



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	920 243 754
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	AKER ENERGY AS
Forretningsadresse:	Snarøyveien 20 1360 FORNEBU

### Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020
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### Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

### Regnskapsregler

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

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Eiliv Gjesdal
Dato for fastsettelse av årsregnskapet:	23.06.2021

### Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 26.07.2022



## Resultatregnskap

Beløp i: USD	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Annen driftsinntekt	3,23	4 713 000	7 404 000
<b>Sum inntekter</b>		<b>4 713 000</b>	<b>7 404 000</b>
<b>Kostnader</b>			
Avskrivning på varige driftsmidler og immaterielle eiendeler	10	3 907 000	2 171 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	11	6 051 000	
Annen driftskostnad	5,6,7,2 3	-415 000	55 443 000
<b>Sum kostnader</b>		<b>9 543 000</b>	<b>57 614 000</b>
<b>Driftsresultat</b>		<b>-4 830 000</b>	<b>-50 210 000</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		6 637 000	6 038 000
Annen finansinntekt		5 216 000	139 000
<b>Sum finansinntekter</b>		<b>11 853 000</b>	<b>6 177 000</b>
Annen rentekostnad		9 753 000	4 865 000
Annen finanskostnad		564 000	2 841 000
<b>Sum finanskostnader</b>		<b>10 317 000</b>	<b>7 706 000</b>
<b>Netto finans</b>		<b>1 536 000</b>	<b>-1 529 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-3 294 000</b>	<b>-51 739 000</b>
<b>Ordinært resultat etter skattekostnad</b>		<b>-3 294 000</b>	<b>-51 739 000</b>
<b>Årsresultat</b>		<b>-3 294 000</b>	<b>-51 739 000</b>



### Balanse

Beløp i: USD	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Forskning og utvikling		2 040 000	4 263 000
<b>Sum immaterielle eiendeler</b>		<b>2 040 000</b>	<b>4 263 000</b>
<b>Varige driftsmidler</b>			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende		11 695 000	20 114 000
<b>Sum varige driftsmidler</b>		<b>11 695 000</b>	<b>20 114 000</b>
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	16	25 114 000	25 114 000
<b>Sum finansielle anleggsmidler</b>		<b>25 114 000</b>	<b>25 114 000</b>
<b>Sum anleggsmidler</b>		<b>38 849 000</b>	<b>49 491 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Kundefordringer	14,23	33 679 000	19 156 000
Andre fordringer	15,23	208 180 000	180 110 000
<b>Sum fordringer</b>		<b>241 859 000</b>	<b>199 266 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	17	7 086 000	66 529 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>7 086 000</b>	<b>66 529 000</b>
<b>Sum omløpsmidler</b>		<b>248 945 000</b>	<b>265 795 000</b>
<b>SUM EIENDELER</b>		<b>287 794 000</b>	<b>315 286 000</b>

### BALANSE - EGENKAPITAL OG GJELD

#### Egenkapital



### Balanse

Beløp i: USD	Note	2020	2019
<b>Innskutt egenkapital</b>			
Selskapskapital	21	147 333 000	147 333 000
Annen innskutt egenkapital		73 666 000	73 666 000
<b>Sum innskutt egenkapital</b>		<b>220 999 000</b>	<b>220 999 000</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital		-64 314 000	-60 957 000
<b>Sum opptjent egenkapital</b>		<b>-64 314 000</b>	<b>-60 957 000</b>
<b>Sum egenkapital</b>		<b>156 685 000</b>	<b>160 042 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Long-term lease liabilities	18	14 504 000	16 231 000
Long-term derivatives		1 872 000	1 808 000
<b>Sum avsetninger for forpliktelser</b>		<b>16 376 000</b>	<b>18 039 000</b>
<b>Annen langsiktig gjeld</b>			
Konvertible lån		99 070 000	
Other	19,20	360 000	2 589 000
<b>Sum annen langsiktig gjeld</b>		<b>99 430 000</b>	<b>2 589 000</b>
<b>Sum langsiktig gjeld</b>		<b>115 806 000</b>	<b>20 628 000</b>
<b>Kortsiktig gjeld</b>			
Konvertible lån	13		98 248 000
Leverandørgjeld	23	8 628 000	8 671 000
Skyldige offentlige avgifter		459 000	1 653 000
Short-term lease liab	18	3 353 000	3 211 000
Other current liab	19	2 864 000	22 832 000
<b>Sum kortsiktig gjeld</b>		<b>15 304 000</b>	<b>134 615 000</b>
<b>Sum gjeld</b>		<b>131 110 000</b>	<b>155 243 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>287 795 000</b>	<b>315 285 000</b>
<b>POSTER UTENOM BALANSEN</b>			
Garantistillelser	19		50 000 000



### Konsernets resultatregnskap

Beløp i: USD	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Annen driftsinntekt	3,23	6 126 000	8 138 000
<b>Sum inntekter</b>		<b>6 126 000</b>	<b>8 138 000</b>
<b>Kostnader</b>			
Exploration expenses	4	-99 000	24 667 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	10	5 535 000	2 316 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	11	6 346 000	
Annen driftskostnad	5,6,7,2 3	34 386 000	106 561 000
<b>Sum kostnader</b>		<b>46 168 000</b>	<b>133 544 000</b>
<b>Driftsresultat</b>		<b>-40 042 000</b>	<b>-125 406 000</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		202 000	1 028 000
Annen finansinntekt		2 605 000	2 541 000
<b>Sum finansinntekter</b>		<b>2 807 000</b>	<b>3 569 000</b>
Annen rentekostnad		9 826 000	4 870 000
Annen finanskostnad		1 886 000	4 171 000
<b>Sum finanskostnader</b>		<b>11 712 000</b>	<b>9 041 000</b>
<b>Netto finans</b>		<b>-8 905 000</b>	<b>-5 472 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>-48 947 000</b>	<b>-130 878 000</b>
<b>Ordinært resultat etter skattekostnad</b>		<b>-48 947 000</b>	<b>-130 878 000</b>
<b>Årsresultat</b>		<b>-48 947 000</b>	<b>-130 878 000</b>



## Konsernets balanse

Beløp i: USD	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Exploration and evaluation assets	10	163 246 000	162 981 000
Other intangible assets	10	2 040 000	4 263 000
<b>Sum immaterielle eiendeler</b>		<b>165 286 000</b>	<b>167 244 000</b>
<b>Varige driftsmidler</b>			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	10	15 459 000	24 931 000
<b>Sum varige driftsmidler</b>		<b>15 459 000</b>	<b>24 931 000</b>
<b>Finansielle anleggsmidler</b>			
Andre fordringer	15	7 219 000	
<b>Sum finansielle anleggsmidler</b>		<b>7 219 000</b>	
<b>Sum anleggsmidler</b>		<b>187 964 000</b>	<b>192 175 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Varer	12	6 816 000	5 988 000
<b>Sum varer</b>		<b>6 816 000</b>	<b>5 988 000</b>
<b>Fordringer</b>			
Kundefordringer	14,23	15 861 000	16 733 000
Andre fordringer	15,23	6 266 000	12 413 000
<b>Sum fordringer</b>		<b>22 127 000</b>	<b>29 146 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	17	10 720 000	78 833 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>10 720 000</b>	<b>78 833 000</b>
<b>Sum omløpsmidler</b>		<b>39 663 000</b>	<b>113 967 000</b>
<b>SUM EIENDELER</b>		<b>227 627 000</b>	<b>306 142 000</b>



### Konsernets balanse

Beløp i: USD	Note	2020	2019
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	21	147 333 000	147 333 000
Annen innskutt egenkapital		73 667 000	73 666 000
<b>Sum innskutt egenkapital</b>		<b>221 000 000</b>	<b>220 999 000</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital		-212 883 000	-163 872 000
<b>Sum opptjent egenkapital</b>		<b>-212 883 000</b>	<b>-163 872 000</b>
<b>Sum egenkapital</b>		<b>8 117 000</b>	<b>57 127 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Long term lease liabilities	18	15 326 000	16 979 000
Long-term derivatives	11,24	1 872 000	1 808 000
<b>Sum avsetninger for forpliktelser</b>		<b>17 198 000</b>	<b>18 787 000</b>
<b>Annen langsiktig gjeld</b>			
Konvertible lån	19	99 070 000	
Øvrig langsiktig gjeld	19,20	82 789 000	2 701 000
<b>Sum annen langsiktig gjeld</b>		<b>181 859 000</b>	<b>2 701 000</b>
<b>Sum langsiktig gjeld</b>		<b>199 057 000</b>	<b>21 488 000</b>
<b>Kortsiktig gjeld</b>			
Konvertible lån	13		98 248 000
Leverandørgjeld	23	11 516 000	12 498 000
Skyldige offentlige avgifter		460 000	1 653 000
Short-term lease liab	18	3 353 000	3 211 000
Other current liab	19	5 125 000	111 916 000
<b>Sum kortsiktig gjeld</b>		<b>20 454 000</b>	<b>227 526 000</b>
<b>Sum gjeld</b>		<b>219 511 000</b>	<b>249 014 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>227 628 000</b>	<b>306 141 000</b>



Vår dato  
21.03.2019

Din/Deres dato  
14.12.2018

Saksbehandler  
Henning Stokke

800 80 000  
Skatteetaten.no

Din/Deres referanse  
Fredrik Hall

Telefon  
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Org.nr  
974761076

Vår referanse  
2019/5218741

Postadresse  
Postboks 9200 Grønland  
0134 OSLO

AKER ENERGY GHANA AS  
Oksenøyveien 10  
1366 LYSAKER

## Tillatelse til å utarbeide årsberetning og årsregnskap på engelsk språk

Vi viser til deres brev av 14. desember 2018 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

- Aker Energy AS org.nr. 920 243 754
- Aker Energy Ghana AS org.nr. 920 243 762

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering selskapene nevnt ovenfor dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

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

### Bakgrunn

Fra søknaden gjengis:

*Vi ønsker å levere årsregnskap og årsberetning på engelsk av hensyn til brukerne av regnskapet, samt for konsolideringshensyn. Aker Energy utgjør et internasjonalt konsern inkludert datterselskap i Ghana, hvor datterselskapet eier 50 % i en petroleumslisens. I lisensen har datterselskapet andre internasjonale partnere. Omsetningen i Norge vil hovedsakelig omfatte viderefakturering av tjenester relatert til driften i Ghana.*

*Aker Energy er av interesse for ghanesiske myndigheter så vel som det ghanesiske lokalsamfunnet. I tillegg har Aker Energy AS utenlandske styremedlemmer.*

### Skattedirektoratets vurdering

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

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



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

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

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

Som nevnt ovenfor er det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapene opererer internasjonalt og i en internasjonal bransje. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. I tillegg har morselskapet utenlandske styremedlemmer.

Med hilsen

Torstein Kinden Helleland  
seniorrådgiver  
Juridisk avdeling  
Skattedirektoratet

Henning Stokke

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.*



## Board of Directors' report 2020

Aker Energy AS is an exploration and production company established in 2018. Through its wholly owned subsidiary, Aker Energy Ghana Limited, the Company has a 50 percent participating interest in the Deepwater Tano / Cape Three Points block ("DWT/CTP"), covering approximately 2,010 square kilometres within the Tano Basin, a prolific petroleum region offshore Ghana. Aker Energy has offices in Oslo and Accra.

### Final Investment Decision on hold and restructuring of the organisation

Market volatility increased sharply in the beginning of 2020 with the spread of the Covid-19 virus causing global disruption, increased risks, reduced activity and significant drop in oil prices. Oil prices were further affected by the lack of agreement between OPEC and Russia to reduce oil production. In March 2020, Aker Energy announced that a Final Investment Decision (FID) for the Pecan field development project had been placed on hold, cancellation of major contracts and postponing the project. The organisation was downsized and continued working to confirm the feasibility of a phased Pecan field development by executing conceptual studies.

Aker Energy remains committed to the development in Ghana and took further steps to become a fully run Ghanaian operator managed and run by Ghanaian employees. A large step in this direction was to promote Kadajah Amoah to Chief Executive Officer (CEO) of Aker Energy Ghana Limited.

### 2020 activity in DWT/CTP – "new concept"

The activities in 2020 have primarily been focused on reviewing the development concept in order to reduce CAPEX to first oil and the break-even cost per barrel. The new concept utilise a redeployed FPSO, a phased development approach and optimised well programme. This will be executed by a lean organisation working integrated with teams in Accra, Oslo and contracting companies.

### Events after the period

After the balance sheet date, Aker Energy entered into new loan agreements with its owners, Aker Capital and TRG, with 30 June 2022 maturity and an interest rate of Libor 3 months + 2.5 %. Loans outstanding under the agreements shall at all times be in accordance with the operating budget for the company as approved by its Board of Directors. Total forecasted operating budget until 30 June 2022 is USD 65 million. Aker Energy targets Final Investment Decision in April 2022, which will trigger revision of Operating budget and increased need for funding.

The current plan aligned with Ghanaian authorities is to submit a revised Plan of Development and Operation (PDO) in December 2021.

### Financial statements

Aker Energy prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by EU and the Norwegian Accounting Act. The Board of Directors confirms that the statements represent a true and fair view of the Company's financial position as of 31 December 2020.



Pursuant to section 3-3a of the Norwegian Accounting Act, it is confirmed that the accounts have been prepared based on the assumption that Aker Energy is a going concern and the board confirms that this assumption continues to apply.

#### Income statement & Statement of financial position - Group

The decision in March 2020 to put the Pecan development project into suspension and downsize the organisation had significant impact on the financial statements. Submission of revised PDO and final investment decision were postponed, and no further drilling activity took place, hence all activities in the year were expensed.

In the income statement, operating expenses were USD 46.2 million, which mainly consist of staff and support costs related to the Pecan development project, pre-FID activity, impairment of investment properties and depreciation. Payroll expenses, office costs and other related support expenses decreased with 42 % from a total of USD 51.9 million (gross) in 2019 to USD 30.1 million (gross) in 2020, almost proportional with the decrease in average number of employees from 152 FTEs in 2019 to 100 FTEs in 2020, 34 % decrease. Expenses for technical and administrative services decreased from USD 89 million (gross) in 2019 to USD 27.2 million (gross) in 2020 due to reduced work program and scope for the Pecan development project.

The restructuring of the Aker Energy organisation led to major parts of leased offices being vacated and prepared for sublease, hence reclassified as Investment property. Based on expected future sublease revenue, an impairment loss for investment property of USD 6.4 million was recognised in the income statement for 2020.

Aker Energy group provided technical and administrative services to related parties and subleased office space, reflected in the 2020 income statement as other income of USD 6.1 million compared to USD 8.1 million in 2019. Sublease income has increased and revenue from service provisions has decreased due to the downsizing.

Net financial items for the group were USD – 8.9 million in 2020 compared to USD – 5.5 million in 2019, mainly due to interest on convertible bond and amortized loan costs being recognised for a full year in 2020 compared to half-a-year in 2019. Losses after taxes for the year 2020 were USD 48.9 million compared to USD 130.9 million for 2019.

Equity ratio for the group was 4 % at year-end 2020 compared to 19 % at year-end 2019.

#### Cash flow statement - Group

Net cash flow from operating activities for the group was USD – 64.1 million in the reporting period primarily driven by a loss for the year of USD 48.9 million, but with no cash effect from impairments, disposals and depreciations of USD 12.6 million, and a negative cash effect from working capital of USD 31.1 million. No major investment or financing activities took place in 2020, with the only material impact on cash flow being payment of USD 3.2 million on lease liabilities.

At the end of 2020, cash and cash equivalents amounted to USD 10.7 million for the group.



## Income statement & Statement of financial position – Parent company

As for prior years, parent company's main activity in 2020 was related to the provision of technical and administrative services to the DWT/CTP block, reflected by a time base charge of other operating expenses of USD 29.8 million (2019: 54.2 million). Remaining operating expenses relate to depreciation of USD 3.9 million and impairments of investment property of USD 6.1 million, as explained for the group.

In addition, the parent company provided technical and administrative services to related parties and subleased offices, which is reflected in the income statement as other income of USD 4.7 million (2019: USD 7.4 million). Net financial items for the parent company were USD 1.5 million (2019: minus USD 1.5 million). Losses after taxes for the year 2020 were USD 3.3 million (2019: USD 51.7 million).

## Cash flow statement – Parent company

Net cash flow from operating activities for the parent company was USD –29.7 million (2019: USD –20.3 million) in the reporting period primarily driven by a negative cash effect from working capital of USD 38.5 million and loss for the year of USD 3.3 million, but with no cash effect from impairments, disposals and depreciations of USD 10 million. During the reporting period, the parent company increased short term loan to its subsidiary, Aker Energy Ghana AS, by USD 26.8 million and paid USD 3.2 million on lease liabilities. No other material investment or financing activities took place in 2020.

At the end of 2020, cash and cash equivalents amounted to USD 7.1 million for the parent company.

## Operational risk

Risk management constitutes an integral part of management at all levels of the organisation and of all operations conducted under Aker Energy's direct or indirect management. Aker Energy has established a management system to identify and proactively mitigate risks, as well as establishing an adequate emergency preparedness and response system in the event of an incident. The emergency response systems are regularly tested and improved through drills and exercises involving all key stakeholders, including contractors and Ghanaian authorities. The risk management process constitutes a basis for achieving good safety performance in all our operations, as well as demonstrating compliance with regulatory requirements.

## Financial risk

### Market risk

Although Aker Energy does not currently have any production of hydrocarbons, the company is exposed to oil markets in several aspects. Market conditions, including commodity prices, will impact the value of Aker Energy's petroleum reserves and will influence banks and investors' appetite to lend to, or invest in, Aker Energy.

Furthermore, the petroleum industry is faced by an increased focus from investors on environmental, social and corporate governance (ESG) factors. Aker Energy is also exposed to the cost levels in the supplier industry that is a function of the capacity and activity levels in the sector.

Aker Energy is facing risks related to foreign currency and interest rates. Aker Energy will typically receive its income and funding in USD, but may have costs in other currencies than USD, such as NOK and EUR. Furthermore, the company may enter into debt facilities that are based on floating interest rates.



The company's risk management, including financial risk management, is designed to ensure identification, analysis and systematic and cost-efficient handling of risk. Established management procedures provide a good basis for reporting and monitoring of the company's financial risk exposure.

#### Liquidity risk

The company's liquidity risk is the risk that it will not be able to meet its financial obligations as they fall due. The main objective of the company's management of the capital structure is to maximize return to the owners by ensuring competitive conditions for the company's capital. Liquidity position by year-end was weak. Aker Energy consider the funding from its owners to be sufficient to meet planned activity level until Final Investment Decision for Pecan, expected in second quarter of 2022.

The company's liquid assets as of 31 December 2020 are mainly deposited in bank accounts.

#### Credit risk

The risk of counterparties being financially incapable of fulfilling their obligations is regarded as moderate to limited as receivables are mainly against related parties and the license partners in the DWT/CTP license. By year end 2020 a license partner holds a gross debt of USD 7.2 million to the DWT/CTP license. The Joint Operating Agreement protects the other license partners in case of a default situation or similar.

The Covid-19 pandemic has increased many of the risk factors above; markets become more uncertain, operations become more vulnerable to interruptions and policy makers around the world may gravitate towards stricter regulations impacting international trade.

### Organisation

Leave of absence due to illness was approximately 1.71 % of the total working hours. The working environment is considered to be satisfactory, and efforts for improvements are made on an ongoing basis.

At the start of 2020, the organisation was positioned for execution of the Pecan project with a total of 150 permanent employees (114 in Oslo and 36 in Accra) and 49 persons hired in on full-time or part-time (45 in Oslo and 4 in Accra). Due to the COVID-19 situation the company downsized, and effective from July 2020 the organization counted 35 permanent active employees (19 in Norway and 16 in Ghana) and 6 hired-in consultants.

As of 31 December 2020, 30 per cent of the permanent global workforce were female. Approximately 54 per cent of the Company's permanent global workforce are non-Norwegian nationality, encompassing five nationalities. Currently, 14 per cent of the Board of Directors members are female. The Executive Management Team had 1 female member in 2020.

The company aims to maintain a working environment to ensure gender equality, ensure equal opportunities and rights, and to prevent discrimination due to ethnicity, national origin, descent, skin colour, language, religion and faith.

By the end of 2020, Aker Energy has established a structured approach to increasing diversity in its workforce through strategic recruitment plan and employer brand strategy with clear diversity targets.



## Health, Safety, Security and Environment

Health, Safety, Security and Environment (HSSE) is the number one priority in all of Aker Energy's activities. The company strives to ensure that all its operations, drilling campaigns and projects are carried out under the highest HSSE standards.

During 2020, Aker Energy suspended all project related activities due to the COVID-19 pandemic. Five cases of COVID-19 were reported in the company with all the reported cases being from the Accra office.

Since the outbreak of the COVID-19, Aker Energy has implemented several measures to promote safety for their staff, which included a pandemic plan, COVID-19 task force and an arrangement with West African Rescue Association (WARA), by providing testing and case management for employees in Ghana.

Due to movement restrictions and significant slowdown in the project, Aker Energy's activities had minimal impact on the external environment in 2020.

The Business Management System (BMS) was reviewed and simplified to fit the new organisation.

## Sustainability

Resulting from a comprehensive materiality assessment, our approach to sustainability rests on three core pillars: Sustainable value-creation; Investing in people; and Environmental management and innovation. Through sustainable value-creation, we aim to be recognised as a driver of economic growth and employment in Ghana through our investments and through strengthening our local content achievement throughout our supply chains. Our efforts are carried out in line with international standards and regulations for health and safety, environment, business ethics and human- and labour rights as set out in our governing documents. By investing in people, Aker Energy seeks to be an attractive employer that always prioritises our employees' safety and well-being, acknowledging the fundamental principles of human and labour rights as defined in the Universal Declaration of Human Rights and the ILO's Core Conventions and Declaration on Fundamental Principles and Rights at Work. Lastly, we aim to be in the forefront of environmental performance in the regions where we operate. An important part of reducing Aker Energy's environmental footprint is to reduce the energy intensity of our operations.

## Business Ethics and Compliance

Business ethics and compliance with applicable anticorruption laws and regulations remains one of the highest priorities in Aker Energy. Aker Energy has a zero tolerance for corruption. The company strives to ensure that our business dealings are carried out in line with international industry standards and best practice. Aker Energy is continuously working to ensure that an effective and adequate anticorruption program is in place. In 2020, the focus has been on adapting the program to the new company priorities and new organisation. The governing documents have been simplified, strengthened and mandatory requirements clarified, while continuing a focus on tone from the top, integrity assessments of business partners, training and monitoring.

## Outlook

Aker Energy will continue the process to become a fully run Ghanaian operator managed and run by Ghanaian employees. The ambition is to establish all required technical disciplines in Ghana. The technical



team located in Norway will continue to support and safeguard the technical delivery until all technical knowledge and competence have been fully transferred to Ghana.

The 2021 work programme for the DWT/CTP area will lead to a revised Plan of Development and Operation, with the intention of a revised submittal to Ghanaian Authorities in December 2021. Final Investment Decision for the Pecan project is expected in second quarter of 2022.

The Board of Directors believes that the company is well positioned to develop Pecan and has a positive view on the global oil market within the expected time horizon of the Pecan project. However, the Board of Directors is aware of the inherent uncertainties in such forward-looking statements.



BOARD OF DIRECTORS' – signature page

The Board of Directors of Aker Energy AS  
Akerkvartalet, 23 June 2021

Karl Johnny Hersvik  
Chairman of the Board

Samaila Zubairu  
Deputy Chairman

Kjell Inge Røkke  
Board member

Anne Marie Cannon  
Board member

Øyvind Eriksen  
Board member

Sverre Skogen  
Board member

Tore Torvund  
Board member

Håvard Garseth  
CEO



# AKER ENERGY

## Financial Statements

2020



## FINANCIAL STATEMENTS WITH NOTES

### OVERVIEW OF THE FINANCIAL STATEMENTS AND NOTES

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## INCOME STATEMENT

(USD 1 000)	Note	Group		Parent	
		2020	2019	2020	2019
Other income	3,23	6,126	8,138	4,713	7,404
<b>Total income</b>		<b>6,126</b>	<b>8,138</b>	<b>4,713</b>	<b>7,404</b>
Exploration expenses	4	-99	24,667	-	-
Depreciation	10	5,535	2,316	3,907	2,171
Impairments	11	6,346	-	6,051	-
Other operating expenses	5,6,7,23	34,386	106,561	-415	55,443
<b>Total operating expenses</b>		<b>46,168</b>	<b>133,543</b>	<b>9,544</b>	<b>57,614</b>
<b>Operating profit/loss</b>		<b>-40,042</b>	<b>-125,405</b>	<b>-4,831</b>	<b>-50,210</b>
Interest income		202	1,028	6,637	6,038
Other financial income		2,605	2,541	5,216	139
Interest expenses		9,826	4,870	9,753	4,865
Other financial expenses		1,886	4,171	564	2,841
<b>Net financial items</b>	8	<b>-8,905</b>	<b>-5,473</b>	<b>1,537</b>	<b>-1,528</b>
<b>Profit/loss before taxes</b>		<b>-48,947</b>	<b>-130,878</b>	<b>-3,294</b>	<b>-51,739</b>
Taxes (+)/tax income (-)	9	-	-	-	-
<b>Net profit/loss</b>		<b>-48,947</b>	<b>-130,878</b>	<b>-3,294</b>	<b>-51,739</b>
Weighted average no. of shares outstanding basic and diluted ('000)	22	125,296	102,371	125,296	102,371
Basic and diluted earnings/loss(-) USD per share	22	-0.39	-1.28	-0.03	-0.51

## STATEMENT OF COMPREHENSIVE INCOME

(USD 1 000)	Group		Parent	
	2020	2019	2020	2019
Profit/loss for the period	-48,947	-130,878	-3,294	-51,739
<b>Items which may be reclassified over profit and loss (net of taxes)</b>				
Actuarial gain/loss pension plan	-63	-	-63	-
<b>Total comprehensive income in period</b>	<b>-49,011</b>	<b>-130,878</b>	<b>-3,357</b>	<b>-51,739</b>



## STATEMENT OF FINANCIAL POSITION

(USD 1 000)	Note	Group		Parent	
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
<b>ASSETS</b>					
<b>Intangible assets</b>					
Exploration and evaluation assets	10	163,246	162,981	-	-
Other intangible assets	10	2,040	4,263	2,040	4,263
<b>Tangible fixed assets</b>					
Property, plant and equipment	10	1,950	3,481	403	1,124
Right-of-use assets and investment property	10	13,509	21,450	11,292	18,990
Shares in subsidiaries	16	-	-	25,114	25,114
<b>Financial assets</b>					
Shares in subsidiaries					
Other non-current assets	15	7,219	-	-	-
<b>Total non-current assets</b>		<b>187,964</b>	<b>192,175</b>	<b>38,849</b>	<b>49,490</b>
<b>Inventories</b>					
Inventories	12	6,816	5,988	-	-
<b>Receivables and other current assets</b>					
Accounts receivable	14,23	15,861	16,733	33,679	19,156
Other current assets	15,23	6,266	12,413	208,180	180,110
<b>Cash and cash equivalents</b>					
Cash and cash equivalents	17	10,720	78,833	7,086	66,529
<b>Total current assets</b>		<b>39,662</b>	<b>113,966</b>	<b>248,945</b>	<b>265,795</b>
<b>TOTAL ASSETS</b>		<b>227,626</b>	<b>306,140</b>	<b>287,795</b>	<b>315,285</b>



## STATEMENT OF FINANCIAL POSITION

(USD 1 000)	Note	Group		Parent	
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	21	147,333	147,333	147,333	147,333
Share premium		73,667	73,666	73,666	73,666
Other equity		-212,883	-163,872	-64,314	-60,957
<b>Total equity</b>		<b>8,116</b>	<b>57,127</b>	<b>156,685</b>	<b>160,042</b>
<b>Non-current liabilities</b>					
Convertible bonds	19	99,070	-	99,070	-
Long-term lease liabilities	18	15,326	16,979	14,504	16,231
Long-term derivatives	11,24	1,872	1,808	1,872	1,808
Other non-current liabilities	19,20	82,789	2,701	360	2,589
<b>Current liabilities</b>					
Convertible bonds	13	-	98,248	-	98,248
Trade creditors	23	11,516	12,498	8,628	8,671
Accrued public charges and indirect taxes		460	1,653	459	1,653
Short-term lease liabilities	18	3,353	3,211	3,353	3,211
Other current liabilities	19	5,125	111,916	2,864	22,832
<b>Total liabilities</b>		<b>219,509</b>	<b>249,013</b>	<b>131,110</b>	<b>155,243</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>227,626</b>	<b>306,140</b>	<b>287,795</b>	<b>315,285</b>

The Board of Directors and the CEO of Aker Energy AS  
Akerkvartalet, 23 June 2021

Karl Johnny Hersvik, Chairman of the Board

Kjell Inge Røkke, Board member

Samaila Dalhat Zubairu, Deputy Chair

Anne Marie Cannon, Board member

Øyvind Eriksen, Board member

Tore Torvund, Board member

Sverre Skogen, Board member

Håvard Garseth, Chief Executive Officer



## STATEMENT OF CHANGES IN EQUITY

Group	Other equity						
	Share capital	Share premium	Other paid-in capital	Other comprehensive income	Retained earnings	Total other equity	Total equity
				Foreign currency translation reserves			
(USD 1 000)							
<b>Equity as of 31.12.2019</b>	<b>147,333</b>	<b>73,666</b>	4	1,431	- 165,307	- <b>163,872</b>	<b>57,127</b>
Capital increase	-	-	-	-	-	-	-
Profit/loss for the period	-	-	-	-	48,947	- 48,947	48,947
Other comprehensive income for the peric	-	-	-	-	63	- 63	63
<b>Equity as of 31.12.2020</b>	<b>147,333</b>	<b>73,666</b>	4	1,431	- 214,318	- <b>212,883</b>	<b>8,116</b>

Parent	Other equity						
	Share capital	Share premium	Other paid-in capital	Other comprehensive income	Retained earnings	Total other equity	Total equity
				Foreign currency translation reserves			
(USD 1 000)							
<b>Equity as of 31.12.2019 (Parent)</b>	<b>147,333</b>	<b>73,666</b>	4	1,214	- 62,175	- <b>60,957</b>	<b>160,042</b>
Capital increase	-	-	-	-	-	-	-
Profit/loss for the period	-	-	-	-	3,294	- 3,294	3,294
Other comprehensive income for the peric	-	-	-	-	63	- 63	63
<b>Equity as of 31.12.2020 (Parent)</b>	<b>147,333</b>	<b>73,666</b>	4	1,214	- 65,532	- <b>64,314</b>	<b>156,685</b>



## STATEMENT OF CASH FLOW

(USD 1 000)	Note	Group		Parent	
		2020	2019	2020	2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Profit/loss before taxes		-48,947	-130,878	-3,294	-51,739
Depreciation	10	5,535	2,316	3,907	2,171
Impairments and disposals of assets	10	7,093	1,090	6,051	-
Expensed dry wells previously capitalised	4	-99	24,667	-	-
Unrealized gain/loss on exchange	8	289	1,019	441	928
Accretion expenses	8	529	-738	-	-
Interest expenses not paid		902	1,222	827	1,222
Changes in derivatives	8	64	1,808	64	1,808
Changes in estimates	8	-1,713	-	-2,605	-
Amortized loan costs	8	3,424	1,593	3,424	1,593
Changes in inventories, accounts payable and receivables		-938	-12,666	-14,566	6,986
Changes in other non-current and current balance sheet items		-30,193	8,760	-23,959	16,769
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>-64,054</b>	<b>-101,807</b>	<b>-29,710</b>	<b>-20,261</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>					
Payments for property, plant and equipment	10	-868	-3,078	-	-721
Payments for capitalized exploration assets and other intangibles	10	-265	-38,368	-	-1,397
Cash received from sale of fixed assets		283	-	283	-
New short-term loan		-	-	-26,807	-120,522
<b>NET CASH FLOW USED IN INVESTMENT ACTIVITIES</b>		<b>-850</b>	<b>-41,446</b>	<b>-26,524</b>	<b>-122,640</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Payments on lease liabilities	18	-3,209	-2,933	-3,209	-1,144
Net cash received from issuance of new shares	21	-	1,242	-	1,242
Net cash received from loan financing	13	-	201,702	-	201,702
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>-3,209</b>	<b>200,011</b>	<b>-3,209</b>	<b>201,800</b>
<b>Net change in cash and cash equivalents</b>		<b>-68,113</b>	<b>56,758</b>	<b>-59,443</b>	<b>58,899</b>
Cash and cash equivalents at start of period		78,833	22,075	66,529	7,630
Effect of exchange rate fluctuation on cash held		-	-	-	-
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	17	<b>10,720</b>	<b>78,833</b>	<b>7,086</b>	<b>66,529</b>
<b>SPECIFICATION OF CASH EQUIVALENTS AT END OF PERIOD</b>					
Bank deposits and cash		10,398	77,716	6,764	65,412
Restricted bank deposits		322	1,117	322	1,117
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	17	<b>10,720</b>	<b>78,833</b>	<b>7,086</b>	<b>66,529</b>



## NOTES TO THE ACCOUNTS

### General information

Aker Energy AS (Aker Energy or the company) is an oil company involved in exploration and development of the Pecan field in ultra-deep waters offshore in Ghana. The company's fully owned subsidiary, Aker Energy Ghana Ltd, is the operator responsible for developing the Pecan field, with a 50 percent participating interest in the DeepWater Tano Cape Three Points block.

Aker Energy was founded on 3<sup>rd</sup> of January 2018 and is a limited liability company registered and domiciled in Norway. The company's registered business address is Oksenyveien 10, 1366 Lysaker, Norway.

Aker Energy's group consolidated financial statements consist of the parent company Aker Energy AS and the subsidiaries Aker Energy Ghana AS, Aker Energy Holding Limited and Aker Energy Ghana Limited.

The financial statements were approved by the Board of Directors on 23 June 2021 and will be presented for approval in the Annual General Meeting on 29 June 2021.

### Note 1 – Summary of IFRS accounting principles

#### 1.1 Basis of preparation

The group consolidated and the company's financial statements have been prepared in accordance with the Norwegian Accounting Act and International Financial Reporting Standards (IFRS) as adopted by the EU as at 31 December 2020.

The financial statements have been prepared on a historical cost basis with the exception of the following accounting items which are measured on an alternative basis on each reporting date:

- Financial instruments at fair value through profit or loss.
- Loans, receivables and other financial liabilities, which are recognized at amortized cost.

The financial statements have been prepared using uniform accounting principles for equivalent transactions and events taking place on otherwise equal terms.

All amounts have been rounded to the nearest thousand unless otherwise stated. As a result of rounding adjustments, the figures in one or more rows or columns included in the financial statements and notes may not add up to the total of that row or column.

#### 1.2 Important accounting judgments, estimates and assumptions

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that have an effect on the application of accounting principles and on recognized amounts relating to assets and liabilities, to provide information relating to contingent assets and liabilities on the date of the Statement of financial position, and to report revenues and expenses in the course of the accounting period.

The important judgments management has made on the application of accounting principles relate to the following:

Accounting estimates are used to determine reported amounts, including the possibility of realizing certain assets, the expected useful life of tangible and intangible assets, the tax expense, etc. Even though these estimates are based on management's best judgment and assessment of previous and current events and actions, the actual results may deviate from the estimates. The estimates and underlying assumptions are reviewed regularly. Changes to the estimates are recognized when new estimates can be determined with sufficient certainty. Changes to accounting estimates are recognized in the period when they arise. The main sources of uncertainty when using estimates for the company relate to the following:

*Successful Effort Method - exploration:* Aker Energy's accounting policy is to temporarily recognize expenses relating to the drilling of exploration wells in the Statement of financial position as capitalized exploration expenditures, pending an evaluation of potential oil and gas discoveries. If resources are not discovered, or if recovery of the resources is considered technically or commercially unviable, the costs of exploration wells are expensed. Decisions as to whether this expenditure should remain capitalized or be expensed during the period, may materially affect the operating result for the period.



*Acquisition costs:* Expenses relating to the acquisition of exploration licences are capitalized and assessed for impairment if there are indications of impairment. See Items 1.7 and 1.8 for further details.

*Impairment/reversal of impairment:* Aker Energy has a significant investment in one petroleum license. Changes in the expected future value/cash flow of an asset can result in the book value of the asset being impaired to estimated recoverable value. Impairment losses other than those relating to goodwill must be reversed if the conditions for the impairment are no longer present. Considerations regarding whether an asset is actually impaired or whether the impairment losses should be reversed can be complicated and are based on judgement and assumptions. The complexity of the issue can, for example, relate to the modelling of relevant future cash flows to determine the asset's value in use, decide on measurement units and/or establish the asset's net sales value.

The evaluation of impairment requires long-term assumptions concerning a number of often volatile economic factors, including future oil prices, oil production, currency exchange rates and discount rates. Such assumptions require the estimation of relevant factors such as forward price curves (oil), long-term price assumptions, the level of capex and opex, production estimates and residual asset values. Likewise, establishing an asset's net sales value requires careful assessment unless information about net sales value can be obtained from an actual observable market.

*Income tax:* The company may incur significant amounts of income tax payable or receivable and recognizes significant changes to deferred tax or deferred tax assets. These figures are based on management's interpretation of applicable laws and regulations, and on relevant court decisions. The quality of these estimates is highly dependent on management's ability to properly apply a complex set of rules and identify changes to the existing legal framework. See Note 11 for details about the deferred tax and taxes payable.

### 1.3 Foreign currency transactions

Transactions and balances

Transactions in foreign currencies are translated using the exchange rate on the transaction date. Monetary items in foreign currencies in the Statement of financial position are translated using the exchange rates at the end of the period. Foreign exchange gains and losses are recognized on an ongoing basis in the accounting period. Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rates on the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates on the date when the fair value is determined.

Group companies

The results and financial position of group companies that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities for each balance sheet presented are translated based on the exchange rates at the balance sheet date.
- (ii) Revenues and expenses for each Income statement presented are translated at average exchange rate for the period. However, if this average is not a reasonable approximation of the cumulative effect on the prevailing rates on the actual transaction dates, revenues and expenses are translated using the foreign exchange rates on the specific transaction date.
- (iii) Equity transactions are translated at the exchange rate on the transaction date.

All resulting exchange rate differences are recognized in other comprehensive income.

### 1.4 Interests in joint arrangements

IFRS defines a joint arrangement as an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require unanimous consent of the parties sharing control.

The group has a 50% interest in the DWT/CTP licence offshore Ghana. Under IFRS 11 Joint Arrangements, a joint operation is a 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 recognizes investments in joint operations (oil and gas licences) by reporting its share of related revenues, expenses, assets, liabilities and cash flows under the respective items in the company's financial statements.



Operating expenses such as personnel expenses are accumulated in cost pools. These costs are allocated on an hours' incurred basis to operated joint operations. Costs allocated to the other partners' share of operated joint operations reduce the costs in the consolidated income statements. An adjustment to actual cost for 2018 was allocated in 2019 (true-up). From 2020, adjustment to actual cost is recognised within the same income year.

## 1.5 Classification in statement of financial position

Current assets and current liabilities include items that fall due for payment less than a year from the end of the reporting period and items relating to the business cycle. Next year's instalments on long-term liabilities are classified as current liabilities. Financial investments in shares are classified as current assets, while strategic investments are classified as non-current assets.

## 1.6 Acquisitions, sales and licence swaps

On acquisition of a licence that involves the right to explore for and produce petroleum resources, it is considered in each case whether the acquisition should be treated as a business combination or an asset purchase. Generally, purchases of licences in a development or production phase will be regarded as a business combination. Other licence purchases regarded as asset purchases are described below.

When entering into agreements regarding the purchase/swap of assets, the parties agree on an effective date for the takeover of the net cash flow. In the period between the effective date and the completion date, the seller will include its sold share of the licence in the financial statements. In accordance with the purchase agreement, there is a settlement with the seller of the net cash flow from the asset in the period from the effective date to the completion date (pro & contra settlement). The pro & contra settlement will be adjusted to the seller's losses/gains and to the assets for the purchaser, in that the settlement (after a tax reduction) is deemed to be part of the consideration in the transaction. Revenues and expenses from the relevant licence are included in the purchaser's income statement from the completion date.

For tax purposes, the purchaser will include the net cash flow (pro & contra) and any other income and costs as from the effective date.

## 1.7 Tangible fixed assets and intangible assets

### *General*

Tangible fixed assets are recognized on a historical cost basis. Depreciation of assets other than oil and gas fields is calculated using the straight-line method over estimated useful lives and adjusted for any impairment or change in residual value, if applicable.

The residual value of an asset is the estimated amount that the company would obtain from disposal of the asset, after deduction of the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

### **Operating assets related to petroleum activities**

#### *Exploration and development costs relating to oil and gas fields*

Capitalized exploration expenditures are classified as intangible assets and reclassified to tangible assets at the start of the development. For accounting purposes, the field is considered to enter the development phase when the technical feasibility and commercial viability of extracting hydrocarbons from the field are demonstrable, and a Plan of Development and Operation is approved by Ghanaian authorities. All costs relating to the development of commercial oil and/or gas fields are recognized as tangible assets. Pre-operational costs are expensed as they are incurred.

The company employs the 'successful efforts' method to account for exploration and development costs. All exploration costs (including seismic shooting, seismic studies and 'own time'), with the exception of acquisition costs of licences and drilling costs for exploration wells, are expensed as incurred. When exploration drilling is ongoing in a period after a reporting date and the result of the drilling is subsequently not successful, the capitalized exploration cost as of the reporting date is expensed if the evaluation of the well is completed before the date when the financial statement is authorized for issue.

Drilling cost for exploration wells are temporarily capitalized pending the evaluation of potential discoveries of oil and gas resources. Such costs can remain capitalized for more than one year. The main criteria are that there must be plans for future activity in the licence or that a development decision is expected in the near future. If no resources are discovered, or if recovery of the resources is considered technically or commercially unviable, expenses relating to the drilling of exploration wells are charged to expense.

Acquired licence rights are recognized as intangible assets at the time of acquisition. Acquired licence rights related to fields in the exploration phase remain as intangible assets also when the related fields enter the development or production phase.



## **Leases, Right-of-Use assets and Investment Property**

The company leases office buildings and some machines and vehicles. Contracts that contain a lease are recognized in Statement of Financial Position as a right-of-use asset and a lease liability unless the lease is short-term or low-value.

The lease liability represents the net present value of the lease payments to be made over the remaining lease period. The right-of-use asset (ROU) is depreciated over the lease term. Several property leases contain extension options or cancellation clauses. The non-cancellable lease period is basis for the lease commitment. Periods covered by extension or termination options are included when it is reasonably certain that the lease period will be extended.

Non-lease components such as electricity, insurance and other property-related expenses paid to the landlord are excluded from the lease commitment for offices. Future index or rate adjustments of lease payments are only included in the lease liability when a minimum adjustment has been contractually agreed and is in-substance fixed.

When a separable part of a leased property has been vacated by the group, the ROU is reclassified as investment property. The investment property is measured using the cost model, meaning that the book value and depreciation of the lease term from the ROU asset is the basis for measuring also the investment property.

### **1.8 Impairment**

Tangible fixed assets and intangible assets (including licence rights) with a finite useful life will be assessed for potential loss in value when events or changes in the circumstances indicate that the book value of the assets is higher than the recoverable amount.

The valuation unit used for assessment of impairment will depend on the lowest level at which it is possible to identify cash inflows that are independent of cash inflows from other groups of fixed assets. For oil and gas assets, this is carried out at the field or licence level. The loss in value for capitalized exploration costs is assessed for each well. Impairment is recognized when the book value of an asset or a CGU exceeds the recoverable amount. The recoverable amount is the higher of the asset's fair value less cost of disposal and value in use. When assessing the value in use, the expected future cash flow is discounted to the net present value by applying a discount rate after tax that reflects the current market valuation of the time value of money and the specific risk related to the asset. The discount rate is derived from the Weighted Average Cost of Capital (WACC).

For acquired exploration licences, an initial assessment as described in Section 1.7 above is performed – an assessment of whether plans for further activities have been established or, if applicable, an evaluation of whether development will be decided on in the near future.

Investment property, as described in Section 1.8 above, is assessed for impairment on asset level. When testing the investment property for impairment, the expected future sub-lease income is discounted to present value and compared to the value of the investment property. The cost model together with impairment assessments is also an estimate of fair value of the right-of-use asset classified as investment property.

A previously recognized impairment can only be reversed if changes have occurred in the estimates used for the calculation of the recoverable amount. However, the reversal cannot be to an amount that is higher than it would have been if the impairment had not previously been recognized. Such reversals are recognized in the Income statement. After a reversal, the depreciation amount is adjusted in future periods in order to distribute the asset's revised book value, minus any residual value, on a systematic basis over the asset's expected remaining life.

### **1.9 Revenue recognition**

Other operating income is recognised over time as the customer receives and consumes the benefits of the services provided. Income from operational sub-leases on investment property is recognized as other income.

### **1.10 Subsidiaries**

Subsidiaries are accounted for using the cost method in Aker Energy AS' company financial statements. A write-down to fair value is made whenever impairment is due to causes that are assumed to be non-transient. A reversal is made whenever the impairment is no longer present.

### **1.11 Financial instruments**

The company has classified the financial instruments into the following categories of financial assets and liabilities:



- Financial assets at fair value designated as such upon initial recognition
- Cash and receivables
- Financial liabilities at fair value designated as such upon initial recognition
- Financial liabilities measured at amortized costs

Financial assets with fixed or determinable cash flows that are not quoted in an active market are classified as loans and receivables.

Financial liabilities that do not form part of the "held for trading purposes" category and which have not been designated as being at fair value with changes in value through profit or loss are classified as other financial liabilities.

For financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Such techniques may include using recent arm's length market transaction; reference to the current fair value of other instruments that is substantially the same; discounted cash flow analysis or other valuation models.

Financial liabilities at fair value are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The company classifies fair value measurements by employing a value hierarchy that reflects the significance of the input used in preparing the measurements. The fair value hierarchy consists of the following levels:

Level 1 - input in the form of listed (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 - input other than listed prices of assets and liabilities included in Level 1 that is observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - input for assets or liabilities for which there is no observable market data (non-observable input).

## 1.12 Impairment of financial assets

Financial assets that are assessed at amortized cost are impaired when, based on objective evidence, it is likely that the instrument's cash flows have been negatively affected by one or more events that have occurred after the initial recognition of the instrument. In addition, the loss event must have an impact on estimated future cash flows that can be reliably estimated. The impairment is recognized in the Income statement. Should the reason for the impairment subsequently cease to exist, and this can be objectively linked to an event taking place after the impairment of the asset, the previous impairment shall be reversed. The reversal shall not cause the book value of the financial asset to exceed the amount that the amortized cost would have been if the impairment had not been recognized at the time when the impairment was reversed. Reversals of previous impairments are presented on the same line item as the impairment.

## 1.13 Presentation of payroll and administration costs

The company presents its payroll and operating costs based on the functions in development, operational and exploration activities respectively, based on allocation of registered hours worked. As a basis, the company uses gross payroll and operating expenses reduced by the amounts already invoiced to operated licences.

## 1.14 Trade debtors

Trade debtors are recognized in the Statement of financial position at nominal value after a deduction for the provision for bad debt. The provision for bad debt is calculated on the basis of an individual valuation of each trade debtor. Known losses on receivables are expensed as incurred.

## 1.15 Inventories

The inventory mainly consists of equipment for the drilling of exploration and production wells and are valued at the lower of cost price (based on weighted average cost) and net realizable value. Costs include raw materials, freight and direct production costs in addition to some indirect costs.



## 1.16 Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits, and other short-term highly liquid investments with an original due date of three months or less.

## 1.17 Interest-bearing debt

All borrowings are initially recognized at transaction price, which equals the fair value of the amount received minus issuing costs relating to the loan.

Subsequently, interest-bearing borrowings are valued at amortized cost using the effective interest method; the difference between the transaction price (after transaction costs) and the face value is recognized in the Income statement during the period until the loan falls due. Amortized costs are calculated by considering all issue costs and any discount or premium on the settlement date.

## 1.18 Tax

### *General*

Tax payable/tax receivable for the current and previous periods is based on the amounts receivable from or payable to the tax authorities.

Tax consists of tax payable and changes in deferred tax. Deferred tax/tax benefits are calculated on the basis of the differences between book value and tax basis values of assets and liabilities.

The book value of deferred tax benefits is assessed and reduced insofar as it is no longer probable that future earnings or current tax regulations will make it possible to utilise the benefit. Deferred tax benefits that are not capitalized will be re-evaluated on each date of Statement of financial position and capitalized insofar as it is probable that future earnings or current tax regulations will make it possible to utilise the benefit.

Deferred tax and tax benefits are measured using the expected tax rate when the tax benefit is realised or the tax liability is met, based on tax rates and tax regulations that have been enacted or substantively enacted by the end of the reporting period.

Tax payable and deferred tax is recognized directly against equity or other comprehensive income insofar as the tax items are related to equity transactions or items of other comprehensive income.

Deferred tax and tax benefits are presented net, where netting is legally permitted, and the deferred tax benefit and liability are related to the same tax subject and are payable to the same tax authorities.

### *Petroleum taxation in Ghana*

The group's main activity consists of the petroleum operations related to the DWT/CTP license offshore Ghana, where the group company Aker Energy Ghana Limited is the operator. Aker Energy Ghana Limited has a Petroleum Agreement with the Ghanaian government which regulates the taxation of the petroleum operations. The Petroleum Agreement is publicly available at the Ghana Petroleum Register (Petroleum Commission in Ghana). Aker Energy Ghana Limited is subject to a 4 % royalty on its gross production of crude oil and a 3 % royalty on its gross production of natural gas, a 35 % income tax and additional oil entitlements (AOE) based on an after-tax inflation-adjusted rate of return (ROR). The ROR is calculated on Aker Energy Ghana Limited's net cash flow for the month for which the calculation is being made (reference is made to article 10.2 in the Petroleum Agreement). The Petroleum Agreement protects Aker Energy Ghana Limited from any changes in Ghanaian tax regulations.

All expenditures related to petroleum operations incurred up to the year of first oil production are capitalised and subsequent deducted from taxable gross petroleum income over five years, starting in the first year of production. Capital allowances can only be deducted from income within the DWT/CTP license, and cannot be transferred to any other petroleum licenses or businesses.

### *Taxation in Norway*

The parent company, Aker Energy AS, and the group company Aker Energy Ghana AS are subject to normal corporate income tax in Norway.

## 1.19 Employee benefits

### *Pension schemes*

The company's pension scheme is mainly covered through a defined contribution plan. Contributions are made to the pension plan for fulltime employees equal to 7 percent for salary up to 7.1 G and 25.1 percent between 7.1 and 12 G. The pension premiums are charged to expenses as they are incurred.



In addition, the company has a defined benefit pension plan with one participating employee. The pension liability recognised is the defined benefit obligation as at the balance sheet date, minus the fair value of plan assets. The defined benefit obligation is calculated by independent actuaries and is measured as the present value of estimated future cash outflows. Then pension cost is allocated to profit and loss over the employees' estimated time of service. Actuarial gains and losses arising from experience adjustments to pension plan are recognised in other comprehensive income. The net interest expense for the period is calculated by applying the discount rate to the net benefit liability, thus comprises both interest on the liability and the return on the pension plan assets and the recognised return is recognised against other comprehensive income on an ongoing basis.

The company complies with the requirement to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon").

## 1.20 Provisions

A provision is recognized in the accounts when the company incurs a commitment (legal or self-imposed) as a result of a past event and it is probable that financial settlement will take place as a result of this commitment, and the amount can be reliably calculated. Provisions are evaluated at each period end and are adjusted to reflect the best estimate.

If the time effect is considerable, the provisions are discounted using a discount rate before tax that reflects the market's pricing of the time value of the amount and the risk specifically associated with the commitment. On discounting, the book value of the provisions is increased in each period to reflect the change in time relative to the due date of the commitment. The increase is expensed as an accretion expense.

## 1.21 Segment

The company conducts its business in one and the same segment, defined as exploration for and production of oil and gas in Ghana. The company conducts its operational activities offshore Ghana, and management follows up the company at this level from offices in Oslo, Norway and Accra, Ghana.

## 1.22 Earnings per share

Earnings per share are calculated by dividing the ordinary profit/loss attributable to ordinary equity holders of the parent entity by the weighted average number of the total outstanding shares. Shares issued during the year are weighted in relation to the period in which they have been outstanding. Diluted earnings per share is calculated as the profit/loss for the year divided by the weighted average number of outstanding shares during the period, adjusted for the dilution effect of any common stock equivalents, of which there were none at 31 December 2020.

## 1.23 Changes to accounting standards and interpretations that:

### Have been issued but have not entered into force:

Certain new accounting standards and interpretations have been published that are not mandatory for the year ending 31 December 2020. Aker Energy has chosen not to early adopt any new or amended standards in preparing the financial statements for 2020. None of these standards are expected to have a material impact on the financial statements at implementation.



## Note 2 Overview of subsidiaries

### Subsidiaries

**Aker Energy Ghana AS** (100 per cent) - founded by Aker Energy in March 2018. Located in Fornebu, Norway

**Aker Energy Holding Limited** (100 per cent) - acquired in June 2018. Located in Cayman Islands. The income of the entity is taxable in Norway pursuant to the NOKUS-rules.

**Aker Energy Ghana Limited** (100 per cent) - acquired in June 2018. Located in Accra, Ghana.

Hess Ghana Limited and Hess Exploration Ghana Limited were acquired on 1 June 2018 by Aker Energy Ghana AS, a subsidiary of Aker Energy AS. Immediately after the completion of the share transaction, Hess Ghana Limited changed name to Aker Energy Holding Limited and Hess Ghana Exploration Limited changed name to Aker Energy Ghana Limited.

## Note 3 Other operating income

(USD 1 000)	Group		Parent	
	2020	2019	2020	2019
Provision of services	4,699	7,653	3,286	6,919
Sublease of offices recognised as investment property	1,427	485	1,427	485
<b>Total other operating income</b>	<b>6,126</b>	<b>8,138</b>	<b>4,713</b>	<b>7,404</b>

## Note 4 Exploration expenses

Breakdown of exploration expenses (USD 1 000)	Group		Parent	
	2020	2019	2020	2019
Dry wells previously capitalized	-99	24,667	-	-
<b>Total exploration expenses</b>	<b>-99</b>	<b>24,667</b>	<b>-</b>	<b>-</b>

## Note 5 Other operating expenses

Breakdown of other operating expenses (USD 1 000)	Group		Parent	
	2020	2019	2020	2019
Wages and salaries (see note 6)	22,418	30,177	15,392	25,556
Technical and administrative services	27,194	88,974	8,292	68,267
General support expenses, other office related costs and travel expenses	7,112	18,567	5,668	14,085
Expenses related to short term leases	545	3,169	16	1,714
Write down of inventory	1,549	-	-	-
Allocated to licence partners	-24,432	-34,326	-	-
Recharged to related parties	-	-	-29,782	-54,179
<b>Total other operating expenses</b>	<b>34,386</b>	<b>106,561</b>	<b>-415</b>	<b>55,443</b>



## Note 6 Remuneration of CEO and the Board of Directors, and total payroll expenses

Breakdown of payroll expenses (USD 1 000)	Group		Parent	
	2020	2019	2020	2019
Payroll expenses	17,433	24,405	11,384	20,585
Pension cost	1,990	1,897	1,428	1,654
Social security tax	2,345	2,916	2,128	2,519
Other personnel costs	650	960	453	799
<b>Total payroll expenses</b>	<b>22,418</b>	<b>30,177</b>	<b>15,392</b>	<b>25,556</b>

## Average number of full time equivalents employed during the year

Norway	72	115	72	115
Ghana	28	37	-	1
<b>Total</b>	<b>100</b>	<b>152</b>	<b>72</b>	<b>116</b>

## Remuneration of the Chief

Executive Officer (USD 1 000)	Svein Jakob Liknes		Jan Arve Haugan		Svein Jakob Liknes	
	Liknes	Håvard Garseth	Total 2020	Jan Arve Haugan	Liknes	Total 2019
Salary	171	185	355	684	28	711
Bonus	64	-	64	-	-	-
Payments in kind	16	1	17	3	1	4
Pension costs	6	24	30	20	2	21
<b>Total remuneration</b>	<b>257</b>	<b>209</b>	<b>466</b>	<b>1,085</b>	<b>30</b>	<b>1,115</b>

Jan Arve Haugan held the position of CEO up to 10 December 2019. Svein Jakob Liknes was appointed interim CEO from 10 December 2019. Håvard Garseth was appointed new permanent CEO from 1 May 2020.

The CEO participates in the executive variable pay programme where the earnings are dependent on annual achievement of financial targets, the company's key performance indicators and personal performance rating. Maximum pay-out from the program is 67% of annual base salary. The company has an obligation to pay the CEO a severance pay of 6 months' extraordinary compensation in the event of termination of the employment.

## Fees paid to members of the board

Name	Comment	2020	2019
Karl Johnny Hersvik*	Chairman of the Board from 10 December 2019	-	-
Samaila Zubairu	Deputy Chairman of the Board from 8 October 2019	8	-
Sverre Skogen*	Board member from 6 April 2018 (Chairman of the Board until 10 Dec 2019)	-	-
Kjell Inge Røkke*	Board member from 6 April 2018	-	-
Øyvind Eriksen*	Board member from 31 January 2018	-	-
Anne Marie Cannon	Board member from 6 April 2018	32	35
Tore Torvund	Board member from 6 April 2018	48	53
Rosalind Nana Emela Kainyah	Board member from 9 August 2018 to 10 December 2019	32	35
David Kwame Tandoh Adomakoh	Board member from 9 August 2018 to 10 December 2019	32	35
<b>Total board fees</b>		<b>152</b>	<b>158</b>

\*No fees provided to internal board members from Aker/TRG related companies.



## Note 7 Auditors fee

(USD 1 000)	Group		Parent	
	2020	2019	2020	2019
Fees for statutory audit services - KPMG (excluding VAT)	209	375	150	245
Fees for other services - KPMG (excluding VAT)	10	136	10	136
<b>Total auditor's fees</b>	<b>218</b>	<b>511</b>	<b>160</b>	<b>380</b>

## Note 8 Financial items

(USD 1 000)	Group		Parent	
	2020	2019	2020	2019
Interest income from group companies	-	-	6,448	5,146
Other interest income	202	1,028	189	893
<b>Total interest income</b>	<b>202</b>	<b>1,028</b>	<b>6,637</b>	<b>6,038</b>
Group contribution	-	-	2,611	139
Estimate change*	2,605	2,541	2,605	-
<b>Total other financial income</b>	<b>2,605</b>	<b>2,541</b>	<b>5,216</b>	<b>139</b>
Interest on loans from owners	-	440	-	440
Interest on convertible bond	5,502	2,597	5,502	2,597
Interest on lease liabilities	901	236	827	230
Amortized loan costs	3,424	1,593	3,424	1,593
Other interest expenses	-	5	-	5
<b>Total interest expenses</b>	<b>9,826</b>	<b>4,870</b>	<b>9,753</b>	<b>4,865</b>
Net currency loss	529	557	500	1,033
Accretion expenses	393	1,803	-	-
Change in fair value of derivatives	64	1,808	64	1,808
Other financial expenses	7	3	-	-
Estimate changes*	892	-	-	-
<b>Total other financial expenses</b>	<b>1,886</b>	<b>4,171</b>	<b>564</b>	<b>2,841</b>
<b>Net financial items</b>	<b>-8,905</b>	<b>-5,473</b>	<b>1,537</b>	<b>-1,528</b>

\* Related to re-estimate of convertible bond and non-current provisions.



## Note 9 Taxes

### Current income tax

There was no chargeable income for tax purposes for the year ended 31 December 2020.

(USD 1 000)	Group		Parent	
	2020	2019	2020	2019
Profit/loss before taxes	-48,947	-130,878	-3,294	-51,739
Permanent differences	-2,958	4,426	-3,027	1,430
Temporary differences	4,864	22,603	5,018	22,603
<b>Taxable income(+)/loss (-)</b>	<b>-47,041</b>	<b>-103,849</b>	<b>-1,303</b>	<b>-27,706</b>
Tax loss not capitalized	47,041	103,849	1,303	27,706
Income tax	-	-	-	-

### Deferred income tax

Deferred income tax is calculated on all temporary differences under the liability method using a principal tax rate of 35% (Ghana) or 22% (Norway). All expenditures related to petroleum operations in DWT/CTP incurred up to year-end have been included in this calculation, in total USD 1,120 million, of which USD 213 million has incurred from 1 June 2018 when Aker Energy recognised its share in DWT/CTP license through the acquirement of Hess (Ghana) Limited. Deferred tax base for Ghana is USD 1,035 million, as USD 82 million has been capitalized as exploration and evaluation assets and USD 3 million has been capitalised as tangible fixed assets in Aker Energy Ghana Ltd. For Norway, the change in non-recognised deferred tax asset is calculated on estimated tax loss and temporary differences for 2020, total USD 58 million. Estimated deferred tax asset as of December 2020 is USD 375 million (DWT/CTP Ghana: USD 362 million and Norway: USD 13 million), of which USD 112 million relates to the period from 1 June 2018 and could be recognised as deferred tax assets for the Aker Energy Group. The deferred tax asset related to DWT/CTP is not transferrable to any other petroleum licenses or businesses, and can only be used to offset taxable income from DWT/CTP within the license period. No deferred tax assets are recognised by year-end.

## Note 10 Tangible fixed assets and intangible assets

TANGIBLE FIXED ASSETS (2019)	Group			Parent		
	Right-of-use asset, buildings	Fixtures and fittings, office machinery	Total	Right-of-use asset, buildings	Fixtures and fittings, office machinery	Total
(USD 1 000)						
<b>Book value 31.12.2018</b>	-	1,033	1,033	-	848	848
<b>Acquisition cost 31.12.2018</b>	-	1,208	1,208	-	986	986
Additions	22,153	3,078	25,232	19,623	721	20,344
Disposals	-	222	222	-	-	-
<b>Acquisition cost 31.12.2019</b>	<b>22,153</b>	<b>4,064</b>	<b>26,218</b>	<b>19,623</b>	<b>1,707</b>	<b>21,330</b>
<b>Accumulated depreciation 31.12.2018</b>	-	175	175	-	138	138
Depreciation	703	520	1,223	633	446	1,079
Disposals	-	111	111	-	-	-
<b>Accumulated depreciation 31.12.2019</b>	<b>703</b>	<b>584</b>	<b>1,287</b>	<b>633</b>	<b>584</b>	<b>1,217</b>
<b>Book value 31.12.2019</b>	<b>21,450</b>	<b>3,481</b>	<b>24,931</b>	<b>18,990</b>	<b>1,124</b>	<b>20,114</b>



TANGIBLE FIXED ASSETS (Group 2020)	Group		Group		
	Property, plant and equipment		Right-of-use asset and Investment property		
	Fixtures and fittings, office machinery	Total	Right-of-use asset, buildings	Investment property	Total
(USD 1 000)					
<b>Book value 31.12.2019</b>	<b>3,481</b>	<b>3,481</b>	<b>21,450</b>		<b>21,450</b>
<b>Acquisition cost 31.12.2019</b>	<b>4,064</b>	<b>4,064</b>	<b>22,153</b>		<b>22,153</b>
Additions	868	868	348	18,377	18,725
Disposals	754	754	-	-	-
Transfer to Investment Property	-1,291	-1,291	-18,448	-	-18,448
<b>Acquisition cost 31.12.2020</b>	<b>2,887</b>	<b>2,887</b>	<b>4,054</b>	<b>18,377</b>	<b>22,431</b>
<b>Accumulated depreciation and impairments 31.12.2019</b>	<b>584</b>	<b>584</b>	<b>703</b>		<b>703</b>
Depreciation	961	961	1,476	1,673	3,149
Impairments	-	-	-	6,346	6,346
Disposals	522	522	-	-	-
Transfer to Investment Property	-86	-86	-1,276	-	-1,276
<b>Accumulated depreciation and impairments 31.12.2020</b>	<b>937</b>	<b>937</b>	<b>903</b>	<b>8,019</b>	<b>10,796</b>
<b>Book value 31.12.2020</b>	<b>1,950</b>	<b>1,950</b>	<b>3,150</b>	<b>10,358</b>	<b>13,509</b>

TANGIBLE FIXED ASSETS (Parent 2020)	Parent		Parent		
	Property, plant and equipment		Right-of-use asset and Investment property		
	Fixtures and fittings, office machinery	Total	Right-of-use asset, buildings	Investment property	Total
(USD 1 000)					
<b>Book value 31.12.2019</b>	<b>1,123</b>	<b>1,123</b>	<b>18,920</b>	-	<b>18,920</b>
<b>Acquisition cost 31.12.2019</b>	<b>1,707</b>	<b>1,707</b>	<b>19,623</b>	-	<b>19,623</b>
Additions	-	-	348	16,076	16,424
Disposals	754	754	-	-	-
Transfer to Investment Property	-	-	-17,175	-	-17,175
<b>Acquisition cost 31.12.2020</b>	<b>953</b>	<b>953</b>	<b>2,796</b>	<b>16,076</b>	<b>18,872</b>
<b>Accumulated depreciation and impairments 31.12.2019</b>	<b>584</b>	<b>584</b>	<b>633</b>	-	<b>633</b>
Depreciation	488	488	915	1,079	1,994
Impairments	-	-	-	6,051	6,051
Disposals	522	522	-	-	-
Transfer to Investment Property	-	-	-1,099	-	-1,099
<b>Accumulated depreciation and impairments 31.12.2020</b>	<b>550</b>	<b>550</b>	<b>449</b>	<b>7,130</b>	<b>8,680</b>
<b>Book value 31.12.2020</b>	<b>403</b>	<b>403</b>	<b>2,347</b>	<b>8,946</b>	<b>11,292</b>

Right-of-use asset consists of leased offices. Lease contracts include options to extend lease period but only non-cancellable period of the leases have been included in the recognition of right-of-use assets. Investment property consists of vacated leased property and realted fixtures and fittings that have been made available for sub-lease. ROU assets and investment properties are depreciated over the lease term. Office machinery, fixtures and fittings etc. are depreciated using the straight-line method over their useful life, i.e. 3 - 5 years.



INTANGIBLE ASSETS (USD 1 000)	Group			Group and Parent		
	Exploration and evaluation assets			Other intangible assets		
	Petroleum licences	Exploration expenditures	Total	Software	Other	Total
<b>Book value 31.12.2018</b>	106,054	45,562	151,616	1,432	2,526	3,958
<b>Acquisition cost 31.12.2018</b>	106,054	45,562	151,616	1,562	2,526	4,088
Additions	-	36,971	36,971	1,261	136	1,397
Disposals/expensed dry wells	-	25,606	25,606	-	-	-
<b>Acquisition cost 31.12.2019</b>	106,054	56,927	162,981	2,824	2,661	5,485
<b>Accumulated depreciation 31.12.2018</b>	-	-	-	130	-	130
Depreciation	-	-	-	811	281	1,092
<b>Accumulated depreciation 31.12.2019</b>	-	-	-	942	281	1,222
<b>Book value 31.12.2019</b>	106,054	56,927	162,981	1,882	2,380	4,263

INTANGIBLE ASSETS (USD 1 000)	Group			Group and Parent		
	Exploration and evaluation assets			Other intangible assets		
	Petroleum licences	Exploration expenditures	Total	Software	Other	Total
<b>Book value 31.12.2019</b>	106,054	56,927	162,981	1,882	2,380	4,263
<b>Acquisition cost 31.12.2019</b>	106,054	56,927	162,981	2,824	2,661	5,485
Additions	-	166	166	-	-	-
Disposals/expensed dry wells	-	-99	25,606	2,347	-	-
<b>Acquisition cost 31.12.2020</b>	106,054	57,192	137,541	477	2,661	3,138
<b>Accumulated depreciation 31.12.2019</b>	-	-	-	942	281	1,222
Depreciation	-	-	-	880	545	1,425
Disposals	-	-	-	1,549	-	1,549
<b>Accumulated depreciation 31.12.2020</b>	-	-	-	272	826	1,098
<b>Book value 31.12.2020</b>	106,054	57,192	163,246	205	1,835	2,040

Exploration and evaluation assets are assessed for impairment yearly (see note 14). Software is depreciated over its useful life (three years, using a straight-line method). Other intangible assets consist of the Business Management System which is under development.

Depreciation in the Income statement (USD 1 000)	Group		Parent	
	2020	2019	2020	2019
Depreciation of property, plant and equipment	961	520	488	446
Depreciation of right-of-use assets	1,476	703	915	633
Depreciation of investment property	1,673	-	1,079	-
Depreciation of intangible assets	1,425	1,092	1,425	1,092
<b>Total depreciation in the Income statement</b>	<b>5,535</b>	<b>2,316</b>	<b>3,907</b>	<b>2,171</b>



## Note 11 Impairments

### Exploration and evaluation assets

The group's exploration and evaluation assets relate to the DWT/CTP license in Ghana and are tested for impairment on one level, the only cash-generating unit in the group, the DWT/CTP license. The exploration and evaluation assets have been assessed for impairment in accordance with IFRS 6. Impairment tests are performed when impairment triggers are identified.

Results from the appraisal drilling campaign finalised in 2019 were positive and indicate a significant potential in the license. Approval of Plan for Development and Operations and Final Investment Decision for Pecan development were expected in 2020 but the Covid-19 crisis and the significant drop in oil prices changed this. Even though the Pecan project was put on hold by end of March and the Aker Energy organisation was significantly downsized, the proven reserves in DWT/CTP license are still expected to be developed. Aker Energy has maintained an organisation sufficient to continue the work in DWT/CTP and is currently exploring alternative development concepts for DWT/CTP. License partners and Ghanaian government have supported and accepted the decision to put the Pecan Development project on hold. Carrying amounts of exploration and evaluation assets are low compared to value of proven reserves in DWT/CTP and it is considered likely that carrying amounts will be recovered in full from successful development in DWT/CTP or by sale.

No impairment triggers have been identified and no impairment testing is deemed necessary.

### Investment property

Following the decision by end of March 2020 to downsize the organisation, larger parts of leased offices were vacated and prepared for sublease, and hence reclassified from Right-of-Use assets to Investment Property. Further, this triggered an impairment testing of Investment property which resulted in an impairment loss being recognised. A discount rate of 4.8 % was applied when calculating recoverable amount.

Investment property (USD 1 000)	Group		Parent	
	2020	2019	2020	2019
Carrying amount	18,377	-	16,076	-
Recoverable amount	12,031	-	10,025	-
<b>Impairment loss</b>	<b>6,346</b>	-	<b>6,051</b>	-

## Note 12 Inventories

The inventory mainly consists of equipment for the drilling of exploration and production wells.

Inventory value (USD 1 000)	Group		Parent	
	2020	2019	2020	2019
Inventories - measured at cost	8,365	5,988	-	-
Provision for obsolete equipment	-1,549	-	-	-
<b>Book value of inventories</b>	<b>6,816</b>	<b>5,988</b>	-	-

## Note 13 Convertible bonds

Aker Energy issued subordinated convertible bonds of USD 100 million to Africa Finance Corporation in July 2019. The bonds have a coupon of 5.5 per cent per year and will be converted to equity in the event of an Initial Public Offering ("IPO") of Aker Energy, at an agreed discount to an IPO offering price of 1.875 per cent per year. The bonds have a maturity of five years, with an option to extend with another three years. Aker Energy shall redeem the bonds in full within 10 business days if the Plan for Development and Operations of the oil field DWT/CTP has not been approved by all relevant governmental authorities within 11th of April 2022, at a price equal to 101.5% of the nominal amount (plus accrued and unpaid interest on the redeemed bonds). The discount on the convertible bonds related to the features described above is included in determining the effective interest rate over the term the convertible bond is expected to be outstanding.

In addition, AFC has received equity warrants with the right to subscribe shares in Aker Energy in connection with an IPO event (nominal subscription amount of up to USD 50 million) and in connection with a private placement of shares or issuance of convertible bonds or subscription rights (nominal subscription amount of up to USD 100 million). The equity warrants granted in the event of an IPO event are classified as a financial liability at fair value with book value by 31 December 2020 of kUSD 1 872, see note 24.



## Note 14 Accounts receivable

(USD 1 000)	Group		Parent	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Receivables from group companies (see note 23)	-	-	25,329	12,626
Receivables from related parties (see note 23)	15,854	16,733	8,343	6,530
Receivables from third parties	7	-	7	-
<b>Total accounts receivable</b>	<b>15,861</b>	<b>16,733</b>	<b>33,679</b>	<b>19,156</b>

Accounts receivables mainly consist of receivables related to the sale of services and recharged expenses.

## Note 15 Other non-current and current assets

(USD 1 000)	Group		Parent	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
<b>Other non-current assets</b>				
Long-term balances with license partners	7,219	-	-	-
<b>Total other non-current assets</b>	<b>7,219</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other current assets</b>				
Short-term loan to Aker Energy Ghana AS	-	-	207,718	172,095
Share of receivable in operating licences*	3,425	167	-	-
VAT receivable	120	2,617	120	2,596
Prepaid expenses	804	1,251	341	646
Rechargeable expenses to related parties	-	-	-	606
Rechargeable expenses to third parties	-	-	-	10
Other short-term receivables from related parties	-	6,260	-	3,894
Other short-term receivables from third parties	1,916	2,118	-	263
<b>Total other current assets</b>	<b>6,266</b>	<b>12,413</b>	<b>208,180</b>	<b>180,110</b>

\* 2019: Includes a receivable against licence partner Fueltrade of kUSD 5 763.

## Note 16 Shares in subsidiaries

(USD 1 000)	Parent	
	31.12.2020	31.12.2019
Shares in Aker Energy Ghana AS	25,114	25,114
<b>Total shares in subsidiaries</b>	<b>25,114</b>	<b>25,114</b>

## Note 17 Cash and cash equivalents

Breakdown of cash and cash equivalents (USD 1 000)	Group		Parent	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Bank deposits	10,398	77,716	6,764	65,412
Restricted funds (tax withholdings)	322	1,117	322	1,117
<b>Cash and cash equivalents</b>	<b>10,720</b>	<b>78,833</b>	<b>7,086</b>	<b>66,529</b>



## Note 18 Lease liabilities

(USD 1 000)	Group		Parent	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
<b>Opening balance</b>	<b>20,190</b>	-	<b>19,442</b>	-
New lease liabilities recognized in the period	345	22,153	345	19,623
Lease payments	-3,209	-2,933	-3,209	-1,144
Interest expenses	927	236	855	230
Currency exchange differences	424	733	424	733
<b>Closing balance</b>	<b>18,677</b>	<b>20,190</b>	<b>17,857</b>	<b>19,442</b>

### Breakdown of the lease debt to short-term and long-term liabilities

Short-term	3,353	3,211	3,353	3,211
Long-term	15,326	16,979	14,504	16,231
<b>Total lease liabilities</b>	<b>18,679</b>	<b>20,190</b>	<b>17,857</b>	<b>19,442</b>

### Maturity analysis of lease liabilities

Less than one year	3,353	3,211	3,353	3,211
One to three years	6,754	6,005	5,932	5,257
Three to five years	5,097	4,999	5,097	4,999
Five to seven years	3,475	4,754	3,475	4,754
More than seven years	-	1,221	-	1,221
<b>Total lease liabilities</b>	<b>18,679</b>	<b>20,190</b>	<b>17,857</b>	<b>19,442</b>

## Note 19 Other non-current and current liabilities, contingent liabilities and guarantees

(USD 1 000)	Group		Parent	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
<b>Other non-current liabilities</b>				
Other non-current provisions	82,698	2,701	269	2,589
Pension liability (see note 20)	91	-	91	
<b>Total other non-current liabilities</b>	<b>82,789</b>	<b>2,701</b>	<b>360</b>	<b>2,589</b>
<b>Other current liabilities</b>				
Other current provisions*	886	80,996	886	-
Other current liabilities**	4,239	30,920	1,978	22,832
<b>Total other current liabilities</b>	<b>5,125</b>	<b>111,916</b>	<b>2,864</b>	<b>22,832</b>

\*Provisions made for liabilities expected to be payable within one year, at the time of which the Plan of Development and Operation (PDO) is approved.

\*\*Other current liabilities include unpaid wages, bonus and vacation pay, delivered services from third parties not paid and accrued interest.



## Guarantees

Aker Energy AS (parent company) has issued a Parent Company Guarantee to Lukoil, license partner in DWT/CTP, for Aker Energy Ghana Limited's obligations as the operator of DWT/CTP. Parent company has issued a corporate guarantee to Halliburton Ghana Limited for Aker Energy Ghana Limited's liabilities and obligation to Halliburton Ghana Limited, maximum USD 50 million.

## Contingent liabilities

Aker Energy has liability for any pollution or harm to fresh water, marine, plant or animal life caused by petroleum operations in the DWT/CTP license.

## Note 20 Pension expenses and pension liabilities

The company's pension scheme is mainly covered through a defined contribution plan. Contributions are made to the pension plan for fulltime employees equal to 7 percent for salary up to 7.1 G and 25.1 percent between 7.1 and 12 G. The pension premiums are charged to expenses as they are incurred. In addition, the company has a defined benefit pension plan with one participating employee. The defined benefit plan is organised through Aker Pensjonskasse, which is a fund established by Aker to manage the retirement plan for employees and retirees in Aker companies. The company complies with the requirement to have an occupational pension scheme in accordance with the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon").

(USD 1 000)	Group		Parent	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
<b>Pension expenses</b>				
Defined Contribution Plan	1,959	1,897	1,397	1,654
Defined Benefit Plan	31	-	31	-
<b>Total pension expense recognised in profit and loss</b>	<b>1,990</b>	<b>1,897</b>	<b>1,428</b>	<b>1,654</b>

(USD 1 000)	Group		Parent	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
<b>Net pension liabilities at 1 January</b>	-	-	-	-
Defined benefit cost included in P&L	31	-	31	-
Total remeasurements included in OCI	63	-	63	-
Net transfers in (+)/out (-)	32	-	32	-
Employer contributions	-36	-	-36	-
<b>Net pension liabilities at 31 December</b>	<b>91</b>	<b>-</b>	<b>91</b>	<b>-</b>

Actuarial assumptions	Group		Parent	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Discount rate	1.50%	-	1.50%	-
Salary increase rate	2.00%	-	2.00%	-
Social security increase rate	1.75%	-	1.75%	-
Pensions-in-payment increase rate	0.00%	-	0.00%	-
Duration (in years)	16	-	16	-



## Note 21 Share capital and shareholders

(USD 1 000)	Parent	
	31.12.2020	31.12.2019
Share capital	147,333	147,333
Total number of shares ('000)	125,296	125,296
Nominal value per share in NOK	10.00	10.00

All shares have been issued at a nominal value of NOK 10 and a share premium value of NOK 5 per share. There is only one single class of shares in the company and all shares carry a single voting right.

Overview of all shareholders registered as of 31 December 2020	No. of shares (‘000)	Owning interest
AKER CAPITAL AS	63,633	50.8%
THE RESOURCE GROUP TRG AS	61,663	49.2%
<b>Total</b>	<b>125,296</b>	<b>100%</b>

## Note 22 Earnings per share

Earnings per share is calculated by dividing the year's profit/loss attributable to ordinary equity holders of the parent entity, which was USD - 130.9 million by the year's weighted average number of outstanding ordinary shares, which was 102.4 million. There is no difference between the ordinary and diluted earnings per share.

(USD 1 000)	Group	
	2020	2019
Profit/loss for the year attributable to ordinary equity holders of the parent entity	-48,947	-130,878
The year's average number of ordinary shares ('000)	125,296	102,371
<b>Earnings per share in USD</b>	<b>-0.39</b>	<b>-1.28</b>



## Note 23 Transactions with related parties

At year-end 2019, Aker (Aker Capital AS) and TRG (The Resource Group TRG AS) are the two major shareholders in Aker Energy, each with ownership interest of 49.21 per cent. An overview of all the shareholders is provided in note 21. Transactions with related parties are carried out on the basis of the "arm's length" principle.

Related party (USD 1 000)	Revenues (-) / expenses (+)	Group		Parent	
		2020	2019	2020	2019
AGM Petroleum Ghana Ltd	Other operating income	-1,673	-6,535	-259	-5,802
TRG Energy AS/Petrica Holding AS	Other operating income	-2,454	-411	-2,454	-411
Cognite AS	Other operating income	-1,041	-244	-1,041	-244
Aker Biomarine AS	Other operating income	-	-110	-	-110
Rev Ocean AS	Other operating income	-	-71	-	-71
Petrica Energy AS	Other operating income	-	-100	-	-100
Aker Ghana Investment Company AS	Other operating income	-332	-215	-332	-215
Aize AS	Other operating income	-230	-	-230	-
Aker BP ASA	Other operating income	-162	-	-162	-
Aker ASA	Other operating income	-155	-	-155	-
Aker Horizons AS	Other operating income	-100	-	-100	-
Other Aker Group Companies	Other operating income	-131	-22	-131	-22
Ocean Yield ASA	Other operating expenses	-	12,878	-	12,878
Other Aker Energy Group Companies	Other operating expenses	-	-	-30,021	-53,002
Petrica Energy AS	Other operating expenses	-	728	-	728
Aker BP ASA	Other operating expenses	321	2,038	321	2,038
Akastor AS	Other operating expenses	-	86	-	86
AFP Operations AS	Other operating expenses	-	606	-	606
Agr Petroleum Services AS	Other operating expenses	472	-	472	-
Agr Consultancy Services AS	Other operating expenses	55	-	55	-
Agr Petroleum Services AS	Other operating expenses	59	-	59	-
Aker ASA	Other operating expenses	384	815	384	815
Aker Floating Productions AS	Other operating expenses	-	2,218	-	2,218
Aker Pensjonskasse	Other operating expenses	40	-	-	-
Aker Solutions AS	Other operating expenses	4,137	1,768	657	12,499
Cognite AS	Other operating expenses	106	163	106	163
Kværner AS	Other operating expenses	1,960	2,489	813	2,489
Widerøveien 5 AS	Other operating expenses	35	77	35	77
Other Aker Group Companies	Other operating expenses	148	31	95	31
Fornebu Gateway Felleskost AS	Other operating expenses	422	173	422	173
Fornebuporten Næring 3 AS	Other operating expenses	2,900	1,279	2,900	1,279
Fornebuporten Soft Services AS	Other operating expenses	30	-	30	-
Lily Hospitality Group AS	Other operating expenses	233	148	233	148
AGM Petroleum Ghana Ltd	Recharged expenses	-832	-21,017	-57	-416
TRG Energy AS/Petrica Holding AS	Recharged expenses	-41	-285	-80	-285
Aker Ghana Investment Company AS	Recharged expenses	-	-377	-	-
Other Aker Energy Group Companies	Recharged expenses	-	-	-1,003	-5,114
Aker Energy Ghana AS	Group contribution	-	-	-2,611	-139
Aker Energy Ghana AS	Interest income	-	-	-6,448	-5,146
Aker Capital AS	Interest expenses	-	220	-	220
The Resource Group TRG AS	Interest expenses	-	220	-	220



Related party (USD 1 000)	Receivables (+) / liabilities (-)	Group		Parent	
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
Other Aker Energy Group Companies	Trade creditors	-	-	-	-
Aker ASA	Trade creditors	-	-43	-	-43
Aker Solutions AS	Trade creditors	-5,942	-48	-5,345	-48
Other Aker Group Companies	Trade creditors	-	-16	-	-16
Kværner AS	Trade creditors	-	-776	-	-776
Aker BP ASA	Trade creditors	-	-146	-	-146
AFP Operations AS	Trade creditors	-	-145	-	-145
Aker Floating Productions AS	Trade creditors	-	-645	-	-645
Ocean Yield ASA	Trade creditors	-	-1,200	-	-1,200
Lily Hospitality AS	Trade creditors	-8	-51	-8	-51
		-	-	-	-
Aker BP ASA	Trade debtors & short-term receivables	-	834	-	834
Aker Ghana Investment Company AS	Trade debtors & short-term receivables	4	656	4	279
AGM Petroleum Ghana Ltd	Trade debtors & short-term receivables	12,357	20,617	4,848	4,975
TRG Energy AS	Trade debtors & short-term receivables	3,287	724	3,287	724
Petrica Energy AS	Trade debtors & short-term receivables	-	146	-	146
Aker ASA	Trade debtors & short-term receivables	32	-	32	-
Other Aker Group Companies	Trade debtors & short-term receivables	172	16	172	16
Other Aker Energy Group Companies	Trade debtors & short-term receivables	-	-	25,329	16,682
Aker Energy Ghana AS	Short-term loan	-	-	207,718	172,095

The majority of transactions with related companies listed above are in connection with general services, such as IT infrastructure and systems, engineering consultancy, office rental and studies, or cost sharing of third party technical petroleum services.

Allocation from parent company to Aker Energy Ghana Ltd is presented gross (incl. portion to other license partners)

## Note 24 Financial instruments

### Capital structure and equity

The main objective of the company's management of the capital structure is to maximize return to the owners by ensuring competitive conditions for the company's capital.

Unless specified otherwise, the numbers below apply both to the group and the parent.

### Categories of financial assets and liabilities

The company has the following financial assets and liabilities: cash, receivables, financial liabilities and other liabilities, recognized in the accounts at amortized cost, and financial liabilities at fair value.

### Financial risk

The company has financed its activities through share contributions and through issued convertible bonds (see note 13). In addition, the company has financial instruments such as accounts receivable, trade creditors etc., directly related to its day-to-day operations.

The most important financial risks which the company is exposed to relate to foreign exchange rates, interest rates and access to competitively priced funding

The company's risk management, including financial risk management, is designed to ensure identification, analysis and systematic and cost-efficient handling of risk. Established management procedures provide a good basis for reporting and monitoring of the company's financial risk exposure.

#### (i) Currency risk

Recharged expenses and future revenues from sale of petroleum and gas are mainly in USD, EUR and GBP, while expenditures are mainly in NOK, USD, EUR and GBP. Sales and expenses in the same currency contribute to mitigating some of the currency risk. Currency derivatives may be used in the future to further reduce this risk.



The table below shows the company's exposure in NOK as of 31 December:

Exposure relating to currency risk (USD 1 000)	31.12.2020	31.12.2019
VAT receivables, cash and cash equivalents, other short-term receivables and deposits	11,508	5,015
Trade creditors and other short-term liabilities	-4,014	-23,642
<b>Net exposure to NOK</b>	<b>7,493</b>	<b>-18,626</b>

#### (ii) Interest-rate risk

The company's exposure to interest-rate risk is considered limited as the interest rate on the convertible bond (see note 13) is fixed.

#### (iii) Liquidity risk/liquidity management

The company's liquidity risk is the risk that it will not be able to meet its financial obligations as they fall due.

Short-term (12 months) forecasts are prepared on a regular basis to plan the company's liquidity requirements. These plans are updated regularly for various scenarios and form part of the decision basis for the company's management and Board of Directors.

Aker Energy is working to establish a funding plan for the company that will make the company fully financed for its committed investment program. The funding plan will include a mix of debt and equity and will be further matured during 2021.

The company's liquid assets as of 31 December 2020 are mainly deposited in bank accounts. As of 31 December 2020, the company had cash reserves of USD 10.7 million. Revenues and expenses are carefully managed on a day-to-day basis for liquidity risk management purposes.

The table below shows the payment structure for the company's financial commitments, based on undiscounted contractual payments:

(USD 1000)	Contract related cash flow					SUM
	Book value	Less than 1 year	1-2 years	2-5 years	over 5 years	
<i>Non-derivative financial liabilities:</i>						
Convertible bonds	99,070	5,500	110,677			116,177
Trade creditors	11,516	11,516				11,516
Other liabilities	3,476	3,476				3,476
Lease liabilities	18,679	4,115	3,851	9,058	3,644	20,668
<i>Derivative financial liabilities:</i>						
Equity warrants	1,872		1,875			1,875
<b>Total as of 31.12.2020</b>	<b>134,613</b>	<b>24,607</b>	<b>116,403</b>	<b>9,058</b>	<b>3,644</b>	<b>153,712</b>

The contractual cash flow for the equity warrants reflects the maximum gross discount on the shares issued in an IPO attributable to the equity warrant holder.

Nominal capital commitments within one year is USD 14.8 million (represents Aker Energy's interest in the DWT/CTP license).

#### (iv) Credit risk

The risk of counterparties being financially incapable of fulfilling their obligations is regarded as moderate to limited as receivables are mainly against related parties (see note 22) and the license partners in the DWT/CTP license. By year end 2020 licence partner Fueltrade holds a gross debt of USD 7.2 million to the DWT/CTP licence but mechanisms in the Joint Operating Agreement protects the other licence partners (incl. Aker Energy) in case of a default situation or similar.

In the management of the company's liquid assets, low credit risk is prioritized. Liquid assets are generally placed in bank deposits that represent a low credit risk.

The maximum credit risk exposure corresponds to the book value of financial assets. The company deems its maximum risk exposure to correspond with the book value of accounts receivable and other short-term receivables, see notes 14 and 15.



## Determination of fair value

The only financial instrument held by the company which is recognised at fair value are the equity warrants granted in the event of an IPO, see note 13. Fair value hierarchy level 3 is used in the valuation of these equity warrants. The IPO equity warrants give a discount of 20 % on the IPO share price, and can be exercised if no private placement of shares or issuance of convertible bonds or subscription rights occur prior to an IPO. Fair value of the IPO equity warrants is estimated to USD 1 872 thousand by year end 2020. Discounted cash flow method has been used for this valuation where the expected cash flow has been discounted with a risk-free interest rate.

## Note 25 Investments in joint operations

Fields operated:	31.12.2020	31.12.2019
DeepWater Tano Cape Three Points	50.0%	50.0%

### Other license partners in DWT/CTP:

Lukoil 38 %

GNPC 10 %

Fueltrade 2 %

GNPC has no financial obligations prior to production.

## Note 26 Events after the balance sheet date

After the balance sheet date, Aker Energy entered into loan agreements with its owners, Aker Capital and TRG, with 30 June 2022 maturity and an interest rate of Libor 3 months + 2.5 %. Loans outstanding under the agreements shall at all times be in accordance with the operating budget for the company as approved by its Board of Directors. Total forecasted operating budget until 30 June 2022 is USD 65 million. Aker Energy expects to submit revised Plan of Development and Operations in December 2021 and targets Final Investment Decision in April 2022, which will trigger revision of Operating budget and increased need for funding.

The company has not identified any other events with significant accounting impacts that have occurred between the end of the reporting period and the date of this report.



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To the General Meeting of Aker Energy AS

## Independent auditor's report

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Aker Energy AS, which comprise:

- The financial statements of the parent company Aker Energy AS (the Company), which comprise the statement of financial position as at 31 December 2020, the income statement, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Aker Energy AS and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2020, 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 are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

#### Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, 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.

KPMG AS, a Norwegian limited liability company and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Statsautoriserede revisorer - medlemmer av Den norske Revisorforening

#### Offices in:

Oslo	Elverum	Mo i Rana	Stord
Alta	Finnsnes	Molde	Straume
Arendal	Hamar	Skien	Tromsø
Bergen	Haugesund	Sandefjord	Trondheim
Bodø	Knarvik	Sandnessjøen	Tynset
Drammen	Kristiansand	Stavanger	Ålesund

Penneo document key: 7EOM7-XENPL-J4P0K-CUV88-H8WH0-67HVZ



Aker Energy AS

## Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including a true and fair view of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. 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 or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty

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exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

## Report on Other Legal and Regulatory Requirements

### Opinion on the Board of Directors' report

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

### Opinion on Registration and Documentation

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

Oslo, 29 June 2021  
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Mona Irene Larsen  
*State Authorised Public Accountant*  
(This document is signed electronically)

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