 Dvalin North and PL 943 Uer (NOK 50 million). The exploration drilling campaign on Dvalin North in 2021 resulted in discoveries in the Garn, Lange and Lysing formations. A PDO submission for the Gam discovery is expected by the end of 2022 while the two other discoveries will most likely require new seismic and a dedicated appraisal well. A drilling campaign for the Uer license is expected in 4Q 2022.

The decommissioning receivable of NOK 101 million in 2020 was entirely related to the previous ownership in Gassled. The Company's decommissioning assets related to the continued operations are included in the property, plant and equipment, and amounts to NOK 256 million (2020 - NOK 117 million). The decommission liability of 271 million (2020 - NOK 219 million) represents the Company's requirement to cover future decommissioning costs.

Trade and other receivables of NOK 578 million (2020 - NOK 739 million) include NOK 108 (2020 – NOK 261 million) of balances in joint operations. Derivative financial instruments consist of commodity hedging amounting to NOK 67 million (2020 – nil). The fair value of the derivative decreased by NOK 15 million in the period after the hedging transaction date.



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Cash and cash equivalents of NOK 1 404 million (2020 – NOK 289 million) include NOK 6 million (2020 – NOK 4 million) of restricted bank deposits.

The non-current part of the Company's utilisation of the revolving loan facility amounts to NOK 339 million (2020 – NOK 3 075 million). The decrease in non-current interest-bearing borrowings is due to the sale of the Company's ownership shares in Gassled and Polarled, which resulted in repayment of all the midstream tranches of the revolving loan facility. Current interest-bearing borrowings amounts to NOK 1 280 million (2020 – NOK 617 million).

Deferred tax liabilities of NOK 1 218 million (2020 - NOK 2 064 million) is mainly explained by excess tax depreciation over accounting depreciation.

Trade and other payables of NOK 490 million (2020 - NOK 494 million) include NOK 201 million (2020 – NOK 338 million) of balances in joint operations and a deferred settlement payable to Edison S.p.a of NOK 110 million.

The change from taxes payable from NOK 359 million at yearend 2020 to a receivable of NOK 1 399 million at yearend 2021 is explained by the disposal of Gassled and Polarled in December 2021 and the temporary changes to the petroleum tax regulations as the Company holds interests in two oil and gas developing assets in addition to the Duva field in production.

The Company's loss for 2021 attributable to the owner was NOK 100 million (2020 – NOK 256 million) in addition to a net profit from discontinued operations of NOK 815 million (2020 – NOK 340 million). The equity at 31 December 2021 was NOK 4 664 million (2020 – NOK 3 099 million) after a capital increase of NOK 849 million.

#### The Company's sustainability approach

Sval is the new generation energy company on a growth course on the Norwegian Continental Shelf. The Company's ambition is to be a company that contributes positively with regards to environmental, social, and governmental issues. The Company aims to be nimble, sustainable and create value for our owners, partners, suppliers and for society at large, through a balanced portfolio positioned in both exploration and production and renewables.

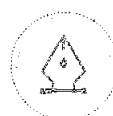
Environmental, Social and Governance (ESG) is an integral part of the Company's business strategy. In second half of 2021 the Company revisited and updated the ESG strategy. The work to operationalise the ESG strategy is currently ongoing and in 2021 the Company updated its materiality analysis, Task Force on Climate-related Financial Disclosure (TCFD) report, scenario analysis and became a member of the UN Global Compact Norway. As a member, the Company will report annually on the UN's Ten principles for Responsible Business and Sustainability Goals.

Summary of Sval's ESG strategy:

- Sval will continuously work to reduce the carbon footprint of our business and always operate in an environmentally responsible manner.
- Sval will provide good, healthy, and safe working conditions for our employees and contribute positively to the community around us.
- Sval will be accountable to stakeholders' expectations by being transparent about performance and impact.

#### Environmental impact

The Company acknowledges the ongoing transition towards a low-carbon economy and recognises the need for the industry to reduce its carbon footprint. However, as we understand the consequences and necessities of transitioning to a low-carbon economy, we also see the need for affordable and reliable energy in making a successful transition. As a nimble energy company, Sval is capable of answering and adapting to the needs of a rapidly changing society, policies and energy market.



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We are committed to ensure that the environmental impacts of our operations are reduced wherever possible. As a licence partner rather than operator, Sval's most important contribution in reducing emissions and environmental impact from our assets is to influence our partnerships. We will monitor and assess the negative environmental impacts of our operations and always address and seek to improve these. The Company is also pursuing opportunities within decarbonisation and low carbon projects. These projects target emission reductions on an industrial and continental scale.

In 2021, the Company has completed a TCFD-aligned climate risk assessment, including a risk register dedicated to climate-related risks that is integrated within the Company's overall risk register. The climate-related risks are viewed as material and are continuously monitored and managed. The Company is also set to publish its own sustainability report with reference to Global Reporting Initiative (GRI), describing the Company's business activities in relation to chosen ESG metrics and performance for the fiscal year 2021.

### Social responsibility

Sval adheres to the highest safety and environment standards and requirements and provides employees with good, healthy, and safe working conditions. Health, safety, and environment (HSE) is always the Company's top priority and our HSE policy defines how we work. As the Company's operational portfolio continues to grow, safety and management of major accident risk is a top priority, and the Company works continuously to improve the safety awareness, standards, and culture within the Company.

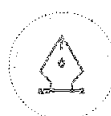
For partner operated assets, the HSE focus area has been to reduce the risk of major accidents. Annual asset management plans are made for all the Company's assets, and an overall verification plan is made to prioritize HSE and quality initiatives towards the Company's partner operated assets. Regular meetings, where issues affecting HSE and major accident risk are regularly discussed with the operators for all assets.

The Company's own employees are not working offshore or on onshore plants, and the Company had no HSE incidents in its own operations in 2021. Over the last year, the coronavirus pandemic received a lot of attention. In line with national regulations, the Company ensured that our employees could work from home by providing IT-equipment and highlighted the importance of mental and physical health while working from home. In 2021, the total sickness absence in Sval was 1.35 percent, which is significantly lower than the national average of 5.9 percent in Norway.

The Company believe that our employees are the key to success. As a fast-growing energy company, Sval is dependent on the skills and knowledge of the employees to achieve our ambitious goals. Sval endeavours to build a strong and accepting culture that promotes personal development. Sval is committed to developing a healthy working environment in which all employees are treated fairly, is respected and has the opportunity to contribute to the success of the Company, while having the opportunity to achieve their full potential as individuals.

The Company offer equal opportunities to all employees, respect fundamental human rights, labour rights and union engagement and are committed to fostering, cultivating and preserving a rich culture, a diverse workforce, equality and inclusion. At yearend 2021, the Company had 59 employees across the Oslo and Stavanger offices, of which 34 percent were women. The Company strongly believes in a diversified workforce and continue to have a clear focus on achieving gender equality and recruiting a workforce from diverse age groups and backgrounds.

The Company is committed to contributing positively to the communities in which we operate. In 2021, Sval engaged in several sponsorships locally, including Youth Mental Health Nord-Jæren to support their work in preventing isolation and mental health issues amongst children and youth, and Trafikkland, who focus on providing traffic training for children in Stavanger. In the summer of 2021, the Company launched paid summer internships for students. The aim was to both contribute to build expertise and to create an interest in the energy sector among tomorrow's workforce.



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## Transparent governance

The Company is committed to operating in an ethical and responsible manner. The key to the Company's governance approach is transparency and sustainability. The Company embraces the need for transparency related to our impacts and contributions and will actively work on transparent reporting of the impact from our activities based on acknowledged standards.

ESG is strongly integrated in Sval's performance management and is a top priority within the Board of Directors. This ensures that ESG is integrated in all decision-making. The board, together with the CEO, has decided to establish a sustainability committee effective from 2022. The primary objective for this committee will be to advise and support the board in all matters regarding ESG, including strategy development, ESG and climate risk impacts, and sustainability reporting.

Other ESG related topics are addressed through our enterprise risk management (ERM) process. The process is embedded in Sval's business management system and aims to identify risks and how to address them. This is done to mitigate threats and pursue opportunities. The ERM process enables management to make informed decisions in uncertain situations. As such, ESG becomes an integral part of the Company's strategy and decision-making. For climate-related risks specifically, Sval uses the recommendations of the TCFD as a framework.

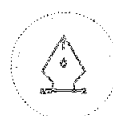
The Company board has established an audit and risk committee with the overall function to supervise and qualify the Company's reporting system for finance and accounting, risk management and internal control to minimise the risk of errors related to the production of the annual fiscal statements and other financial and governmental reporting. Management is actively involved in the internal controls connected with the financial reporting and reports regularly on financial and other enterprise-wide risk to the committee.

The Company has policies in place to embed the highest ethical standards into our daily work, our behaviour, and corporate governance. The Company has implemented an integrated business management system which is actively used as a management tool by the management team. The management system in the Company has defined policies for procurement, employee rights, employee conduct and anti-corruption practices. Developing compliance policies has also been a focus in 2021, with a special emphasis on General Data Protection Regulation (GDPR).

All employees have been provided with e-learning on the Company Code of Conduct, and other key company policies, such as on whistleblowing, anti-corruption, data protection, and personal trading. Targeted digital security training was implemented throughout 2021. It was complemented with an emergency exercise on data security which was held for the Executive Management Team and other employees directly involved with such an issue. There have been no reported cases of non-compliance with laws and regulations in the fiscal year of 2021.

## Board of Directors

The Board of Directors currently consists of six persons. Board members are nominated through the general meeting and serve for a period of two years from their initial appointments in line with the general rule set forth in section 6-6 of the Norwegian Companies Act. The Board is responsible for approving all significant transactions of the Company, such as debt refinancing, acquisitions and disposals, and the issuance of additional equity shares. The Board meets regularly with top management of the Company. The Board of Directors and the CEO are covered by the Company's directors and officers liability insurance.



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## Subsequent events and outlook

Subsequent to yearend 2021 the Company is in the process of obtaining the necessary governmental approvals for the Spirit transaction and closing of the transaction is planned to take place during Q2 2022.

The Company was awarded three non-operated licences in the Awards in Predefined Areas (APA) 2021 licencing round: PL 927 B (50%), PL 1138 (30%) and PL 1139 (20%). All licences are with solid partnerships and in attractive areas near existing infrastructure.

The current geopolitical situation in Eastern Europe following the Russian invasion of Ukraine in February 2022 has a direct impact on the global market for oil and gas and the Board is monitoring the situation closely. The Board does not consider this situation to have an impact on the Financial Statements for the Company for 2021.

A continued growth of the Company's portfolio through both organic and non-organic activities in line with Company's strategy are key objectives for 2022.

Stavanger, 30 March 2022  
The Board of Directors of Sval Energi AS

Gunnar Kristoffer Hviding Olsen  
Chairman

Anne Torunn Strømmen Lycke  
Director

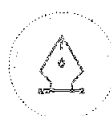
Timothy Dodson  
Director

Kristin Gjertsen  
Director

John Alexander King  
Director

Lars Christian Bacher  
Director

Sigurd Nikolai Lyngø  
CEO



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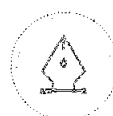
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## Statement of Profit and Loss and Other Comprehensive Income

For the year ended 31 December 2021

NOK millions	Note	2021	2020
Petroleum income	7	226	-
Other income	7	10	2
Production expenses	8	-60	-7
<b>Gross profit/ (loss)</b>		<b>176</b>	<b>-5</b>
Administrative expenses	10, 27	-184	-103
<b>EBITDAX</b>		<b>-8</b>	<b>-108</b>
Exploration expenses	9	-304	-316
Depreciation, depletion & amortisation	16, 17	-52	-3
<b>Operating loss</b>		<b>-363</b>	<b>-427</b>
Finance income	11	18	106
Finance cost	11	-105	-91
<b>Loss before income tax</b>		<b>-450</b>	<b>-413</b>
Tax income	12	350	156
<b>Loss for the year from continued operations</b>		<b>-100</b>	<b>-256</b>
<b>Other comprehensive income</b>			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax)</i>		-	-
<i>Net result from discontinued operations</i>	14, 25	815	340
<b>Total comprehensive income</b>		<b>715</b>	<b>84</b>
<b>Attributable to the owner</b>		<b>715</b>	<b>84</b>



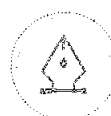
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## Statement of Financial Position

NOK millions	Note	31 December 2021	31 December 2020
<b>ASSETS</b>			
Intangible assets	15	54	33
Property, plant and equipment	16, 17, 25	4 165	8 505
Right-of-use assets		-	25
Investment in subsidiary	26	523	364
Decommissioning receivables	24	-	101
<b>Non-current assets</b>		<b>4 742</b>	<b>9 027</b>
Trade and other receivables	18	578	739
Receivable from shareholders and other related parties	27	72	-
Derivative financial instruments	22	67	-
Tax receivable	13	1 399	-
Cash and cash equivalents	19	1 404	289
<b>Current assets</b>		<b>3 520</b>	<b>1 028</b>
<b>Total assets</b>		<b>8 262</b>	<b>10 055</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	20	3	2
Other reserves		4 150	3 302
Retained earnings		512	-204
<b>Total equity</b>		<b>4 664</b>	<b>3 099</b>
Bank borrowings	5, 21, 29	339	3 075
Decommissioning liabilities	5, 24	271	219
Deferred tax liabilities	13	1 218	2 064
<b>Non-current liabilities</b>		<b>1 828</b>	<b>5 358</b>
Current bank borrowings	5, 21, 29	1 280	617
Borrowings from shareholders and related parties	5, 27, 29	-	128
Trade and other payables	5, 23	490	494
Taxes payable	13	-	359
<b>Current liabilities</b>		<b>1 770</b>	<b>1 598</b>
<b>Total liabilities</b>		<b>3 598</b>	<b>6 956</b>
<b>Total equity and liabilities</b>		<b>8 262</b>	<b>10 055</b>



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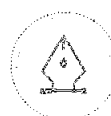
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## Statement of Changes in Equity

NOK millions	Share capital	Other reserves	Hedging reserves	Retained earnings	Total equity
<b>Balance at 1 January 2020</b>	1 082	1 402	-	-97	2 387
Profit for the year	-	-	-	83	83
<b>Total comprehensive income for the period</b>	-	-	-	83	83
Merger effect on equity	-	-	-	1	1
Group contribution	-	-	-	-13	-13
Dividend	-	-	-	-178	-178
Capital reduction	-1 080	1 079	-	-	-
Capital increase	-	819	-	-	819
<b>Balance at 31 December 2020</b>	2	3 302	-	-204	3 099

NOK millions	Share capital	Other reserves	Hedging reserves	Retained earnings	Total equity
<b>Balance at 1 January 2021</b>	2	3 302	-	-204	3 099
Loss for the year from continued operations	-	-	-	-100	-100
Net result from discontinued operations	-	-	-	815	815
<b>Total comprehensive income for the period</b>	-	-	-	715	715
Capital increase	-	849	-	-	849
<b>Balance at 31 December 2021</b>	3	4 150	-	511	4 664



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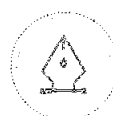
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<b>Statement of Cash Flows</b>			
<b>Cash generated from operating activities</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Profit before income tax from continued operations		-450	-413
<b>Adjusted for:</b>			
Finance costs, net	10	87	-15
Depreciation	14	52	3
Exploration well write-off	8, 13	107	74
Foreign exchange losses/gains in operating activities	10	-	-89
<b>Change in working capital:</b>			
Changes in trade and other receivables	16	88	-93
Changes in trade and other payables	21	-66	279
<b>Net cash generated from operating activities in discontinued operations</b>		<b>2 027</b>	<b>1 942</b>
<b>Net cash generated from operating activities</b>		<b>1 844</b>	<b>1 689</b>
<b>Cash flows from investing activities</b>			
Liquidation dividends received		976	-
Purchase of property plant and equipment	14	-580	-1 225
Investment in exploration wells and other intangible assets	13	-130	-59
Acquisition of shares		-764	-
Prepayment on investment		-447	-
Cash obtained through merger with subsidiary		200	13
New borrowings to subsidiary		-2 316	-
Repayments of borrowings to subsidiary		195	-
Interests received	10	-	16
<b>Net generated from/ used in investing activities from discontinued operations</b>		<b>3 779</b>	<b>-407</b>
<b>Net cash generated from investing activities</b>		<b>912</b>	<b>-1 662</b>
<b>Cash flows from financing activities</b>			
Repayments of bank borrowings	19, 27	-1 157	-
Repayments of shareholder loan	25, 27	-	-
New bank borrowings		1 992	820
New borrowings to parent company	27	72	-
Capital increase		644	455
Dividend paid	25	-	-178
Group contribution paid		-	-13
Interests paid	10, 25	-58	-101
Other finance cost paid		-13	-40
<b>Net cash used in financing activities from discontinued operations</b>		<b>-3 050</b>	<b>-4 277</b>
<b>Net cash used in financing activities</b>		<b>-1 642</b>	<b>-3 334</b>
<b>Net decrease / increase in cash and cash equivalents</b>			
		<b>1 115</b>	<b>-3 307</b>
Cash, cash equivalents and bank overdrafts at start of the period		289	3 596
<b>Cash and cash equivalents at end of the period</b>		<b>1 404</b>	<b>289</b>

Sval Energi AS  
Financial Statements for the Year Ended 31 December 2021

13



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Stavanger, 30 March 2022  
The Board of Directors of Sval Energi AS

Gunnar Kristoffer Hviding Olsen  
Chairman

Anne Torunn Strømmen Lycke  
Director

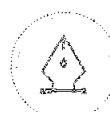
Timothy Dodson  
Director

Kristin Gjertsen  
Director

John Alexander King  
Director

Lars Christian Bacher  
Director

Sigurd Nikolai Lyngø  
CEO



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## Notes

### 1. General information

Sval Energi AS (the Company or Sval) was established in April 2011 and since 2019 has been a wholly owned subsidiary of the HitecVision controlled Sval Energi Holding AS. The Sval Group was established in 2019 with the aim of building a new generation energy company, and from the start as an infrastructure company the Company is now positioned in both E&P and renewables. The Company's E&P portfolio consist of several exploration licenses, two fields under development and the Duva field which entered production phase in August 2021.

The Company's corporate headquarter is located in Stavanger, and the business address is Building C, Jättåvågveien 7, 4020 Stavanger.

The financial statements were authorised for issue by the Annual General Meeting on 1<sup>st</sup> April 2022.

### 2. Basis of presentation

The financial statements for the year ended 31 December 2021 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 2021, and Norwegian disclosure requirements listed in the Norwegian Accounting Act as of 31.12.2021. The financial statements have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value.

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 Company'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 functional currency of the Company is Norwegian kroner (NOK), and the accounts are presented in NOK. All amounts in the financial statements are shown in millions of Norwegian kroner unless stated otherwise.

The consolidated financial statements for the Sval Group are presented in Sval Energi Holding AS.

### 3. Significant accounting policies

The following description of accounting principles applies to the Company's 2021 financial statements, including all comparative figures.

#### 3.1 Changes in accounting policies and disclosures

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

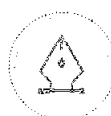
#### 3.2 Significant accounting policies

##### *Current versus non-current classification*

The Company 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



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- 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 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 Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### Foreign currencies

Transactions in currencies other than the Company's functional currency are recognised at the exchange rate prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are revalued into NOK at the exchange rates prevailing at that date.

#### Investments in joint arrangements

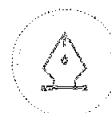
According to IFRS 11 a joint arrangement is an arrangement where two or more parties have joint control. Joint control is the contractually agreed sharing of control over an arrangement which exists only when the decisions about the relevant activities (being those that significantly affect the returns 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 Company has evaluated its joint arrangement investments in upstream assets, and it is the Company'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 Company 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.

#### Acquisition of interests in joint arrangements

When entering into an agreement to acquire interests in licenses the Company 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.



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Acquired businesses are included in the financial statements from the transaction date. The transaction date is defined as the date on which the Company 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 arrangements**

Upon the sale of an interest in a joint arrangement 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 balance sheet. Revenues and expenses are included in the profit and loss statement until the transaction date. Gains and losses relating to the sale of interests in joint arrangements 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 profit and loss 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 apply. Through the sale of Gassled and Polarized in December 2021, the Company no longer have any gas infrastructure assets. The sold assets are therefore considered a discontinued part of operations in the Company 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 14. Net cash flow from discontinued operations is also separated in the cash flow statement for each cash flow type.

#### **Exploration wells**

Expenditures to drill and equip exploration wells are capitalised as exploration cost and are included in intangible assets until the well is completed or there is any other indicator of a potential impairment.

#### **Property, plant, and equipment**

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 Company and the cost of the item can be measured reliably. Depreciation is recognised rateably over the useful lives of the assets. Repairs and maintenance cost are charged to the income statement during the financial reporting period in which they are incurred. Depreciation is calculated using the straight-line method over the assets' estimated useful lives for furniture, software, and hardware. The Company's oil and gas assets are depreciated using the unit of production method after production start-up.

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. 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 statement of profit and loss.

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

#### **Impairment**

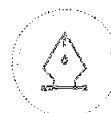
Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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

Sval Energi AS

Financial Statements for the Year Ended 31 December 2021

17



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## Decommissioning liabilities

The Company has an obligation to decommission and remove assets in licenses which the Company holds an interest. The decommissioning liability is the net present value of the expected costs of decommissioning. 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. 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 statement of profit and loss unless they are included in the decommissioning receivable. The discount rate used when calculating the net present value of the decommissioning liability is the risk-free rate with the addition of a credit risk element.

## Decommissioning assets

For the Company's oil and gas assets a decommissioning asset is recorded corresponding to recording of the decommissioning liability related to the underlying asset. Such decommissioning assets are included in the book value of the underlying asset and is depreciated accordingly.

## Financial assets

Regular purchases and sales of financial assets are recognised on the trade-date, being the date on which the Company 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 profit or loss.

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 balance sheet, 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 Company 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 Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value, plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

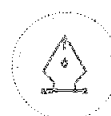
The Company classified all its financial assets in two categories as assets at amortised cost.

## Financial assets at amortised cost

The Company 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 profit or loss when the asset is derecognised, modified, or impaired.



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## 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 Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company 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 Company has transferred substantially all the risks and rewards of the asset, or
  - the Company 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 Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company 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 trade and other receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company 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 Company considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

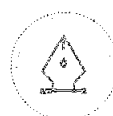
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

## Capitalised spare parts

Capitalised spare parts are stated at the lower of cost and net realisable value. Cost is determined based on historical cost and charged to the income statement when put into use. The Company's capitalised spare parts arise through the joint operations, which are proportionately consolidated. Capitalised spare parts are included in other PP&E.

## Trade receivables

Trade receivables are amounts related to sale of produced petroleum from the Company'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. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.



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## Cash and cash equivalents

In the Statement of Financial Position and the Statement of Cash Flows, cash and cash equivalents includes cash on hand and deposits at banks. Cash and cash equivalents exclude cash held in restricted bank accounts which is not available for use by the Company and is therefore not considered highly liquid.

## 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.

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 profit or loss 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 statement of profit or loss 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 statement of profit or loss.

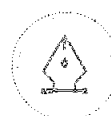
Payables are measured at their nominal amount when the effect of discounting is not material.

## 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 statement of profit or loss.

Sval Energi AS  
Financial Statements for the Year Ended 31 December 2021

20



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## Trade payables

Trade 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.

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

## Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company 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.

## 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.

## 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 Company 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.

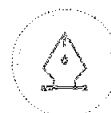
Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled. Deferred income tax assets are recognised 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.

The Company is subject to the provisions of the Petroleum Taxation Act. Revenues from activities on the Norwegian Continental Shelf are subject to ordinary tax at 22 percent and special tax at 56 percent. The Company is granted a special allowance against the special tax base called uplift, which is calculated as 24% on existing qualifying offshore assets (2020: 24%). Uplift related to 2021 investments is used fully in 2021 while uplift from previous years' investments is allocated on a linear basis against the special tax base over 4 years.

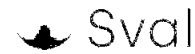
## Dividend distribution

A dividend distribution to the Company's shareholder is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholder.



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## Cash flow statement

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

## Events after the reporting period

New information on the Company'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 Company's financial position at the end of the reporting period, but which will affect the Company's financial position in the future are disclosed if significant.

## 3.3 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 Company'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 where critical judgements, estimates and assumptions are required:

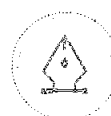
### a) Impairment and depreciation

#### Impairment

The Company assesses each asset or cash generating unit (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, licence 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 Statement of Profit or Loss and Other Comprehensive Income 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.



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## b) Decommissioning liability and related decommissioning asset

Decommissioning costs will be incurred by the Company at the end of the operating life of the Company's interests in upstream assets. The Company assesses its decommissioning provision at each reporting date. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors such as expected future cost and the discount rate applied.

For upstream assets the decommissioning cost will be covered by the Company 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 Company'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 Company utilises external financing (third party debt financing).

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

- Term financing – 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.

### Overriding principles

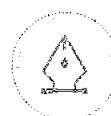
The Company's Board of Directors is responsible for defining the Company's risk profile and for ensuring that appropriate risk management and governance is exercised by the Company. As a guiding principle, the Company's strategy is to meet its stated objectives without exposing itself to material financial risk. Furthermore, the Company 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 Company'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.

Any excess liquidity is utilised to best effect, either to repay/offset borrowings, to reduce interest costs or is invested in instruments with an acceptable rate of return.

The table below analyses the Company'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.



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

NOK millions	Less than 3 months	Between 3 months and 1 year	Between 1 year and 2 years	Between 2 and 5 years	Over 5 years	Total
Bank borrowings	1 280	12	301	167	-	1 760
Borrowings from shareholders	-	-	-	-	-	-
Trade and other payables	326	164	-	-	-	490
Decommissioning liabilities	-	-	-	-	271	271
<b>Total at 31 December 2021</b>	<b>1 606</b>	<b>176</b>	<b>301</b>	<b>167</b>	<b>271</b>	<b>2 521</b>

The amounts disclosed in the table below are the financial liability contractual undiscounted cash flows at 31 December 2020:

NOK millions	Less than 3 months	Between 3 months and 1 year	Between 1 year and 2 years	Between 2 and 5 years	Over 5 years	Total
Bank borrowings	-	729	426	2 977	-	4 131
Borrowings from shareholders	-	128	-	-	-	128
Trade and other payables	357	138	-	-	-	494
Decommissioning liabilities	-	-	66	31	122	219
<b>Total at 31 December 2020</b>	<b>357</b>	<b>994</b>	<b>492</b>	<b>3 008</b>	<b>122</b>	<b>4 973</b>

#### 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 Company is exposed to interest rate risk, primarily as a consequence of its third-party bank debt that is offered on floating rate terms. The Company monitors its interest rate exposure and considers the use of interest rate swap instruments to reduce its interest rate risk and protect its liquidity position.

#### c) Market risk: Exchange rate risk

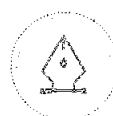
The Company's current business activities are predominantly NOK driven. Infrastructure revenues are NOK denominated and the majority of the costs, including tax payments, are NOK denominated although there is some USD exposure related to the ongoing development projects as well as minor costs in EUR and GBP. Fluctuations in the respective FX rates will therefore not have material effect on the Company's financial statements. However, as development projects are brought on stream, the currency mix on the revenue side will change, and the Company will consider appropriate measures to mitigate potential risks.

At the balance sheet date, the Company's non-current financing is in USD and related to E&P assets where future revenues are expected to be largely USD denominated.

#### d) Credit risk

Credit risk is the risk of potential loss arising when a counterparty is unable to fulfil its obligations. The Company 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.



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- Decommissioning receivable – As the credit ratings of large corporate counterparties to the receivable are high, the credit risk for the Company is considered low.

The Company 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 Company 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).

The Company only had financial instruments in 2021 in level 2 and level 3.

## 6. Segment information

For management purposes, the Company has through the reporting period 2021 and 2020 been organised as one business unit with one operating segment and the internal reporting has been structured in the same manner. The Company's business has in 2020 and until the sale of Gassled and Polarled in December 2021 consisted of operations related to both infrastructure assets and upstream assets.

## 7. Revenues

### Specification of revenues

NOK millions	2021	2020
Tariff income	3 549	4 183
Petroleum income	226	-
Gain on sale of discontinued operations	767	-
Other income	23	18
Revenues from discontinued operations	-4 329	-4 199
<b>Total revenues from continued operations</b>	<b>236</b>	<b>2</b>

Revenue from continued operations consists of NOK 226 million (2020 – nil) in petroleum income and NOK 10 million (2020 – NOK 2 million) in other income.

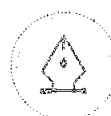
## 8. Production expenses

### Specification of operating expenses

NOK millions	2021	2020
Operating expenses – Joint operations	898	591
General and administrative charges – Joint operations	128	82
Insurance	46	40
Production expenses related to discontinued operations	-1 012	-706
<b>Total production expenses related to continued operations</b>	<b>60</b>	<b>7</b>

Sval Energi AS  
Financial Statements for the Year Ended 31 December 2021

25



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Production expenses related to continued operations consists of NOK 34 million in operating expenses, NOK 17 million in general and administrative charges and NOK 8 million (2020 – NOK 7 million) in insurance cost.

## 9. Exploration expenses

### Specification of exploration expenses

NOK millions	2021	2020
Exploration costs	165	62
Expensed dry well (note 15)	107	74
Seismic	32	180
<b>Total exploration expenses</b>	<b>304</b>	<b>316</b>

The dry well expenses in 2021 relates to the Sval operated Duncan well in PL 248J and PL 880 which received an exemption from the drilling obligation in February 2021 (NOK 25 million) and an Equinor operated dry well in PL 722 drilled in 2Q 2021 (NOK 83 million).

## 10. Employee benefit expense and auditor's fees

Employee benefit expense and auditor's fees are included in administrative expenses in the Statement of Profit or Loss.

### Specification of employee benefit expenses

NOK thousands	2021	2020
Payroll expense	163 785	70 202
Social security contribution	24 394	10 797
Pensions	9 627	5 045
Other personnel expenses	842	796
<b>Total employee benefit expense</b>	<b>198 648</b>	<b>86 840</b>

Total numbers of employees at yearend is 59 (2020 - 42).

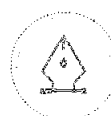
### Pensions

The Company 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"). See Note 25 for information about management remuneration and remuneration to the board of directors.

### Specification of auditor's fees

NOK thousands (exclusive VAT)	2021	2020
Statutory audit	750	932
Other services	966	541
Tax advisory services	-	591
<b>Total auditor remuneration</b>	<b>1 716</b>	<b>2 064</b>

Tax advisory services 2020 were delivered by Deloitte Advokater DA.



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## Specification of administrative expenses

NOK thousands	2021	2020
Total employee benefit expense	198 648	86 840
Total auditor remuneration	1 716	2 064
Total net hours allocated (capex)	-157 246	-61 278
Total other cost	140 449	75 770
<b>Total administrative expenses</b>	<b>183 566</b>	<b>103 396</b>

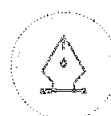
## 11. Finance income and cost

NOK millions	2021	2020
<b>Finance income</b>		
Interest income on current bank deposits	0.5	12.8
Net foreign exchange gain	-	89.4
Other finance income	19.4	4.6
Finance income from discontinued operations	-1.7	-0.9
<b>Finance income</b>	<b>18.2</b>	<b>105.9</b>
<b>Finance cost</b>		
Change in fair value of derivatives	-	-232.7
Interest expense on external borrowings	-116.3	-150.0
Interest expense on related party borrowings (note 27)	-	-11.6
Net foreign exchange loss	-27.3	-
Amortised finance cost	-10.3	-65.8
Other finance cost	-34.6	-15.5
Finance cost from discontinued operations	83.5	384.4
<b>Finance cost</b>	<b>-105.0</b>	<b>-91.2</b>

## 12. Income tax

### Income tax recognised in the Statement of Profit or Loss and Other Comprehensive Income

NOK millions	2021	2020
Current taxes for the year	-507	-784
Deferred tax liabilities recognised in the period	-825	-871
Current taxes for prior year	-	46
Deferred tax benefit recognised in prior year	1	-
<b>Tax expense</b>	<b>-1 331</b>	<b>-1 609</b>
Reverse tax expense from discontinued operations	1 681	1 765
<b>Income tax expense from continued operations</b>	<b>350</b>	<b>156</b>



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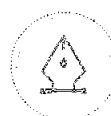
## Income tax recognised in other comprehensive income/ (loss)

NOK millions	2021	2020
Other comprehensive income	-	-
Tax effect	-	-
<b>Other comprehensive income (net of tax)</b>	<b>-</b>	<b>-</b>

## The income tax expense recognised in the Statement of Profit or Loss and Other

NOK millions	2021	2020
Loss before income tax	-450	-413
Profit before income tax from discontinued operations	2 496	2 105
<b>Profit before income tax</b>	<b>2 046</b>	<b>1 693</b>
Tax calculated at the domestic rate (22%)	450	372
Tax calculated at the petroleum rate (56%)	1 146	948
<i>Tax effects of:</i>		
Expenses not deductible for tax purposes	20	6
Permanent differences due to acquisitions	-	370
Permanent differences due to disposals	-2 002	-
Other permanent differences	-909	-
Tax expense disposals	2 034	-
Financial items	113	209
Onshore items	669	-142
Uplift and other special tax differences	-189	-116
Over/under accrual prior years	-1	-38
<b>Income tax expense</b>	<b>1 331</b>	<b>1 609</b>
<b>Profit before income tax</b>	<b>2 046</b>	<b>1 693</b>
<b>Effective income tax rate</b>	<b>65%</b>	<b>95%</b>

For 2021 and 2020 the Company 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%.



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## 13. Current and deferred tax balances

### Specification of deferred tax liabilities/(asset)

NOK millions	31 December 2021	31 December 2020
Property, plant and equipment	1 445	2 150
Capitalised borrowing cost	-	17
Decommissioning receivable/payable	-211	-93
Hedging	-3	-
Lease liability	-	-19
Amortised finance cost	16	21
Other receivable/payable	-25	-1
Uplift relating to acquired assets	-4	-11
<b>Total deferred tax liabilities<sup>1)</sup></b>	<b>1 218</b>	<b>2 064</b>

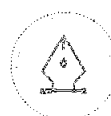
<sup>1)</sup> Temporary differences related to deferred tax assets and liabilities will be taxed within the ordinary tax system at a rate of 22%.

Temporary differences related to offshore deferred tax assets and liabilities will be taxed at an additional rate of 56%.

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 payable

NOK millions	31 December 2021	31 December 2020
Taxes payable 1 January	359	1 413
Current taxes for the year	-1 248	538
Taxes paid in the period	-510	-1 546
Prior year adjustments	-	-46
<b>Total taxes receivable/ (payable)</b>	<b>-1 399</b>	<b>359</b>



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## 14. Discontinued operations

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

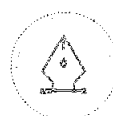
NOK millions	2021	2020
Tariff income (note 7)	3 549	4 183
Other income (note 7)	13	16
Production expenses (note 8)	-1 012	-706
Depreciation, amortisation and impairment (note 16)	-739	-1 004
Finance income (note 11)	2	1
Finance cost (note 11)	-84	-384
<b>Profit from discontinued operations before income tax</b>	<b>1 729</b>	<b>2 105</b>
Income tax expense (note 12)	-1 681	-1 765
Gain on sale of discontinued operations (note 7)	767	-
<b>Net profit from discontinued operations</b>	<b>815</b>	<b>340</b>

## 15. Intangible assets

NOK millions	Software and licences	Capitalised exploration wells	Total
<b>Cost at 1 January 2020</b>	-	-	-
Capital additions during the year	7	52	59
Merger during the year	-	49	49
Depreciation for the year	-1	-	-1
Dry well write-off during the year	-	-74	-74
<b>Cost at 31 December 2020</b>	<b>6</b>	<b>27</b>	<b>33</b>

NOK millions	Software and licences	Capitalised exploration wells	Total
<b>Cost at 1 January 2021</b>	<b>6</b>	<b>27</b>	<b>33</b>
Capital additions during the year	-1	130	129
Merger during the year	-	-	-
Depreciation for the year	-1	-	-1
Dry well write-off during the year	-	-107	-107
<b>Cost at 31 December 2021</b>	<b>4</b>	<b>50</b>	<b>54</b>

Intangible assets related to exploration is not depreciated, but other intangible assets with limited financial life is depreciated on a straight-line basis (5 years).



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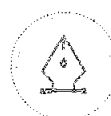
## 16. Property, plant and equipment

NOK millions	Infrastructure assets	Oil and gas assets in production	Oil and gas assets under development	Other PP&E	Total
<b>Cost</b>					
<b>Cost 1 January 2020</b>	13 339	-	435	22	13 795
Capital additions during the year	304	-	362	3	670
Change in ARO estimate	-	-	117	-	117
Merger during the year	-	-	777	1	778
Disposals during the year	-	-	-	-	-
<b>Cost at 31 December 2020</b>	<b>13 643</b>	<b>-</b>	<b>1 691</b>	<b>26</b>	<b>15 360</b>
<b>Depreciation and impairment</b>					
<b>Accumulated at 1 January 2020</b>	5 847	-	-	1	5 849
Depreciation for the year	752	-	-	-13	738
Disposals during the year	-	-	-	-	-
Impairment (note 17)	268	-	-	-	268
<b>Accumulated at 31 December 2020</b>	<b>6 867</b>	<b>-</b>	<b>-</b>	<b>-12</b>	<b>6 855</b>
<b>Book value at 31 December 2020</b>	<b>6 777</b>	<b>-</b>	<b>1 691</b>	<b>39</b>	<b>8 505</b>

NOK millions	Infrastructure assets	Oil and gas assets in production	Oil and gas assets under development	Other PP&E	Total
<b>Cost</b>					
<b>Cost 1 January 2021</b>	13 643	-	1 691	26	15 360
Capital additions during the year	256	103	579	32	970
Capitalised interest	-	19	31	-	50
Change in ARO estimate	-	-7	7	-	-
Transferred from oil and gas assets under dev.	-	801	-801	-	-
Acquisitions during the year	-	-	1 736	-	1 736
Disposals during the year	-13 899	-	-	-7	-13 906
<b>Cost at 31 December 2021</b>	<b>-</b>	<b>916</b>	<b>3 243</b>	<b>51</b>	<b>4 211</b>
<b>Depreciation and impairment</b>					
<b>Accumulated at 1 January 2021</b>	6 854	-	-	1	6 855
Depreciation for the year	-	40	-	4	44
Depreciation for the year, discontinued	-739	-	-	-	-739
Disposals during the year	-6 115	-	-	-	-6 115
Impairment (note 17)	-	-	-	-	-
<b>Accumulated at 31 December 2021</b>	<b>-</b>	<b>40</b>	<b>-</b>	<b>5</b>	<b>46</b>
<b>Book value at 31 December 2021</b>	<b>-</b>	<b>876</b>	<b>3 243</b>	<b>46</b>	<b>4 165</b>

Sval Energi AS  
Financial Statements for the Year Ended 31 December 2021

31



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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.

## 17. Impairment

The Company reviews periodically 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.

No impairment triggers were identified for the oil and gas assets.

## 18. Trade and other receivables

The fair value of trade and other receivables approximates their carrying values.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable shown below. The Company does not hold any collateral relating to receivables.

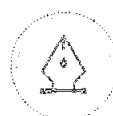
NOK millions	31 December 2021	31 December 2020
Accrued tariff income	-	339
Share of other current receivables in joint operations	108	261
Other receivables	470	139
<b>Trade and other receivables</b>	<b>578</b>	<b>739</b>

No trade receivables were impaired or written off during 2021 or 2020. As of 31 December 2021 and 31 December 2020 as there were no trade receivables which were past due.

## 19. Cash and cash equivalents

NOK millions	31 December 2021	31 December 2020
<b>Cash and cash equivalents:</b>		
Restricted bank deposits	6	4
Bank deposit (NOK)	1 398	285
<b>Cash and cash equivalents</b>	<b>1 404</b>	<b>289</b>

For each salary payment, the Company must make a tax deduction (advanced deduction) in employees' salary and deposit the deduction in a separate bank account. The Company 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.



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## 20. Share capital and other reserves

### Capital management

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

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company 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 Company has 21 637 312 ordinary shares at 31 December 2021 with a nominal value of NOK 0.13 per share.

Shareholders as of 31 December 2021	Ordinary shares	Ownership
Sval Energi Holding AS	21 637 312	100%
<b>Total</b>	<b>21 637 312</b>	<b>100%</b>

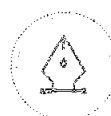
### Issued capital and reserves

	2021	2020
	Thousands	Thousands
<b>Authorised</b>		
Ordinary shares of NOK 0.13 each	21 637	21 637
<b>Ordinary shares</b>		
Issued and fully paid		
<b>At 1 January</b>	<b>21 637</b>	<b>21 637</b>
Issued	-	-
<b>At 31 December</b>	<b>21 637</b>	<b>21 637</b>
<b>Share capital in NOK'000</b>	<b>Ordinary shares</b>	<b>Share capital</b>
Issued and fully paid		
At 31 December 2020	2 164	2 164
At 31 December 2021	2 813	2 813

## 21. External borrowings

There has been no changes to the external financing agreement of the Company during 2021. As of 31 December 2021, the external debt consists of one bank facility in USD:

Facility	Type	Limit (USD million)
Revolving facility	Bank facility	700
<b>Total</b>		<b>700</b>



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As of yearend 2021 and 2020, the Company had the following external debt:

Loan	Currency	Nominal amount (millions)		Maturity
		2021	2020	
Revolving facility – Midstream tranche	NOK	-	2 955	31 December 2025
Revolving facility – Upstream tranche	NOK	1 686	821	31 December 2025

The facility carries a floating NIBOR or LIBOR interest rate on the outstanding amounts plus a margin of 2.25% for the midstream tranche, and a floating NIBOR or LIBOR interest rate on the outstanding amounts plus a margin of 3.5% for the upstream tranche. 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 Company's assets.

The new Revolving Credit Facility Agreement contains the following financial covenants:

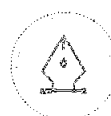
Covenant	Trigger event
Net debt to EBITDAX ratio	3.0 and above
12 months liquidity	Below 0

These ratios are required to be reported half-yearly and for the first time for yearend 2021. Any additional financial indebtedness must comply with the requirements in the financing agreements.

The book value of the 2021 and 2020 yearend balances on external borrowings are assumed to be equal to the Fair Value of the balances.

NOK millions	Book value	Book value
	31 December 2021	31 December 2020
<b>Bank borrowings</b>		
Bank borrowings principal amount unamortised	1 686	3 776
Financing fees and establishment costs	-67	-84
Current bank borrowings	-1 280	-617
<b>Total non-current bank borrowings</b>	<b>339</b>	<b>3 075</b>
<b>Current bank borrowings</b>	<b>1 280</b>	<b>617</b>

The Company has no other undrawn borrowing facilities.



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## 22. Derivative financial instruments

At the balance sheet date, the Company holds commodity derivatives that are accounted for at fair value through production cost in the income statement.

NOK millions	2021	2020
<b>Commodity derivatives</b>		
Fair Value at 1 January	-	-
Fair Value at hedging trade date	82	-
Change in Fair Value in the period	-15	-
Settlement	-	-
<b>Fair Value at 31 December</b>	<b>67</b>	<b>-</b>

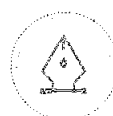
At the balance sheet date, the Company no longer holds interest rate swaps (IRS) that are accounted for at fair value through profit and loss.

NOK millions	2021	2020
<b>Fixed rate interest rate swaps</b>		
Fair Value at 1 January	-	-330
Interest paid in the period	-	113
Change in Fair Value in the period	-	-233
Settlement	-	450
<b>Fair Value at 31 December</b>	<b>-</b>	<b>-</b>

## 23. Trade and other payables

NOK millions	31 December 2021	31 December 2020
Trade payables	8	132
Trade payables, related parties (note 27)	-	-
Share of other current liabilities in joint operations (note 25)	201	338
Deferred consideration related to the acquisition of former Edison Norge AS	110	-
Deferred hedging premium	81	-
Accrued public charges and indirect taxes	13	10
Accrued expenses	77	14
<b>Total</b>	<b>490</b>	<b>494</b>

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 Company 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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## 24. Decommissioning

The Company has obligations to decommission and remove installations at the end of their production period. Decommissioning and removal are recognized at present value of future expenditures at the date they are expected to be incurred. There are 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 will/can change, hence the uncertainty. The estimates include several assumptions 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 statement of profit and loss unless they are included in the decommissioning receivable. The discount rate used when calculating the net present value of the decommissioning liability is the risk-free rate with the addition of a credit risk element.

### Yearend balances

NOK millions	31 December 2021	31 December 2020
Decommissioning receivable, non-current	-	101
Decommissioning asset, non-current <sup>1)</sup>	256	117
Decommissioning receivable, current	-	-
Decommissioning asset, current	-	-
<b>Total decommissioning asset</b>	<b>256</b>	<b>218</b>
Asset retirement obligation, non-current	-271	-219
Asset retirement obligation, current	-	-
<b>Total provision, asset retirement obligation</b>	<b>-271</b>	<b>-219</b>

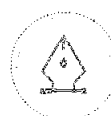
The change in decommissioning assets and liabilities is due to the following:

NOK million	Decommissioning liability	Decommissioning receivable	Decommissioning asset
<b>At 1 January 2020</b>	<b>-74</b>	<b>54</b>	<b>-</b>
Expense/income	2	-	-
Estimate change of provision	-141	46	117
Interest adjustment	-6	1	-
<b>At 31 December 2020</b>	<b>-219</b>	<b>101</b>	<b>117</b>

NOK million	Decommissioning liability	Decommissioning receivable	Decommissioning asset
<b>At 1 January 2021</b>	<b>-219</b>	<b>101</b>	<b>117</b>
Expense/income	-	-	-
Addition	-137	-	142
Estimate change of provision	-8	-	-
Disposals during the year	106	-101	-3
Interest adjustment	-13	-	-
<b>At 31 December 2021</b>	<b>-271</b>	<b>-</b>	<b>256</b>

Sval Energi AS  
Financial Statements for the Year Ended 31 December 2021

36



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## 25. Interests in Joint Operations

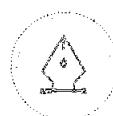
The Company has the following ownership in joint operations:

Joint Operation	2021	2020
<i>Infrastructure assets</i>		
Participating interest in the Gassled JV	-	15.6%
Participating interest in Polarled	-	13.3%
Participating interest in Dunkerque DA	-	10.1%
Participating interest in Zeepipe JV	-	7.6%
<i>Production assets</i>		
Participating interest in Duva	10.0%	10.0%
<i>Oil and gas assets under development</i>		
Participating interest in Nova	25.0%	10.0%
Participating interest in PL 435 Dvalin	10.0%	-
<i>Exploration assets</i>		
Operatorship in PL 248J PL 880 Duncan Well	-	60.0%
Operatorship in PL 248J Duncan	-	60.0%
Operatorship in PL 1037 Gogh	80.0%	80.0%
Operatorship in PL 1038 Mabbutt	70.0%	70.0%
Operatorship in PL 1098 Tigerkatt	50.0%	-
Participating interests in PL 211 Dvalin North Exploration	10.0%	-
Participating interests in PL 378 Skarfjell South	12.1%	12.1%
Participating interests in PL 722 Shenzhou	15.0%	15.0%
Participating interests in PL 828 Havhest	-	40.0%
Participating interests in PL 844 Byhaugen	-	20.0%
Participating interests in PL 853 Rossi	-	40.0%
Participating interests in PL 854 Flipper	-	40.0%
Participating interests in PL 889 Grind	-	10.0%
Participating interests in PL 927 Caramel	50.0%	50.0%
Participating interests in PL 943 Uer	30.0%	30.0%
Participating interests in PL 1002 Malaga	60.0%	-
Participating interests in PL 1057 Fearless	40.0%	40.0%
Participating interests in PL 1096 Snota	20.0%	-
Participating interests in PL 1103 Condor	10.0%	-
Participating interests in PL 1113 Try	30.0%	-
Participating interests in PL 1114 Naish	30.0%	-
Participating interests in PL 1121 Tyrhans Øst	30.0%	-

In September 2021 the Company entered into an agreement with Hav Energy NCS Gas AS for the sale of the Company's ownership shares in Gassled and Polarled. The transaction closed on 21<sup>st</sup> December 2021. On 8<sup>th</sup> December 2021 the Company signed an agreement with Spirit Energy to acquire the majority of Spirit Energy's Norwegian operations and assets, with an effective date of 1<sup>st</sup> of January 2021.

Sval Energi AS  
Financial Statements for the Year Ended 31 December 2021

37



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## 26. Investments in subsidiaries

The Company's investment Sval Renewables holds a 50% interest in a wind farm project under construction in Finland through its fully owned subsidiary Sval Wind Farm Oy. The project is expected to enter the production phase in second quarter of 2022.

2021:

NOK millions	Country of incorporation	Number of shares owned	Ownership	Net book value of investment	Equity as at 31.12	Profit/ (loss) for the period ending 31.12
Sval Renewables AS	Norway	30	100%	523	504	-6

2020:

NOK millions	Country of incorporation	Number of shares owned	Ownership	Net book value of investment	Equity as at 31.12	Profit/ (loss) for the period ending 31.12
Sval Renewables AS	Norway	30	100%	364	353	-12

## 27. Related parties and key management remuneration

### Related parties

Related parties' transactions were as follows:

Related party	Type of transaction	Transaction during 2021	Transaction during 2020
Sval Norge AS	Group contribution	-91	-
Sval Norge AS	Liquidation dividend	976	-
Sval Energi Holding II AS	Dividend	-	-178
Sval Energi Holding II AS	Loan repayments	-	-261
Sval Energi Holding II AS	Interest expense, cash payment	-	-12
<b>Total</b>		<b>885</b>	<b>-451</b>

At balance sheet date, the Company has an intercompany short-term receivable of NOK 72 million against Sval Energi Holding AS. There are no shareholder loans at the balance sheet date in 2021, but at balance sheet date in 2020 had a current liability to Sval Energi Holding AS of NOK 128 million related to the Edison Norge AS transaction.

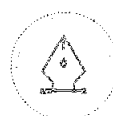
### Key management remuneration

NOK thousands	Salary and bonus	Pension contribution	Other remuneration	Total 2021
Key management remuneration 2021	3 431	538	33	4 001
<b>Total</b>	<b>3 431</b>	<b>538</b>	<b>33</b>	<b>4 001</b>

NOK thousands	Salary and bonus	Pension contribution	Other remuneration	Total 2021
Key management remuneration 2020	2 934	264	34	3 232
<b>Total</b>	<b>2 934</b>	<b>264</b>	<b>34</b>	<b>3 232</b>

Sval Energi AS  
Financial Statements for the Year Ended 31 December 2021

38



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## 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, adjusted annually. The Company's senior employees participate in the general arrangements applicable to all the Company'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 specification above is for the actual amount of compensation paid to the CEO during the calendar year. This compensation is classified under "Administrative expenses" in the Statement of Profit or Loss and Other Comprehensive Income. It is up to the Board to decide whether to pay bonuses, based on previous year performance.

Annual bonuses of NOK 24 million (2020 – NOK 19 million) and severance provisions of NOK 4 million (2020 – NOK 3 million) are included in the 2021 specification in note 10.

The CEO has a termination clause that allow for termination payments in the event that the Company requests him to resign as a result of events outside of his control.

CEO remuneration and compensation to Board of Directors are included in administrative expenses.

## Compensation to Board of Directors

The Board received the following remuneration:

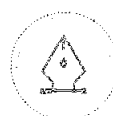
Name (amounts in NOK thousands)	Role	Director's fee 2021	Director's fee 2020
Gunnar Kristoffer Hviding Olsen	Chairman	500	375
John Alexander King	Board member	300	225
Anne Torunn Strømmen Lycke	Board member	300	200
Kristin Gjertsen	Board member	200	-
Timothy Dodson	Board member	88	-
Lars Christian Bacher	Board member	40	-
Gunnar Halvorsen	Previous board member	260	-
Timothy Paul Bushell	Previous board member	225	225
Kari Ekelund Thørud	Previous board member	100	200
<b>Total</b>		<b>2 013</b>	<b>1 225</b>

## 28. Commitments and contingencies

The Company's operations are related to managing its interest in Duva, which started producing in August 2021, together with the Company's shares in the Dvalin and Nova development projects, as well as its exploration licenses. It is the opinion of management that there are no material contingent liabilities in respect of legal claims arising in relation to the operations of its interests.

## Committed future obligations

The Company has committed to participate in project investments where the Company's share of remaining committed capital expenditure is estimated to be approximately NOK 839 million. The estimated future capital expenditure relates to its participating interests in the four-year plan of the Duva, Dvalin and Nova joint operations.



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## Planned investments

The Company's estimated future capital expenditure relating to its participating interests in the four-year plan of the Duva, Dvalin and Nova joint operations is presented in the table below. The estimates include cost and time for discretionary projects, and therefore do not necessarily represent a committed liability.

NOK millions	2022	2023	2024	2025	Total
Planned investments	751	84	4	-	839

## 29. Changes in liabilities arising from financing activities

	01.01.2020	Cash flow	Non-cash changes			31.12.2020
			Foreign exchange movement	Fair value changes	Other	
Current interest-bearing borrowings	3 120	-2 863	-	-	360	617
Non-current interest-bearing borrowings	2 977	266	-4	-	-164	3 075
Borrowings from shareholder	261	-133	-	-	-	128
Derivatives	330	-563	-	233	-	-
<b>Total liabilities from financing operations</b>	<b>6 688</b>	<b>-3 293</b>	<b>-4</b>	<b>233</b>	<b>196</b>	<b>3 820</b>

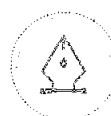
	01.01.2021	Cash flow	Non-cash changes			31.12.2021
			Foreign exchange movement	Fair value changes	Other	
Current interest-bearing borrowings	617	-617	36	-	1 244	1 280
Non-current interest-bearing borrowings	3 075	-1 487	-5	-	-1 244	339
Borrowings from shareholder	128	-129	1	-	-	-
<b>Total liabilities from financing operations</b>	<b>3 820</b>	<b>-2 233</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>1 619</b>

## 30. Reserves (un-audited)

Proved developed reserves	Boe
Proved developed reserves as of 1 January 2021	-
Change in reserves through production start-up during the year	8 223 000
Production 2021	391 744
<b>Proved developed reserves as of 31 December 2021</b>	<b>7 831 256</b>

### Concession periods expire as follows:

Field	License	Year
Nova	PL 418	2041
Dvalin	PL 435	2041
Duva	PL 636	2044



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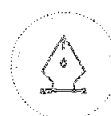


## 31. Subsequent events

Subsequent to yearend 2021 the Company is in the process of obtaining the necessary governmental approvals for the Spirit transaction and closing of the transaction is planned to take place during second quarter of 2022.

The Company was awarded three non-operated licences in the Awards in Predefined Areas (APA) 2021 licencing round: PL 927 B (50%), PL 1138 (30%) and PL 1139 (20%). All licences are with solid partnerships and in attractive areas near existing infrastructure.

The current geopolitical situation in Eastern Europe following the Russian invasion of Ukraine in February 2022 has a direct impact on the global market for oil and gas and the Board is monitoring the situation closely. The Board does not consider this situation to have an impact on the Financial Statements for the Company for 2021.



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To the General Meeting of Sval Energi AS

## INDEPENDENT AUDITOR'S REPORT

### *Opinion*

We have audited the financial statements of Sval Energi AS (the Company), which comprise the balance sheet as at 31 December 2021, the income statement, 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, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by 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 as required by laws and regulations 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 and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. 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 nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. 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

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

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Social Responsibility.

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Independent Auditor's Report -  
Sval Energi AS

### *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 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that 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 internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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, 30 March 2022  
Deloitte

Ommund Skailand  
State Authorized Public Accountant

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## Ommund Skailand

State Authorized Public Accountant

On behalf of: Deloitte AS

Serial number: 9578-5999-4-1493317

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