



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 993 787 787
Organisasjonsform: Aksjeselskap
Foretaksnavn: REPSOL NORGE AS
Forretningsadresse: Verven 4
4014 STAVANGER

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern: Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Aleksandra Kowalczyk-Zebala
Dato for fastsettelse av årsregnskapet: 20.04.2022

Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 11.05.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Sale of Petroleum	2	6 051 718 000	2 365 135 000
Inventory change	2	1 875 000	-84 703 000
Annen driftsinntekt	2	92 933 000	124 062 000
Sum inntekter		6 146 526 000	2 404 494 000
Kostnader			
Operating expense	4	909 358 000	361 674 000
Transportation expenses		347 854 000	334 376 000
exploration expenses	3,6	92 565 000	11 050 000
Lønnskostnad		495 456 000	584 963 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	6	560 135 000	599 248 000
Nedskrivning av varige driftsmidler og immaterielle eiendeler	6	31 326 000	906 313 000
Sum kostnader		2 436 694 000	2 797 624 000
Driftsresultat		3 709 832 000	-393 130 000
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern		10 580 000	3 056 000
Annen finansinntekt		117 574 000	97 284 000
Foreign exchange gain			43 453 000
Sum finansinntekter		128 154 000	143 793 000
Rentekostnad til foretak i samme konsern		29 041 000	22 574 000
Annen rentekostnad		16 888 000	
Accretion on ARO		79 370 000	128 658 000
Other financial expenses		21 126 000	140 877 000
Foreign exchange loss		63 517 000	
Sum finanskostnader		209 942 000	292 109 000
Netto finans	5	-81 788 000	-148 316 000
Ordinært resultat før skattekostnad		3 628 044 000	-541 446 000
Skattekostnad på ordinært resultat	18	2 246 160 000	-483 352 000
Ordinært resultat etter skattekostnad		1 381 884 000	-58 094 000



Resultatregnskap

Beløp i: NOK	Note	2021	2020
Årsresultat		1 381 884 000	-58 094 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	18	0	1 778 734 000
Goodwill	6	145 713 000	191 107 000
Sum immaterielle eiendeler		145 713 000	1 969 841 000
Varige driftsmidler			
Skip, rigger, fly og lignende		9 357 223 000	6 739 811 000
Exploration assets		59 742 000	47 253 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende		92 896 000	87 662 000
Sum varige driftsmidler		9 509 861 000	6 874 726 000
Finansielle anleggsmidler			
Andre fordringer	6		10 000 000
Sum finansielle anleggsmidler			10 000 000
Sum anleggsmidler		9 655 574 000	8 854 567 000
Omløpsmidler			
Varer			
Varer	7	25 308 000	105 075 000
Sum varer		25 308 000	105 075 000
Fordringer			
Kundefordringer		1 094 774 000	255 013 000
Andre fordringer	8	165 784 000	139 389 000
Tax receivable	18	0	1 125 256 000
Konsernfordringer	10	1 357 553 000	388 545 000
Sum fordringer		2 618 111 000	1 908 203 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	9	64 009 000	108 371 000
Sum bankinnskudd, kontanter og lignende		64 009 000	108 371 000
Sum omløpsmidler		2 707 428 000	2 121 649 000



Balanse

Beløp i: NOK	Note	2021	2020
SUM EIENDELER		12 363 002 000	10 976 216 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	12	1 007 000	1 007 000
Overkurs	12	344 934 000	2 144 933 000
Sum innskutt egenkapital		345 941 000	2 145 940 000
Opptjent egenkapital			
Annen egenkapital	12	2 075 979 000	693 824 000
Sum opptjent egenkapital		2 075 979 000	693 824 000
Sum egenkapital		2 421 920 000	2 839 764 000
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	16	298 863 000	125 965 000
Utsatt skatt	18	1 171 295 000	0
Decommissioning liability	13	4 103 569 000	5 225 008 000
Provisions		4 719 000	19 683 000
Sum avsetninger for forpliktelser		5 578 446 000	5 370 656 000
Annen langsiktig gjeld			
Langsiktig konserngjeld	10	519 328 000	1 319 328 000
Øvrig langsiktig gjeld	17	1 666 768 000	
Sum annen langsiktig gjeld		2 186 096 000	1 319 328 000
Sum langsiktig gjeld		7 764 542 000	6 689 984 000
Kortsiktig gjeld			
Betalbar skatt	18	607 204 000	20 272 000
Skyldige offentlige avgifter		31 921 000	23 808 000
Kortsiktig konserngjeld	10	18 488 000	6 293 000
Annen kortsiktig gjeld	11	1 326 069 000	1 275 594 000
Overlift petroleum		121 893 000	67 997 000



Balanse

Beløp i: NOK	Note	2021	2020
Accounts payable		70 965 000	52 505 000
Sum kortsiktig gjeld		2 176 540 000	1 446 469 000
Sum gjeld		9 941 082 000	8 136 453 000
SUM EGENKAPITAL OG GJELD		12 363 002 000	10 976 217 000



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 362794

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Benyttet ved utarbeidelsen av
årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Har utarbeidet 'land-for-land' rapport: Ja

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Aleksandra Kowalczyk-Zebala
Dato for fastsettelse av årsregnskapet: 20.04.2022

Revisjon

Ekstern autorisert regnskapsfører har i løpet av regnskapsåret bistått ved den løpende regnskapsføringen eller utført andre tjenester for selskapet enn å utarbeide årsregnskapet: Ja

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Brønnøysundregistrene, 11.06.2022



Organisasjonsnr: 993 787 787
REPSOL NORGE AS

RESULTATREGNSKAP

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Organisasjonsnr: 993 787 787
REPSOL NORGE AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
4

Antall årsverk i regnskapsåret
232.00

<u>Sum</u>	<u>Beløp</u>
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler Immaterielle eiend.</u>

Konsernregnskap

Morselskapet sitt navn

Forretningskontor for morselskapet

Begrunnelse for at datterselskap er utelatt fra konsolideringen

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Pantstillelse</u>	<u>Beløp</u>
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<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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Repsol Norge AS

Annual Accounts 2021

Org. Nr 993 787 787



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DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Business

Repsol Norge AS (the Company) was incorporated in 2009 to engage in petroleum-related exploration and production activities on the Norwegian Continental Shelf and its office is in Stavanger. The Company's shares are 100% owned by Repsol Exploración S.A., a wholly owned subsidiary of Repsol S.A. which is regarded as the ultimate parent company. Repsol S.A.'s and the Repsol group of companies' corporate headquarters are located in Madrid, Spain.

The Company is currently present all along the E&P cycle, from exploration to development of new projects, production from operated and non-operated assets and decommissioning operations.

Current position

The main activities in 2021 have been the Yme New Development (YND) project, the Gyda decommissioning project (plugging of wells) and the production from Gudrun, Visund, Brage, Mikkel, Veslefrikk, Rev and Blane fields. The Company is the operator for Yme, Gyda, Rev and Blane fields. The operated production accounted for 2% of the total production in 2021.

Production and operation activities

The plugging and abandonment (P&A) activities on Gyda started in January 2019 and completed in Q3 2021. After that, the platform was de-manned in 4Q. In 2022 the platform and jacket will be removed and transported to an onshore disposal yard, where it will be scrapped during 2022 and the first half of 2023.

The Rev field had seven production cycles during 2021 and will continue its cyclical production in 2022. The current plan is to continue producing at least through 2023 and complete P&A during 2025. A plan for decommissioning of the Rev field was approved by the Norwegian authorities on 14.11.2019.

Following the approval on 23rd March 2018 of the revised Plan for Development and Operations by the Ministry of Petroleum and Energy, the Yme New Development project has continued progressing during the last four years in all delivery areas, finally leading to a successful start of production on the 23rd of October 2021.

Following the successful installation of the Maersk Inspirer Mobile Offshore Drilling and Production Unit (MODPU) at the Yme field on 31 December 2020, the Project initiated 2021 with an offshore campaign dedicated to hook-up and commissioning of the offshore facilities as required for production start, in addition to a subsea campaign planned and completed during the year for installation of the subsea templates required for the future Beta North development. Then, after production start in October 2021, the work has continued during 2021 and will continue during 2022 to complete the work on the remaining non-critical systems, finalize the pending drilling scope and ensure stable production going forward.

In May 2021, the Company agreed with Maersk Drilling AS to take over the day-to-day operation of the platform, thus generating further operational and contractual synergies for the Yme license. The transfer of operations from Maersk Drilling AS to Repsol Norge AS took place in October 2021. In parallel, the ownership of the MODPU was transferred from Maersk Drilling AS to Havila Sirius AS, and the previously signed Lease and Operating Agreement with Maersk Drilling AS for



the MODPU was replaced by a 10-year Bareboat Charter with Havila Sirius AS. The Bareboat Charter is a hire-to-purchase agreement, and the Company will become the owner of the MODPU at the end of the Charter Hire.

On 31 December 2021 the Company completed a sale of its entire working interest (33,84%) in the Brage field to Lime Petroleum AS, effective date of the transaction was 1 January 2021.

Due to the change of the activity levels in 2021, with the de-manning of Gyda and the start of operations of Yme, the Company initiated a restructuring program offshore and onshore. Early retirement packages have been offered to 13 offshore employees and 13 onshore employees. In addition, the 9 employees have received severance packages.

Production

Average daily production in 2021 was 24 kboed, which represents a 5% reduction compared to 2020. The Company produced 47% liquids and 53% gas in 2021. This reduction is principally due to the natural decline in Brage, P&A operations in Veslefrikk and operational problems in Gudrun wells due to ongoing drilling activities. Visund and Gudrun were the main contributors to the Company's production, with 41% and 29%, respectively, of the total production. Yme started production in 4Q 2021.

Exploration and appraisal well activity

After diluting its presence in non-core exploration assets in the Norwegian and Barents Seas in 2021, the Company is concentrating its 2021 efforts in the North Sea, maximizing efficiencies on the existing assets and through near field exploration in non-operated assets.

In February 2021 the Company completed a sale of its 40% interest in PL972 (Vette) to Okea ASA.

The Dovregubben exploration well in licence PL976 was drilled in September 2021. The well was dry.

Future outlook

The Company intends to remain present all along the exploration & production (E&P) cycle during 2022, albeit limiting exploration to nearfield opportunities in non-operated assets. After Yme first oil on October 23rd, 2021, the further development of the asset will continue during 2022 with completion of the hook up, commissioning, startup of the remaining non-critical systems and finalizing the pending drilling scope. In 2022 the non-operated assets will continue with the water injection project in Gudrun and drilling in Visund to deliver the expected production from these fields. The Gyda decommissioning project is expected to be fully completed by 2022. All of this will be subject to a strong commitment to health, safety and environment.

Annual accounts

The financial statements that accompany this report show the results for the Company for the accounting year 2021 compared with the accounting year 2020. The average Brent oil price in 2021 was USD71/bbl, the realized gas price was USD16,7/Mscf, compared to respectively USD42/bbl and USD3/Mscf in the previous year. The Company's total operating income was NOK 6,147 million in 2021 (2020: NOK 2,404 million), which was higher by NOK 3,742 million compared to



2020. The sales increased by NOK 3,687 million mainly due to significantly higher gas and crude prices.

Operating expenses were lower in 2021 by NOK 361 million as compared to 2020. Main contributors to the lower operating expenses were impairment of producing and exploration assets in 2020 by NOK 875 million, which were partially offset by higher production cost by NOK 458 million and increased exploration expenses mainly due to dry well cost by NOK 82 million.

In 2021 the income before tax is NOK 3,628 million compared to loss of NOK 541 million in 2020. The main reason for the better result is higher sales revenues resulting from higher prices. Tax expense for 2021 amounted to NOK 2,246 million compared to tax income in 2020 of NOK 483 million. The net results for 2021 shows a profit of NOK 1,382 million compared loss of NOK 58 million in 2020.

Cash and cash equivalents at the end of the year was NOK 64 million compared NOK 108 million in 2020. In addition, the Company had an intercompany deposit of NOK 1,280 million at year end 2021 (2020: NOK 375 million).

Total assets at the end of the year were NOK 12,363 million as compared to NOK 10,976 on 31 December 2020.

Net cash inflow in 2021 was NOK 860 million compared with outflow of NOK 229 million in 2020. The cash inflow from the operating activities of NOK 5,087 million, which includes a tax refund of NOK 1,944 million, has been applied mostly to fund the Company's investments (NOK 1,966 million mainly related to Yme redevelopment project and infill wells), repayment of debt (NOK 800 million) and repayment of share premium (dividend) of NOK 1,800 million. Cash outflow from investing activities was NOK 1,609 million and includes proceeds from the business disposal of NOK 356 million.

Going concern assumption

Shareholders' equity in the Company at year end was NOK 2.422 million compared with NOK 2.840 million at year end 2020. The change in equity during 2021 is caused primarily by this year's income and repayment of the share premium of 1,800 MNOK (see Note 12 to the Financial Statements). The equity ratio, measured as Equity over Total Assets, at the end of the year is 20%. It is the opinion of the Board of Directors that the Company's equity and liquidity is consistent with the requirements in the Norwegian Company Act. The accounts were prepared on the basis that the Company is a going concern, and the Board of Directors confirms that there are reasonable grounds for this assumption.

Working environment

The Company considers the working environment to be satisfactory. By the end of the year the Company had 270 employees, of which 110 were located offshore. At year end 2021 the overall absence was 1,6% onshore and 6,5% offshore. The Company actively follows up employees who are on sick leave to identify possible measures to enable them to come back to work. Company has a continuous focus on health, safety and environment. The Company has had no serious incidents or accidents in 2021.



Equal opportunities

The Company supports diversity amongst its staff with regards to ethnicity, nationality, ancestry, color, language, religion and belief. Under the Company's policy there are equal opportunities for men and women, and there shall not be any form of discrimination with respect to salaries and promotions. There are no differences in the wage and salary structure or in job opportunities for women and men.

In 2021, the Company continued to strengthen equal opportunities and diversity by embedding it into our key human resources processes, such as recruitment, succession planning, performance management and leadership development.

The Company's Sustainability Plan 2021 was based on the six pillars: ethics and transparency, people, safe operations, environment, climate change and innovation and technology. One of the 'People' goals was aimed for development of young professionals. The Company is committed to promoting and supporting women's carrier in the E&P business.

The Company had 270 employees (see table below for the split by the professional category) at year end, of which 63 employees, equivalent to 23%, were female. Among offshore employees 4% is female, while the female portion is 38% in the onshore organization. The leadership team consisted of 4 women and 7 men.

Professional classification*	Female	Male
Administrative / Workers	16 %	84 %
Professional / Technician	29 %	71 %
Manager	27 %	73 %
Senior Manager	0 %	100 %

There are eight board members (2 women and 6 men) including employee representatives, senior management representative from the shareholder Repsol Exploración S.A., and local management members.

External environment

The Company is both an operator and a license partner. Any emission to air and sea is reported by the operator for the field. The Company has a continuous focus on health, safety and environment. The table below shows a summary of key emission figures for the Company's operated fields (gross figures):

Type of discharge / emission in period 1.1.2021 - 31.12.2021	Gyda		Yme / Inspirer/Rowan Viking in 2020	
	2021	2020	2021	2020
Produced water - m3	0	-24 400	2620	-
Oil in produced water - tonnes	0	0,4	0,021	0
CO2 - tonnes	29 755	25 949	23 739	3 353
NOx - tonnes	74,5	58,6	217	43
Hazardous waste - tonnes	109	68	451	40,2

Emissions and discharges from the Company are in accordance with permits issued by the Norwegian Environment Agency. The Company performs regular environmental monitoring of



discharges to sea and there is no evidence of significant environmental impacts as a result of our offshore activities. The Company has a continuous process of substituting chemicals with more environmentally friendly chemicals.

Financial risk

The Company is affected by changes in the oil price and currency exchange rates. The Company does not hedge against oil prices, but the foreign currency fluctuations. Customer credit risk is deemed to be low as the Company's sales are mainly to major companies in the oil industry.

The Company's exposure to the interest risk is related to the I/C loan, which is subject to the floating interest rates (see note 10 to the Financial Statements).

Research and development activities

The Company is involved in various research and development (R&D) activities. The focus has been within digitalization, automated drilling and lowering CO2 emission by participating in the Digimon project (CO2 storage monitoring), Deep Purple project (supply offshore installation with a power produced by offshore wind farm) and testing of ammonia as a fuel. The Company participate in several projects through Norwegian Oil and Gas Association (NOROG) and other NCS collaboration institutions. In addition, the Company is using an internal network and co-operates with Repsol Technology Centre to identify technological needs and opportunities. In 2021 the Company have research collaboration agreements with research institutes as NORCE, University of Stavanger and SINTEF as well as private industry players.

Covid-19 impact on 2021 operations

The international COVID-19 pandemic unleashed an unprecedented health, social and economic crisis in 2020. The development and mass deployment of vaccines and the positive impact of public policies allowed for a gradual recovery of economic activity that gained momentum throughout 2021. The recovery in oil and gas prices—driven by the recovery in demand—has allowed results to return to pre-pandemic levels.

Covid-19 has required Governments across Europe, and in Norway in particular, to impose restrictions and limitations on social distancing and travel, including closing of borders and quarantine rules. Such measures have had a significant impact on the operations, which in some cases have been delayed in order to prevent the spread of the virus and has also imposed higher costs on the development and decommissioning of ongoing operations.

In June 2020 the Norwegian Government introduced a temporary tax regime for the Oil and Gas Industry in order to support the activity and the investment on the NCS and to protect the employment in the industry. These temporary tax measures combine direct expensing of investments in the year against the special tax base (56%), an increase in the uplift to 24% (instead of 20,8%) will be recognized over one year instead of four and tax loss, if the company is not in tax paying position, will be recovered through a direct tax reimbursement in six instalments, payable every second month between August and June. These measures applied also in 2021 and to any project with final investment decisions submitted by the end of 2022 and approved by the end of 2023.

Even in these difficult circumstances, Repsol Norge AS has sustained the safe operation of its businesses.



The Management of the Company has assessed, together with the partners in the operated assets and the main contractors, the context and the foreseeable evolution of the COVID-19, and taken the necessary actions to prevent the spread of the virus and allow for safe operations (including among others: minimizing the crews on board off-shore and on-shore installations, extensive testing of offshore personnel and other health and safety processes or the promotion of working from home where possible).

Geopolitical situation in Europe

On the 24th of February 2022, Russia invaded Ukraine. The conflict, apart from severe personal and material damage in the affected countries, has a relevant impact in the international political relationships and in the worldwide economy. Among the immediate and most relevant impacts in the sector and markets in which the Company operates is the increased volatility in oil, gas, NGL and electricity prices, as well as the volatility in financial and other commodity markets. At this moment, any scenario of the evolution of the conflict and its consequences is highly uncertain. The Company is committed in complying with the directives arising from the sanctions and controls imposed to Russia and is following closely the events in order to anticipate possible impacts in its economic situation and in the performance of its business.

Other

According to the Norwegian Accounting Law § 3-3d the Company has to publish yearly a report with details about payments to the Government during the year. The report ("Country by Country Report") is presented at the end of this Annual Report.

The Company does not know of any other issues of importance, which are not stated in the financial statements and the disclosures in the notes to the financial statements, that are needed to evaluate the Company's position and results. There are no known after balance sheet events which are not disclosed.

Result allocation

The 2021 net income of NOK 1,382 million will be allocated to the retained earnings.

Stavanger, 23 March 2022

Jose Carlos De Vicente Bravo
Chairman of the Board

Vidar Nedrebø
Managing Director/Board member



Rafael Anders Alcala Soto
Board member

Beate Pedersen
Board member

Lars Anders Heimdal
Board member

Kåre Magnus Herikstad
Board member

Kai Egil Kirkevold
Board member

Cecilie Hettervik
Board member

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Country by Country Report -Repsol Norge AS

As required by Norwegian Accounting Law § 3-3d we present below the overview over payments to the Government during the year specified by country and project. It also includes a summary of investments during the year, revenue, production volumes, purchase of goods and services and interest expense to affiliated companies in other jurisdiction areas.

In Million NOK	Norway
Production (1)	0
Taxes and fees (2)	-1944,17
Royalties	0
Dividends	0
Bonuses (3)	0
Licence fees (4)	11,1
Infrastructure (5)	0
Shares (6)	0

1) Part of production emitted to authorities.

2) Taxes and fees to the company's income, production or net result. This excludes taxes and fees on consuming goods as VAT, tax withholding for employees e.g. In 2021 tax reimbursement due to the changes in the tax regulations.

3) Bonuses related to signatures, discoveries and production.

4) Fees related to licences, concession, access to licence e.g. In 2021 this consist of:

In NOK million:	Amount	Type of fee
Licence	(Million NOK)	
PL019G	0,0	Area and Co2 fee
PL316	11,02	Area and Co2 fee

5) Contributions to improved infrastructure.

6) Distribution of shares or other ownership interests in the company authorities.

Reporting of additional data:

In Million NOK (except for production)	Amount
Investments (for details see note 6)	3 270,85
Revenue (see note 2)	6 054
Production (mmboe)	8,71
Purchase of goods and services (1)	-
Interest cost to affiliated companies (2)	29,04

1) For information regarding purchase of goods and services , see the income statement and notes.

2) Interest cost to affiliated companies in other jurisdiction areas than the Company itself.



STATEMENT OF INCOME			
Repsol Norge AS			
Amounts in NOK 1 000	Note	2021	2020
OPERATING INCOME AND EXPENSES			
Sale of petroleum	2	6 051 717	2 365 135
Inventory change	2	1 875	-84 703
Other income	2	92 933	124 062
Total operating income		6 146 526	2 404 494
Production- and administration expense	4	1 404 813	946 637
Transportation expenses		347 854	334 376
Exploration expenses	3, 6	92 565	11 050
Depreciation	6	560 135	599 248
Impairment	6	31 326	906 313
Total operating expenses		2 436 694	2 797 624
OPERATING INCOME/-LOSS		3 709 832	-393 130
FINANCIAL ITEMS			
Interest income from affiliated companies		10 580	3 056
Other financial income		117 574	97 284
Net exchange gain/-loss		-63 517	43 453
Interest expense to affiliated companies		29 041	22 574
Other interest expenses		16 888	0
Accretion on ARO		79 370	128 657
Other financial expenses		21 126	140 876
Net financial income/-expenses	5	-81 787	-148 316
Income before taxes		3 628 045	-541 446
Income taxes	18	2 246 160	-483 351
NET INCOME/-LOSS		1 381 884	-58 094
Annual net profit/-loss		1 381 884	-58 094
DISTRIBUTION			
Transfer to retained earnings		-1 381 884	58 094
Total distribution		1 381 884	-58 094



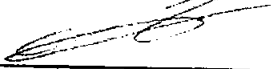







BALANCE SHEET			
Repsol Norge AS			
ASSETS			
Non-current assets			
Intangible assets			
Deferred tax assets	18	0	1 778 734
Goodwill	6	145 713	191 107
Total intangible assets		145 713	1 969 841
Property, plant and equipment			
Oil & gas properties		9 357 223	6 739 811
Exploration assets		59 742	47 253
Office furniture & fixtures		92 896	87 662
Total property, plant and equipment		9 509 861	6 874 726
Non-current financial assets			
Other long-term receivables	6	0	10 000
Total non-current financial assets		0	10 000
Total non-current assets		9 655 574	8 854 568
Current assets			
Inventories			
	7	25 308	105 075
Receivables			
Accounts receivables		1 094 773	255 012
Other short-term receivables	8	165 784	139 389
Receivables from affiliated companies	10	1 357 553	388 545
Tax receivable	18	0	1 125 256
Total receivables		2 618 111	1 908 203
Cash and cash equivalents	9	64 009	108 371
Total current assets		2 707 427	2 121 649
TOTAL ASSETS		12 363 002	10 976 217



BALANCE SHEET			
Repsol Norge AS			
EQUITY AND LIABILITIES			
Paid-in capital			
Share capital	12	1 007	1 007
Share premium	12	344 934	2 144 934
Total paid-in capital		345 941	2 145 941
Retained earnings			
Other equity	12	2 075 979	693 824
Total retained earnings	12	2 075 979	693 824
Total equity	12	2 421 920	2 839 764
Liabilities			
Long term provisions			
Employee benefit obligations	16	298 863	125 965
Provisions		4 719	19 683
Deferred tax liability	18	1 171 295	0
Provision decommissioning and removal cost	13	4 103 569	5 225 008
Total long term provisions		5 578 446	5 370 656
Other non-current liabilities			
Long term liabilities to affiliated companies	10	519 328	1 319 328
Other non-current liabilities	17	1 666 767	0
Total non-current liabilities		2 186 096	1 319 328
Current liabilities			
Current liabilities to affiliated companies	10	18 488	6 293
Overlift petroleum		121 893	67 997
Accounts payable		70 965	52 505
Tax payable	18	607 204	20 272
Public duties payable		31 921	23 808
Other current liabilities	11	1 326 068	1 275 594
Total current liabilities		2 176 540	1 446 469
Total liabilities		9 941 082	8 136 453
TOTAL EQUITY AND LIABILITIES		12 363 002	10 976 217



BALANCE SHEET	
Repsol Norge AS	
Stavanger 23.03.2022 The board of Repsol Norge AS	
 <u>Jose Carlos De Vicente Bravo</u> Chairman of the Board	 <u>Vidar Nedrebø</u> Managing Director/Board Member
 <u>Rafael Anders Alcala Soto</u> Board Member	 <u>Beate Pedersen</u> Board Member
 <u>Lars Anders Heimdal</u> Board Member	 <u>Kåre Magnus Herikstad</u> Board Member
 <u>Kai Egil Kirkevold</u> Board Member	 <u>Cecilie Hettervik</u> Board Member



Note 1 - Significant accounting policies

General

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

Revenue recognition

Revenue from sales of products is recognized when title passes to the customer, normally at the point of delivery or shipment, and measured at the fair value of the consideration received.

Expenses

Expenses are recognized in accordance with the matching principle, i.e., in relation to corresponding income or the relevant accounting period.

Estimates

Preparation of the financial statements in accordance with generally accepted accounting principles requires the Company to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Actual results may ultimately differ from the estimates and assumptions used.

Classification and evaluation of Balance Sheet items

Current assets and short-term liabilities consist of receivables and payables due within one year after transaction date. Other balance sheet items are classified as fixed assets / long-term liabilities. Current assets are valued at the lowest of acquisition cost and fair value. Short term liabilities are recognized at nominal value. Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

Goodwill \ Negative goodwill

The goodwill is the residual value between the purchase price and the book value of the acquired business after values have been assigned to the tangible and intangible assets. Goodwill is recognized as a non-current asset on the date of acquisition and is depleted using the unit of production method.

Negative goodwill is amortized using the straight-line method over a period of 5 years.

Property, plant and equipment

Property, plant and equipment are valued at cost less accumulated depreciation and impairment. Interest cost is capitalized as a part of acquisition costs for qualifying assets. Later changes and improvements to the assets are capitalized. Ordinary maintenance and expenses related to the preparation for operations are expensed on an ongoing basis. The Company uses the unit of production method for depreciating the producing assets. Successful exploration wells and development wells are depreciated based on proved and probable developed (2PD) reserves while acquisition costs and facilities are depreciated based on proved and probable (2P) reserves. Ordinary depreciation of assets onshore is based on a linear approach over the estimated useful life of the asset. Leased assets are capitalized if they meet the requirements of a financial lease.



Impairment of assets

Impairment tests are carried out at the closing balance sheet date or if there is an indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed by cash generating unit (CGU), which is the lowest level of the assets or group of assets and at which independent cashflows can be identified. If the carrying amount is higher than both, the fair value less cost to sell and value in use (net present value of the cashflows from future use/ownership), the asset is written down to the highest of fair value less cost to sell or the value in use. Previous impairment charges, except write-down of goodwill, are reversed in later periods if the conditions causing the write-down are no longer present (see also note 6).

Exploration and evaluation expenditures

Exploration costs are accounted for according to the “successful efforts” method. Geological and geophysical costs (G&G), as well as seismic and exploratory well costs are capitalized pending further evaluation of whether economically recoverable reserves have been found. If economically recoverable reserves are not found, exploratory well costs are expensed as dry holes, G&G and seismic are expensed as exploration costs.

Pensions

The Company has a defined benefit and a defined contribution pension plans for its employees under Norwegian terms. Pension obligation in the balance sheet is valued to the present value of future benefits based on a linear vesting assumption and an estimated final salary. Social security taxes are included in the figures. As this is a choice according to NRS 6, the Company has chosen to account for employee benefits according to IAS 19. Actuarial gains and losses are recognized directly in other equity in the period in which they are incurred.

Inventory of goods and spare parts

Operating stock and stock of well equipment is valued at the lower of cost and net realizable value.

Over- and underlift of petroleum products

Underlifted volumes are valued at the market value. Underlift is classified as a short-term receivable in the balance sheet.

Overlifted volumes are valued at the market value. Overlift is classified as a short-term liability in the balance sheet.

Decommissioning and removal provision

The Company provides for the cost of dismantling of offshore installations and for plugging and abandoning of wells. The present value of the estimated future costs is recognized in the balance sheet. The provision is reviewed regularly to reflect the passage of the time and changes in the underlying assumptions on the account of technological, regulatory, economic and environmental developments.



Foreign Currency Transactions

Transactions in foreign currency are recorded at daily exchange rates determined by the market rate. Cash, cash equivalents, receivables and liabilities in foreign currencies are translated at the exchange rate on the balance sheet date. Gain and losses relating to the foreign currency transactions are classified as finance income and finance expense. Forwards in foreign currency are measured at fair market value, whereas FX swaps follow the lower of cost and market principle.

Interest

All financial items are expensed.

Income Taxes

The Income Statement includes the item income tax expense which is an expression of the tax cost for the current accounting period and consist of current income tax as well as future income tax. The ordinary tax rate is 22 % and the special tax rate for petroleum income is 56 %.

The Company uses the liability method to account for income taxes. Under this method future income taxes are based on the differences between assets and liabilities reported for accounting purposes from those reported for income tax filing. The future tax asset or liability is measured using a corporate tax rate of 22% and a special tax rate of 56% after considering the uplift related to capital expenditures.

Companies operating on the Norwegian Continental Shelf under the offshore tax regime can claim the tax value of any unused tax losses related to its offshore activities to be paid in cash from the tax authorities when offshore activities subject to additional tax cease. Deferred tax assets that are based on offshore tax losses carried forward are therefore recognized in full.

Joint Ventures

The Company's share of income, expenses, assets, and liabilities in the respective joint ventures in which it is a partner are included in the Balance Sheet and Statement of income. Sales and purchases of working interests are booked on the transaction date. Gain and loss on sales is recognized as other income or other expenses. Income and expenses that arise in the period between the effective date and the transaction date, is showed in the seller's financial statements as income and expenses. Gain and loss is the difference between the consideration paid and book value at the transaction date. Acquisition cost is the consideration stated in the relevant sale and purchase agreement and income and expenses in the period between the effective date and the transaction date (completion). Working capital and over/under call is settled in cash.

Cash flow

The Statement of Cash Flow is prepared using the indirect method. Cash and cash equivalents comprise of the cash in bank and on-demand deposits.



Note 2. Total operating income

(KNOK)	2021	2020
Oil Sale	1 770 199	1 304 544
NGL Sale	530 171	374 630
Gas Sale	3 751 347	685 962
Changes in inventories (1)	1 875	-84 703
Other operating income (2)	92 933	124 062
Total	6 146 526	2 404 494

Geographic breakdown 2021 (KNOK)	Norway	EU- union	Rest of the world
Oil Sale	1706 511	33 965	29 723
NGL Sale	256 263	4 124	269 784
Gas Sale	0	0	3 751 347
Total	1 962 774	38 089	4 050 854

(1) Changes in inventories relates to the underlifted and overlifted volumes of crude and NGL's.

(2) Other income mainly relates to releases of ARO excess provisions (see note 13) (KNOK 81 237) and disposal of Brage (KNOK 10 693)

Note 3. Exploration expenses

Concept (KNOK)	2021	2020
Geology and cost related to exploration	14 667	15 444
Cost of exploration including dry holes (1)	77 898	-4 394
Total	92 565	11 050

(1) 2021 cost relates to write-off of dry wells and G&G costs on licence PL976.

Note 4. Payroll expenses, average number of employees, loans to employees and other fees

Concept (KNOK)	2021	2020
Salaries and other remuneration	395 541	476 723
Social Security	56 643	59 428
Pension expense (1)	43 272	48 812
Total	495 456	584 963

Average number of employees during the year	232	239
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(1) See also note 16.

Total payroll expenses are accumulated in the cost pool and charged to partner's in the Company's operated licences based on the hours incurred and calculated man-hour rate for the period.



Specification auditor's fee, excluding VAT

Concept (KNOK)	2021	2020
Statutory audit	2 082	2 240
Other assurance services	45	0
Total	2 127	2 240

Benefits to the Company's management- salaries and benefits

Concept (KNOK)	2021	2020
Managing director	4 671	5 773
Board of Directors	0	0
Total	4 671	5 773

The managing director has an agreed bonus based on operational results for the year compared to the budget. In addition, the Company has a retention programs: LTIP (long term incentive program) and transition scheme program.

There are no agreements about remuneration to the members of the board per 31.12.2021.

The members of the board are employees in the Repsol Group and do not receive any benefits other than their ordinary salary and benefits.

No loans or guarantees have been given to any members of the Company's Management or the Board of Directors.

Note 5. Financial records

Concept (KNOK)	2021	2020
Interest income from group companies (2)	10 540	2 278
Interest income from tax refund	41	777
Interest income from bank accounts	24	336
Financial derivatives, realized (1)	20 344	79 781
Financial derivatives, unrealized (1)	93 573	15 646
Foreign exchange gain	0	43 453
Other financial income	3 634	1 521
Total financial income	128 155	143 792
Interest expense, affiliated companies (2)	29 041	22 574
Capitalized interest (2)	-15 712	-20 296
Financial derivatives, realized (1)	15 451	156 819
Financial derivatives, unrealized (1)	17 429	6 127
Foreign exchange loss	63 517	
Other interest expenses	16 888	
Other financial expenses	3 958	-1 774
Accretion on decommissioning liabilities	79 370	128 657
Total financial expenses	209 942	292 108
Total net financial income/-expenses	-81 787	-148 316



(1) Since November 2011 the Company trades short term forex forwards and swaps to hedge its exposure in the foreign currency fluctuations. The foreign exchange exposure was mainly related to the sales and purchases in foreign currencies (mainly USD, EUR and GBP). Those transactions are recognized at fair value in the Income Statement. See also note 10. The valuation techniques used for the derivative financial instruments are based on an income approach, which consists of discounting known or estimated future flows using discount curves constructed on the basis of reference market interest rates (in the case of derivatives, they are estimated using implied market forward curves), including adjustments for credit risk based on the life of the instruments. The main variables for the valuation of financial instruments vary depending on the type of instrument valued but are mainly the following: exchange rates (spot and forward), interest rate curves, counterparty risk curves, equity prices and volatilities of all the aforementioned factors. In all cases, market data are obtained from recognized information agencies or correspond to quotations from official bodies.

(2) Interest cost capitalized on the Yme New Development project for the amount of the interest paid for the long-term loan with Repsol Europe Finance S.A net of the interest income from the intercompany deposit.

Note 6. Property, plant & equipment and intangible fixed asset.

Concept (KNOK)	Producing assets	Exploration assets	Office equipment	Goodwill	Total
Cost 01.01.2021	12 697 096	207 955	142 021	137 670	13 184 743
Additions this year (1)	3 125 320	121 555	23 974	0	3 270 849
Disposals (5)	-11 748				-11 748
Transfer (4)	-2 021 225	-63 449	0	0	-2 084 674
Cost 31.12.2021	13 789 443	266 061	165 996	137 670	14 359 170
Accumulated DDA/impairment 31.12.2020	-5 957 285	-160 703	-54 359	53 437	-6 118 909
Depreciation for the year	-496 002	0	-18 740	-45 394	-560 135
Dry hole cost (2)	0	-77 898	0	0	-77 898
Impairment (3)	-158	-31 168	0	0	-31 326
Transfer (4)	2 021 225	63 449	0	0	2 084 674
Accumulated DDA/impairment 31.12.2021	-4 432 219	-206 319	-73 100	8 044	-4 703 595
Net book value 31.12.2021	9 357 224	59 742	92 896	145 713	9 655 575

All figures are in NOK 1 000

(1) Investment in producing assets Yme, Gudrun, Brage, Visund and Mikkell. Exploration investment in prospect PL976 and Sigrun (PL25).

(2) See note 3.

(3) Impairment of exploration assets PL976 and Sigrun_well (PL25).

(4) Netting gross asset value and DDA of sold producing asset Brage and exploration asset Vette. Relinquished exploration assets (PL847 and PL1024).

(5) Disposal of the Brage asset at 31.12.2021

Depreciation of producing assets is calculated using the unit of production method. Onshore assets are depreciated on a straight-line basis over the estimated useful life of 3 to 6 years. Negative goodwill is depreciated on the straight-line basis over the period of 5 years.



The Company tests all assets for impairment at least annually or whenever there is a specific impairment indicator. If the recoverable amount of an asset (or a CGU) is estimated to be less than its net book value, an impairment loss is recognized in the income statement. The recoverable amount is the higher of fair value less costs of sale and value in use.

The methodology used to estimate the recoverable amount of an asset (or CGU) is, in general, the value in use, calculated by discounting to a present value the future cash flows expected to derive from the operation of these assets.

The assumptions used in the impairment tests are decided and approved on consolidated level and adjusted for the country-specific risks:

Hydrocarbon sale prices (WTI-West Texas Intermediate, HH -Henry Hub)

Real terms 2020	2022-2050 ¹⁾	2022	2023	2024	2025	2026	2027-2050 ²⁾	
Brent (\$/barrel) ¹⁾		62	69	67	66	68	68	60
WTI (\$/barrel)		59	66	64	63	65	65	58
HH (\$/Mbtu) ¹⁾		2.9	3.6	3.3	2.9	3.0	3.0	2.8
Electricity pool (€/MWh) ¹⁾		52	108	85	80	67	59	46

¹⁾ Average prices for the 2022-2050 period.

²⁾ Average prices for the 2027-2050 period.

Reserves, resources and production profiles. Production profiles are estimated based on output levels at existing wells and the development plans in place for each productive field.

Discount rate: used discount rate is the weighted average cost of capital employed after tax (WACC) and in 2021 was 6.93 % compared to 6,96% last year.

Operating expenses and investments are calculated for the first year based on the Company's annual budget and thereafter in accordance with the asset development programs, applying an escalation factor for operating expenses and investments (basically of 1-2.5%).

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Note 7. Inventory

Concept (KNOK)	2021	2020
Spare parts	25 308	105 075
Total	25 308	105 075

The inventory consists of the spare parts related to the various non-operated and operated fields/licenses. Capital spare parts and drilling and well equipment is presented as part of the Property, Plant and Equipment. Net inventory as per 31 December 2021 is KNOK 25 308. Decreased due to sale of Brage and Veslefrikk change of activity from production to decommission.

Note 8. Other receivables

Concept (KNOK)	2021	2020
Receivables related to licenses	0	44 495
Underlift	126 295	60 740
Prepaid expenses	29 228	31 191
Other short-term receivables	10 261	2 963
Total	165 784	139 389

Note 9. Cash and cash equivalents

Concept (KNOK)	2021	2020
Bank	39 478	86 294
Restricted employees' tax account	24 531	22 078
Total per Company's financial position	64 009	108 371
On demand intercompany deposits	1 279 585	375 001
Total per Company's cashflow statement	1 343 594	483 373

Note 10. Inter-company items between companies in the same group.

Short term receivables (KNOK)	2021	2020
Deposit at Repsol Tesorería y Gestión Financiera S.A. (1)	1 279 585	375 001
Accounts receivables, affiliated companies	1 824	4 025
Financial instruments at market value (2)	76 144	9 519
Total	1 357 553	388 545



(1) Intercompany deposit for excess cash at interest of 0.83% incl margin. The Company can call the amounts available on demand.

(2) Derivatives receivables, corresponding to foreign currency swaps, have been netted with derivatives payables and reported accordingly as intercompany receivable in 2021 and 2020 in the line "Financial derivatives, unrealized" above (see note 5).

Breakdown of derivatives at 31.12.2021 and 31.12.2020

KNOK	Current assets at fair value designated as such upon initial recognition		Current liabilities at fair value designated as such upon initial recognition		Total fair value	
	2021	2020	2021	2020	2021	2020
Exchange rate derivatives	93 573	15 646	-17 429	-6 127	76 144	9 519
Total	93 573	15 646	-17 429	-6 127	76 144	9 519

Short term debt (KNOK)	2021	2020
Accounts payable, affiliated companies	2 542	1 148
Other liabilities	15 946	5 145
Total	18 488	6 293

Long term debt (KNOK)	2021	2020
Loans from Repsol Europe Finance S.A (1)	519 328	1 319 328
Total	519 328	1 319 328

(1) Loan at interest rate 2.75% incl. margin to be repaid by end of September 2023.

Note 11. Other short term liabilities

Concept (KNOK)	2021	2020
Accrued holiday pay	31 883	31 085
Provision for accrued expenses	430 698	434 737
Payables related to licenses	74 930	0
Other current liabilities	3 286	5 189
Short term lease liabilities	193 420	50 179
Short term provision for decommissioning (1)	591 850	753 404
Deferred Income	0	1 000
Total other short-term liabilities	1 326 068	1 275 594

(1) See note 13.



Note 12. Equity capital

Concept (KNOK)	Share capital	Share premium	Other equity capital	Total equity capital
Equity 31.12.2020	1 007	2 144 934	693 824	2 839 764
Repayment share premium		-1 800 000		-1 800 000
Actuarial Gains/Losses			271	271
Net income 2021			1 381 884	1 381 884
Net book value 31.12.2021	1 007	344 934	2 075 979	2 421 920

The Share capital is NOK 1 007 000, with total 1 007 shares at NOK 1 000. All shares have equal rights. The Company is 100% owned by Repsol Exploración S.A. and it is consolidated into the financial statements of Repsol S.A., ultimate parent company, which is registered in Mendez Alvaro 44, 28045 Madrid, Spain. Further information about the Group accounts is available in www.repsol.com.

Note 13. Provisions for decommissioning obligations and removal cost

The Norwegian authorities require the license owners to remove offshore installations when no longer in use. Cost estimates for the decommissioning and removal of production facilities and for securing and final plugging of wells are prepared and reviewed at least annually or whenever the Company has relevant indication that the estimates may have changed, to the best estimate at the time. Technological development, future cost and interest rate development are some of the uncertainty factors associated with the cost estimates.

During 2021 the provision has decreased mainly due to the plugging wells on Gyda and Veslefrikk fields. In addition there was downwards revision of the ARO estimate for non operated assets. The provision to be settled during 2022 is KNOK 591 850 and mostly relates to P&A wells on Gyda and Veslefrikk fields. The liability to be settled after year 2027 is KNOK 3 336 852.

Concept (KNOK)	Long Term	Short Term	Total 2021
Provision at January 1, 2021	5 225 008	753 404	5 978 412
Accretion	79 370		79 370
Change in estimates (1)	-1 123 923	623 668	- 500 255
Sale of assets (2)	-76 886		-76 886
Settled decommissioning	0	- 785 222	- 785 222
Provision at December 31, 2021	4 103 569	591 850	4 695 419

Undiscounted future costs	5 222 556
Time horizon, years	1-14 years
Discount rate, year 1 to 8	2,19 %
Discount rate, year 9 to 14	2,61 %
Discount rate, year 15 to 18	2,67 %

1) KNOK 67 218 has been recorded against other operating income.

2) KNOK 76 886 represents sale of 5% of Brage's asset retirement obligation. Remaining 95% of Brage's ARO remains the Company's liability.



Note 14. Reserves (not audited)

Repsol Norway AS's reserves and contingent resources volumes have been classified in accordance with the Society of Petroleum Engineer's (SPE's) "Petroleum Resources Management System". All reserve estimates are based on all available data including seismic, well logs, core data, drill stem tests and production history. Industry standards are used to establish 1P and 2P reserves.

Proved oil and gas reserves (1P) are estimated quantities of crude oil, natural gas and natural gas liquids (NGL) that geological and engineering data demonstrate with reasonable certainty to be recoverable within the license period from known reservoirs under existing economic and operating conditions, i.e., prices and costs as of the date the estimates are made. Prices include consideration of changes in existing prices provided only by contractual arrangements, but not escalations based upon future conditions.

Probable oil and gas reserves (2P) are based on geological and/or engineering data similar to that used in estimates of proven reserves, but technical, contractual, or regulatory uncertainties preclude such reserves being classified as proven.

	Oil, NGL and gas (thousand boe)
Net proven and probable reserves January 1, 2021	67 220
Net proven and probable reserves December 31, 2021	56 703

The license periods extends up to 2034.

Note 15. Contingent assets, contingent liabilities and other commitments

The Company has firm commitments for vessels and rig lease, corporate office lease, transportation services and accounting services. The total obligations at 31 December 2021 is KNOK 674 257 (2020: KNOK 2 410 796) to be paid in the period 2022-2026 KNOK 585 582 and in period 2027-2029 KNOK 88 675.

The decrease compared to last year is mainly due to commitments related to lease of assets (the Company terminated Lease and Operate agreement with Maersk Drilling (see note 17).

During the normal course of its business, the Company will be involved in disputes, including tax disputes.

Note 16. Pension plans

The Company's pension plans cover all employees. Under the defined benefit plan (DBP) the employees have a right to receive defined future pensions determined primarily by their length of service, their salary level at the age of retirement and the size of the benefits from the National Insurance. The Company has also an unsecured commitment for employees who have been granted early retirement. The Company uses actuarial reports prepared by independent actuary for funding and accounting purposes. The plan satisfies the requirements under The Company Pension Act.

The projected pension benefit obligation is calculated as the net present value of the future pension benefits considered to be accrued on the balance sheet date. This is based on a constant accumulation by the employees of pension rights over their economically active years. Actuarial gains and losses are recognized directly in other equity in the period in which they are incurred.



Following the change of the pension schemes in 2017, most employees are now part of the defined contribution plan (DCP). The Company is making contributions to the pension plans for full-time employees equal to 7% for salary up to 7,1G and 22% for the salary up to and above 12G. Employees individually can choose, so called, 'investment profile' at the given pension provider. Based on those profiles all unfunded pension plans (those above 12G and for the transition scheme) are recognized as a pension liability and calculated based on the actual return on funds invested in the ordinary deposit plan (funded plan).

The pension premiums are charged to expenses as they are incurred.

Concept (MNOK)	2021			2021		Total
	Secured	Unsecured	Defined benefit plans	Defined contribution plans (unfunded)	Defined contribution plan (funded)	
Pension obligation						
Present value of vested obligation	300 194	205 131	505 326	35 361	-	540 687
Pension assets	-291 306	0	-291 306	0	0	-291 306
Social security taxes	1 253	28 924	30 177	0	0	30 177
Net asset (-)/obligation at 31.12.	10 142	234 055	244 197	35 361	0	279 558
Pension expense						
Service cost	16 313	0	16 313	7 854	16 113	40 280
Interest cost	6 356	1 010	7 366	1 550	0	8 916
Expected return on plan assets	- 6 071	0	- 6 071	0	0	- 6 071
Settlement/curtailment of a pension scheme (1)	- 10 557	164 466	153 909	0	0	153 909
Administration cost	148	0	148	0	0	148
Total pension expense	6 188	165 476	171 664	9 404	16 113	197 181
Actuarial gains/losses -						
Actuarial gains/losses - (note 12)	6 194	- 4 961	1 233	0	0	1 233
Gains/losses (-) recognized to equity	6 194	- 4 961	1 233	0	0	1 233

Result from restructuring of the asset portfolio with subsequent effect on the organisation structure, The Company offered early retirement packages to both offshore and onshore employees. Additional pension cost associated with the restructuring process is 154 MNOK.

A portion of the pension costs are charged to the licenses for which Repsol is an operator. The total premium paid to the life insurance company is in accordance with normal actuarial principles.

The following significant actuarial assumptions were applied to determine the periodic pension expense and the accrued benefit obligations:

	Benefit obligations
Discount rate	1,90 %
Estimated return on pension plan assets	1,90 %
Estimated annual salary increase	2,75 %
Estimated pension changes	0,00 %
Estimated change in social security base amount (G)	2,50 %



Note 17. Other non-current liabilities

Concept (KNOK)	2021	2020
Other long-term liabilities (1)	1 666 767	0
Total other long-term liabilities	1 666 767	0

(1) In 2021 the Company entered into a 10 year Bareboat Charter Hire with Havila Sirius AS for the rig Inspirer. The Charter Hire is a Hire Purchase and the Company will become the owner at the end of the Charter Hire. The rig is used as a production facility on the Yme field.

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Note 18 Tax

NOK 1000

Tax expense for the year	2021	2020
Current tax expense	-536 219	-2 111 600
Adjustment to current tax previous years	-716	1 404
Change deferred tax	2 779 525	1 623 267
Change in deferred tax from acquisitions	0	0
Change in deferred tax booked towards equity	-962	3 578
Accruals	4 532	0
Total tax expense	2 246 160	-483 351
Current tax:		
Profit before tax	3 628 045	-541 446
Permanent differences	46 323	1 737
Change in temporary differences	-1 751 096	-305 136
Corporate tax loss from previous years	0	0
Basis for calculating ordinary current tax (22%)	1 923 272	-844 845
Uplift	-1 124 948	-845 379
Financial items allocated onshore	14 664	14 520
Directly expensed PPE	-2 526 093	-1 763 108
Tax loss from previous years	0	0
Basis for calculating special petroleum tax (56%)	-1 713 105	-3 438 812
Corporate tax (22%)	423 120	-185 866
Special tax (56%)	-959 339	-1 925 735
Current tax previous years	0	0
Total Current tax expense	-536 219	-2 111 600
Tax payable in the balance sheet at December 31		
Tax payable/(receivable) this year	-536 219	-2 111 600
Tax installments received/(paid)	818 555	990 391
Tax refund (Skattefunn)	0	-1 000
Tax credits for taxes paid abroad	-507	-3 047
Change tax payable - disposal of asset	108 175	0
Accruals	217 200	20 272
Total tax payable in balance sheet	607 204	-1 104 984
Reconciliation of tax expense		
78 % of profit before tax	2 829 875	-422 328
Effect of permanent differences	36 132	1 355
Effect of uplift for the year	-629 971	-473 412
Effect of goodwill depreciation	35 407	80 014
Effect of goodwill impairment	0	309 310
Effect of financial items	-29 098	10 836
Effect of interest on loss carry forward (special tax)	0	-386
Adjustment to current tax expense previous years	-868	1 404
Adjustment to loss carried forward previous years	0	9 856
Change in accruals	4 532	0
Total tax expense/(income)	2 246 009	-483 351



Specification of deferred tax at December 31

Temporary differences fixed assets	3 514 643	2 634 232
Temporary differences decommissioning and removal costs	-4 727 652	-5 931 822
Temporary differences inventories	-170 065	-66 634
Temporary differences pension	-165 870	-125 965
Temporary differences over-/underlift	-52 908	38 328
Temporary differences other	-56 849	-4 562

Total temporary differences	-1 658 700	-3 456 423
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Tax loss carried forward, including interest	0	0
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Basis for calculating ordinary deferred tax (22%)	-1 658 700	-3 456 423
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Unused uplift including interest	0	0
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Temporary differences financial items	-76 144	-9 519
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Directly expensed PPE		
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Tax loss carried forward, including interest	-115 597	-115 597
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Basis for calculating special deferred tax (56%)	2 438 759	-1 818 431
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Ordinary deferred tax (22 %)	-364 914	-760 413
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Special deferred tax (56 %)	1 365 705	-1 018 321
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Total deferred tax / deferred tax asset	1 000 791	-1 778 734
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Sale of asset, booked in gain/loss account	362 900	0
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Reclass to accrual	-192 396	0
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Total deferred tax / deferred tax asset in balance sheet	1 171 295	-1 778 734
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Note 19. Subsequent events

No subsequent events

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STATEMENT OF CASHFLOW

All figures are in NOK 1000

CASHFLOW FROM OPERATING ACTIVITIES	2021	2020
Profit / loss (-) before taxes	3 628 045	- 541 446
Taxes paid/received	1 944 277	1 046 477
Depreciation	560 135	599 248
Gain on business disposal	-10 948	
Impairment	31 326	906 313
Non-cash release of ARO provision	- 67 218	- 112 761
Dry holes	77 898	- 4 394
Accretion on ARO	79 370	128 657
Decommissioning and removal cost	- 785 222	- 522 973
Curtailment effect pension liabilities	153 909	0
Changes inventory and short term receivables	- 850 813	59 893
Changes in current liabilities other than tax	315 469	- 217 612
Other	11 233	1 971
Net cash flow from operating activities	5 087 461	1 343 373
CASHFLOW USED IN INVESTING ACTIVITIES		
Asset acquisition and capital expenditures	-1 965 653	-2 271 930
Business acquisitions/disposals	356 915	0
Sale of asset	0	902
Net cash flow used in investing activities	-1 608 739	-2 271 028
CASHFLOW USED IN FINANCING ACTIVITIES		
Net increase / (decrease) interest bearing debt	- 800 000	1 319 328
Intercompany interest paid	- 18 501	- 20 296
Share premiums paid	-1 800 000	
Dividend paid	0	- 600 000
Net cash flow used in financing activities	-2 618 500	699 032
Net change in cash and cash equivalents		
Net change in cash and cash equivalents	860 222	-228 623
Cash and cash equivalents as at January 1, 2021	483 372	711 995
Cash and cash equivalents as at December 31, 2021	1 343 594	483 372

Cash and cash equivalents presented above consists of:

Cash and cash equivalents per financial position	64 009	108 371
On demand intercompany deposit (note 9 and 10)	1 279 585	375 001
Cash and cash equivalents as at December 31, 2021	1 343 594	483 372



To the General Meeting of Repsol Norge AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Repsol Norge AS (the Company), which comprise the balance sheet as at 31 December 2021, the statement of income and statement of cashflow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

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

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

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

PricewaterhouseCoopers AS, Kanalsletta 8, Postboks 8017, NO-4068 Stavanger
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no

Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Stavanger, 23 March 2022

PricewaterhouseCoopers AS

Gunnar Sløttøen

State Authorised Public Accountant



Skattedirektoratet

Saksbehandler Torstein Kinden Helleland	Deres dato 03.03.2016	Vår dato 10.03.2016
Telefon 22078139	Deres referanse Vidar Nedrebø	Vår referanse 2016/108497

REPSOL NORGE AS
Postboks 649 Sentrum
4003 STAVANGER

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Repsol Norge AS, org. nr. 993 787 787

Vi viser til deres brev av 3. mars 2016 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Repsol Norge AS.

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

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

Bakgrunn

Repsol Norge AS inngår i Repsol konsernet der konsernspiss er det spanske selskapet Repsol S.A. Selskapet driver virksomhet i olje- og gassbransjen. Arbeidsspråket er engelsk. Bransjen selskapet tilhører er internasjonal og arbeidsspråket på verdensbasis er engelsk. Alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

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

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

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

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Postboks 9200 Grønland
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Se www.skatteetaten.no
Org.nr: 996250318
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Sentralbord
800 80 000
Telefaks
22 17 08 60



gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

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

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

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

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Inger Helene Iversen
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Torstein Kinden Helleland

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer