



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

### Enheten

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

### Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023
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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:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Kari Holm
Dato for fastsettelse av årsregnskapet:	30.04.2024

### Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

*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, 16.05.2025



### Resultatregnskap

Beløp i: USD	Note	2023	2022
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Administrative expenses	3	158 000	27 000
<b>Sum kostnader</b>		<b>158 000</b>	<b>27 000</b>
<b>Driftsresultat</b>		<b>-158 000</b>	<b>-27 000</b>
<b>Finansinntekter og finanskostnader</b>			
Finance income	4,5	54 742 000	304 811 000
<b>Sum finansinntekter</b>		<b>54 742 000</b>	<b>304 811 000</b>
Finance cost	3,4	8 743 000	9 932 000
<b>Sum finanskostnader</b>		<b>8 743 000</b>	<b>9 932 000</b>
<b>Netto finans</b>		<b>45 999 000</b>	<b>294 879 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>45 841 000</b>	<b>294 852 000</b>
Income tax expenses	6	29 000	648 000
<b>Ordinært resultat etter skattekostnad</b>		<b>45 812 000</b>	<b>294 204 000</b>
<b>Årsresultat</b>		<b>45 812 000</b>	<b>294 204 000</b>
<b>Overføringer og disponeringer</b>			
From share premium	10	-100 149 000	-433 274 000
From retained earnings	10	-49 851 000	0
Tilleggsutbytte	5,10	150 000 000	753 000 000
Konsernbidrag	10	0	11 628 000
From other equity	10	45 812 000	-37 150 000
<b>Sum overføringer og disponeringer</b>		<b>45 812 000</b>	<b>294 204 000</b>



### Balanse

Beløp i: USD Note 2023 2022

#### BALANSE - EIENDELER

##### Anleggsmidler

##### Immaterielle eiendeler

##### Finansielle anleggsmidler

Investering i datterselskap	7	79 287 000	179 435 000
<b>Sum finansielle anleggsmidler</b>		<b>79 287 000</b>	<b>179 435 000</b>

<b>Sum anleggsmidler</b>		<b>79 287 000</b>	<b>179 435 000</b>
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##### Omløpsmidler

##### Varer

##### Fordringer

Konsernfordringer	5	0	5 181 000
<b>Sum fordringer</b>		<b>0</b>	<b>5 181 000</b>

##### Bankinnskudd, kontanter og lignende

Cash and cash equivalents	8	112 969 000	107 080 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>112 969 000</b>	<b>107 080 000</b>

<b>Sum omløpsmidler</b>		<b>112 969 000</b>	<b>112 261 000</b>
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<b>SUM EIENDELER</b>		<b>192 256 000</b>	<b>291 696 000</b>
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#### BALANSE - EGENKAPITAL OG GJELD

##### Egenkapital

##### Innskutt egenkapital

Equity	9,10	325 000	325 000
Overkurs	10	127 358 000	227 507 000
Annen innskutt egenkapital	10	1 182 000	5 415 000
<b>Sum innskutt egenkapital</b>		<b>128 865 000</b>	<b>233 247 000</b>

##### Opptjent egenkapital



## Balanse

<b>Beløp i: USD</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
Foreign currency translation reserve	10	-56 569 000	-56 763 000
<b>Sum opptjent egenkapital</b>		<b>-56 569 000</b>	<b>-56 763 000</b>
<b>Sum egenkapital</b>		<b>72 296 000</b>	<b>176 484 000</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Taxes payable	6	30 000	3 912 000
Borrowings from shareholders and related parties	5	119 901 000	111 291 000
Accounts payable and other current liabilities	5	29 000	10 000
<b>Sum kortsiktig gjeld</b>		<b>119 960 000</b>	<b>115 213 000</b>
<b>Sum gjeld</b>		<b>119 960 000</b>	<b>115 213 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>192 256 000</b>	<b>291 697 000</b>



### Konsernets resultatregnskap

Beløp i: USD	Note	2023	2022
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Revenue from contracts with customers	7	1 986 747 000	1 764 349 000
Other operating income	7	51 720 000	96 383 000
<b>Sum inntekter</b>		<b>2 038 467 000</b>	<b>1 860 732 000</b>
<b>Kostnader</b>			
Production cost	8	344 928 000	346 196 000
Depreciation	17,18, 19	466 857 000	285 734 000
Exploration expenses	9	21 549 000	58 072 000
Other operating expenses	10,11, 12	47 654 000	55 042 000
<b>Sum kostnader</b>		<b>880 988 000</b>	<b>745 044 000</b>
<b>Driftsresultat</b>		<b>1 157 479 000</b>	<b>1 115 688 000</b>
<b>Finansinntekter og finanskostnader</b>			
Renteinntekt fra foretak i samme konsern	13	4 554 000	1 395 000
Annen renteinntekt	13	18 666 000	9 190 000
Other financial income	13	127 418 000	68 966 000
<b>Sum finansinntekter</b>		<b>150 638 000</b>	<b>79 551 000</b>
Rentekostnad til foretak i samme konsern	13	0	18 000
Annen rentekostnad	13	132 808 000	41 547 000
Other financial expenses	13	105 834 000	19 769 000
<b>Sum finanskostnader</b>		<b>238 642 000</b>	<b>61 334 000</b>
<b>Netto finans</b>		<b>-88 004 000</b>	<b>18 217 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>1 069 475 000</b>	<b>1 133 905 000</b>
Income tax expenses	14	916 096 000	823 109 000
<b>Ordinært resultat etter skattekostnad</b>		<b>153 379 000</b>	<b>310 796 000</b>
Share of net loss/profit in equity accounted investments	33	-3 515 000	10 206 000
<b>Årsresultat</b>		<b>149 864 000</b>	<b>321 002 000</b>



## Konsernets resultatregnskap

<b>Beløp i: USD</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
Foreign currency translation effects		1 689 000	2 705 000
Net gain commodity hedging, net of tax	24	9 101 000	0
Sum resultatkomponenter for IFRS-foretak		10 790 000	2 705 000
<b>Totalresultat</b>		<b>160 654 000</b>	<b>323 707 000</b>



### Konsernets balanse

Beløp i: USD	Note	2023	2022
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Goodwill	34,16, 19	286 394 000	286 394 000
Capitalised exploration expenditure	16	4 619 000	798 000
Other intangible assets	16	0	246 000
<b>Sum immaterielle eiendeler</b>		<b>291 013 000</b>	<b>287 438 000</b>
<b>Varige driftsmidler</b>			
Property, plant and equipment	17,19, 27	3 201 840 000	3 266 184 000
Right-of-use assets	18,19	36 649 000	38 018 000
<b>Sum varige driftsmidler</b>		<b>3 238 489 000</b>	<b>3 304 202 000</b>
<b>Finansielle anleggsmidler</b>			
Investment in joint venture	33	14 998 000	30 754 000
Loan to joint venture	33	80 589 000	77 789 000
Other assets, non-current		12 772 000	13 582 000
<b>Sum finansielle anleggsmidler</b>		<b>108 359 000</b>	<b>122 125 000</b>
<b>Sum anleggsmidler</b>		<b>3 637 861 000</b>	<b>3 713 765 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventories	15	16 981 000	17 076 000
<b>Sum varer</b>		<b>16 981 000</b>	<b>17 076 000</b>
<b>Fordringer</b>			
Accounts receivable		3 793 000	35 248 000
Other receivables, current	20	490 337 000	471 643 000
<b>Sum fordringer</b>		<b>494 130 000</b>	<b>506 891 000</b>
<b>Investeringer</b>			
Derivatives, current	24,30	70 989 000	74 991 000
<b>Sum investeringer</b>		<b>70 989 000</b>	<b>74 991 000</b>



### Konsernets balanse

Beløp i: USD	Note	2023	2022
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	21	291 125 000	633 157 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>291 125 000</b>	<b>633 157 000</b>
<b>Sum omløpsmidler</b>		<b>873 225 000</b>	<b>1 232 115 000</b>
<b>SUM EIENDELER</b>		<b>4 511 086 000</b>	<b>4 945 880 000</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share capital	22	325 000	325 000
Overkurs		127 358 000	215 879 000
<b>Sum innskutt egenkapital</b>		<b>127 683 000</b>	<b>216 204 000</b>
<b>Opptjent egenkapital</b>			
Retained earnings		202 376 000	113 991 000
Hedge reserve		9 101 000	0
Foreign currency translation reserve		-68 427 000	-70 116 000
<b>Sum opptjent egenkapital</b>		<b>143 050 000</b>	<b>43 875 000</b>
<b>Sum egenkapital</b>		<b>270 733 000</b>	<b>260 079 000</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
Utsatt skatt	14	979 238 000	871 131 000
<b>Sum avsetninger for forpliktelser</b>		<b>979 238 000</b>	<b>871 131 000</b>
<b>Annen langsiktig gjeld</b>			
Gjeld til kredittinstitusjoner	5,23,3 0	792 139 000	1 027 699 000
Decommissioning liabilities, non-current	5,26	817 004 000	753 019 000
Lease liabilities, non-current	5,29	22 832 000	29 284 000
Other liabilities, non-current	5,26	11 696 000	15 660 000
<b>Sum annen langsiktig gjeld</b>		<b>1 643 671 000</b>	<b>1 825 662 000</b>



## Konsernets balanse

<b>Beløp i: USD</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
<b>Sum langsiktig gjeld</b>		<b>2 622 909 000</b>	<b>2 696 793 000</b>
<b>Kortsiktig gjeld</b>			
Bank borrowings, current	5,23,3 0	49 436 000	49 800 000
Taxex payable	14	735 022 000	1 398 490 000
Accounts payable	5,25	11 644 000	44 203 000
Derivatives, current	5,24	22 037 000	10 045 000
Lease liabilities, current	5,29	14 152 000	9 043 000
Decommissioning liabilities, current	5,26	37 747 000	16 522 000
Other liabilities, current	5,25	747 406 000	460 905 000
<b>Sum kortsiktig gjeld</b>		<b>1 617 444 000</b>	<b>1 989 008 000</b>
<b>Sum gjeld</b>		<b>4 240 353 000</b>	<b>4 685 801 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>4 511 086 000</b>	<b>4 945 880 000</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer: 2024 420535

#### Enheten

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

#### Regnskapsår

Årsregnskapets periode: 01.01.2023 - 31.12.2023

#### Konsern

Morselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

#### Regnskapsregler

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

#### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Kari Holm  
Dato for fastsettelse av årsregnskapet: 30.04.2024

#### Grunnlag for avgivelse

År 2023: Årsregnskap er elektronisk innlevert.  
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023.

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

Brønnøysundregistrene, 05.06.2024



Organisasjonsnr: 922 404 798  
SVAL ENERGI HOLDING AS

## RESULTATREGNSKAP

Beløp i: USD	Note	2023	2022
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Administrative expenses	3	158 000	27 000
<b>Sum kostnader</b>		<b>158 000</b>	<b>27 000</b>
<b>Driftsresultat</b>		<b>-158 000</b>	<b>-27 000</b>
<b>Finansinntekter og finanskostnader</b>			
Finance income	4,5	54 742 000	304 811 000
<b>Sum finansinntekter</b>		<b>54 742 000</b>	<b>304 811 000</b>
Finance cost	3,4	8 743 000	9 932 000
<b>Sum finanskostnader</b>		<b>8 743 000</b>	<b>9 932 000</b>
<b>Netto finans</b>		<b>45 999 000</b>	<b>294 879 000</b>
<b>Ordinært resultat før skattekostnad</b>		<b>45 841 000</b>	<b>294 852 000</b>
Income tax expenses	6	29 000	648 000
<b>Ordinært resultat etter skattekostnad</b>		<b>45 812 000</b>	<b>294 204 000</b>
<b>Årsresultat</b>		<b>45 812 000</b>	<b>294 204 000</b>
<b>Overføringer og disponeringer</b>			
From share premium	10	-100 149 000	-433 274 000
From retained earnings	10	-49 851 000	0
Tilleggsutbytte	5,10	150 000 000	753 000 000
Konsernbidrag	10	0	11 628 000
From other equity	10	45 812 000	-37 150 000
<b>Sum overføringer og disponeringer</b>		<b>45 812 000</b>	<b>294 204 000</b>



Organisasjonsnr: 922 404 798  
SVAL ENERGI HOLDING AS

## BALANSE

Beløp i: USD Note 2023 2022

### BALANSE - EIENDELER

#### Anleggsmidler

##### Immaterielle eiendeler

##### Finansielle anleggsmidler

Investering i datterselskap 7 79 287 000 179 435 000

Sum finansielle  
anleggsmidler 79 287 000 179 435 000

Sum anleggsmidler 79 287 000 179 435 000

#### Omløpsmidler

##### Varer

##### Fordringer

Konsernfordringer 5 0 5 181 000

Sum fordringer 0 5 181 000

##### Bankinnskudd, kontanter og lignende

Cash and cash equivalents 8 112 969 000 107 080 000

Sum bankinnskudd,  
kontanter og lignende 112 969 000 107 080 000

Sum omløpsmidler 112 969 000 112 261 000

SUM EIENDELER 192 256 000 291 696 000

### BALANSE - EGENKAPITAL OG GJELD

#### Egenkapital

##### Innskutt egenkapital

Equity 9,10 325 000 325 000

Overkurs 10 127 358 000 227 507 000

Annen innskutt egenkapital 10 1 182 000 5 415 000

Sum innskutt egenkapital 128 865 000 233 247 000

##### Opptjent egenkapital

Foreign currency  
translation reserve 10 -56 569 000 -56 763 000

Sum opptjent egenkapital -56 569 000 -56 763 000

Sum egenkapital 72 296 000 176 484 000

Sum langsiktig gjeld 0 0

##### Kortsiktig gjeld



Taxes payable	6	30 000	3 912 000
Borrowings from shareholders and related parties	5	119 901 000	111 291 000
Accounts payable and other current liabilities	5	29 000	10 000
<b>Sum kortsiktig gjeld</b>		<b>119 960 000</b>	<b>115 213 000</b>
<b>Sum gjeld</b>		<b>119 960 000</b>	<b>115 213 000</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>192 256 000</b>	<b>291 697 000</b>



Organisasjonsnr: 922 404 798  
SVAL ENERGI HOLDING AS

## KONSERNRESULTATREGNSKAP

Beløp i: USD	Note	2023	2022
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Revenue from contracts with customers	7	1 986 747 000	1 764 349 000
Other operating income	7	51 720 000	96 383 000
<b>Sum inntekter</b>		<b>2 038 467 000</b>	<b>1 860 732 000</b>
<b>Kostnader</b>			
Production cost	8	344 928 000	346 196 000
Depreciation	17, 18, 19	466 857 000	285 734 000
Exploration expenses	9	21 549 000	58 072 000
Other operating expenses	10, 11, 12	47 654 000	55 042 000
<b>Sum kostnader</b>		<b>880 988 000</b>	<b>745 044 000</b>
<b>Driftsresultat</b>		<b>1 157 479 000</b>	<b>1 115 688 000</b>
<b>Finansinntekter og finanskostnader</b>			
Renteinntekt fra foretak i samme konsern			
	13	4 554 000	1 395 000
Annen renteinntekt			
	13	18 666 000	9 190 000
Other financial income			
	13	127 418 000	68 966 000
<b>Sum finansinntekter</b>		<b>150 638 000</b>	<b>79 551 000</b>
Rentekostnad til foretak i samme konsern			
	13	0	18 000
Annen rentekostnad			
	13	132 808 000	41 547 000
Other financial expenses			
	13	105 834 000	19 769 000
<b>Sum finanskostnader</b>		<b>238 642 000</b>	<b>61 334 000</b>
<b>Netto finans</b>		<b>-88 004 000</b>	<b>18 217 000</b>
<b>Ordinært resultat før skattekostnad</b>			
		<b>1 069 475 000</b>	<b>1 133 905 000</b>
Income tax expenses			
	14	916 096 000	823 109 000
<b>Ordinært resultat etter skattekostnad</b>		<b>153 379 000</b>	<b>310 796 000</b>
Share of net loss/profit in equity accounted investments			
	33	-3 515 000	10 206 000
<b>Årsresultat</b>		<b>149 864 000</b>	<b>321 002 000</b>
Foreign currency translation effects			
		1 689 000	2 705 000
Net gain commodity hedging, net of tax			
	24	9 101 000	0
Sum resultatkomponenter for IFRS-foretak			
		10 790 000	2 705 000



Totalresultat	160 654 000	323 707 000
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Organisasjonsnr: 922 404 798  
SVAL ENERGI HOLDING AS

## KONSERNBALANSE

Beløp i: USD	Note	2023	2022
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Goodwill	34,16,19	286 394 000	286 394 000
Capitalised exploration expenditure	16	4 619 000	798 000
Other intangible assets	16	0	246 000
<b>Sum immaterielle eiendeler</b>		<b>291 013 000</b>	<b>287 438 000</b>
<b>Varige driftsmidler</b>			
Property, plant and equipment	17,19,27	3 201 840 000	3 266 184 000
Right-of-use assets	18,19	36 649 000	38 018 000
<b>Sum varige driftsmidler</b>		<b>3 238 489 000</b>	<b>3 304 202 000</b>
<b>Finansielle anleggsmidler</b>			
Investment in joint venture	33	14 998 000	30 754 000
Loan to joint venture	33	80 589 000	77 789 000
Other assets, non-current		12 772 000	13 582 000
<b>Sum finansielle anleggsmidler</b>		<b>108 359 000</b>	<b>122 125 000</b>
<b>Sum anleggsmidler</b>		<b>3 637 861 000</b>	<b>3 713 765 000</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
Inventories	15	16 981 000	17 076 000
<b>Sum varer</b>		<b>16 981 000</b>	<b>17 076 000</b>
<b>Fordringer</b>			
Accounts receivable		3 793 000	35 248 000
Other receivables, current	20	490 337 000	471 643 000
<b>Sum fordringer</b>		<b>494 130 000</b>	<b>506 891 000</b>
<b>Investeringer</b>			
Derivatives, current	24,30	70 989 000	74 991 000
<b>Sum investeringer</b>		<b>70 989 000</b>	<b>74 991 000</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	21	291 125 000	633 157 000
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>291 125 000</b>	<b>633 157 000</b>
<b>Sum omløpsmidler</b>		<b>873 225 000</b>	<b>1 232 115 000</b>
<b>SUM EIENDELER</b>		<b>4 511 086 000</b>	<b>4 945 880 000</b>



## BALANSE - EGENKAPITAL OG GJELD

### Egenkapital

#### Innskutt egenkapital

Share capital	22	325 000	325 000
Overkurs		127 358 000	215 879 000
<b>Sum innskutt egenkapital</b>		<b>127 683 000</b>	<b>216 204 000</b>

#### Opptjent egenkapital

Retained earnings		202 376 000	113 991 000
Hedge reserve		9 101 000	0
Foreign currency translation reserve		-68 427 000	-70 116 000
<b>Sum opptjent egenkapital</b>		<b>143 050 000</b>	<b>43 875 000</b>

#### Sum egenkapital

**270 733 000**      **260 079 000**

### Gjeld

#### Langsiktig gjeld

Utsatt skatt	14	979 238 000	871 131 000
<b>Sum avsetninger for forpliktelseser</b>		<b>979 238 000</b>	<b>871 131 000</b>

#### Annen langsiktig gjeld

Gjeld til kredittinstitusjoner	5,23,30	792 139 000	1 027 699 000
Decommissioning liabilities, non-current	5,26	817 004 000	753 019 000
Lease liabilities, non-current	5,29	22 832 000	29 284 000
Other liabilities, non-current	5,26	11 696 000	15 660 000
<b>Sum annen langsiktig gjeld</b>		<b>1 643 671 000</b>	<b>1 825 662 000</b>

#### Sum langsiktig gjeld

**2 622 909 000**      **2 696 793 000**

#### Kortsiktig gjeld

Bank borrowings, current	5,23,30	49 436 000	49 800 000
Taxex payable	14	735 022 000	1 398 490 000
Accounts payable	5,25	11 644 000	44 203 000
Derivatives, current	5,24	22 037 000	10 045 000
Lease liabilities, current	5,29	14 152 000	9 043 000
Decommissioning liabilities, current	5,26	37 747 000	16 522 000
Other liabilities, current	5,25	747 406 000	460 905 000
<b>Sum kortsiktig gjeld</b>		<b>1 617 444 000</b>	<b>1 989 008 000</b>

#### Sum gjeld

**4 240 353 000**      **4 685 801 000**

#### SUM EGENKAPITAL OG GJELD

**4 511 086 000**      **4 945 880 000**



Organisasjonsnr: 922 404 798  
SVAL ENERGI HOLDING AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note  
2

### Regnskapsprinsipper

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

### Mer om årsverk og lønn

Ingen ansatte i selskapet i 2023 eller 2022.

<u>Sum</u>	<u>Beløp</u>	
<u>Balanseført verdi 31.12.</u>	<u>Varige driftsmidler</u>	<u>Immaterielle eiend.</u>
<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
<u>Pantstillelse</u>	<u>Beløp</u>	

### Note

<u>Beholdning av egne aksjer</u>	<u>Antall</u>	<u>Pålydende</u>	<u>Andel av aksjek.</u>
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### Erverv

Endringer i beholdning av aksjer i løpet av regnskapsåret

### Avhendelse

Endringer i beholdning av aksjer i løpet av regnskapsåret



Samvirkeforetak

Vedtektsbestemmelser/årsmøtevedtak/forslag til vedtak om medlemskapskonti

Mer om aksjer



Organisasjonsnr: 922 404 798  
SVAL ENERGI HOLDING AS

NOTEOPPLYSNINGER - KONSERN - alle poster oppgitt i hele tall

Note  
3

Regnskapsprinsipper  
IFRS - Please see attached Annual Statement with notes

Note  
10

Antall årsverk i regnskapsåret  
144.00

Note  
10

Spesifisering av resultatregnskapet

Lønnskostnader

<u>Lønn</u>	<u>Årets</u>	<u>Fjorårets</u>
	36786000.00	28042000.00
<u>Folketrygdavgift</u>	<u>Årets</u>	<u>Fjorårets</u>
	7110000.00	4773000.00
<u>Pensjonskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	2800000.00	1928000.00
<u>Andre ytelser</u>	<u>Årets</u>	<u>Fjorårets</u>
	1779000.00	1234000.00
<u>Sum lønnskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	48476000.00	35978000.00

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

Note

Ekstraordinære inntekter og kostnader

Sum Beløp

Balanseført verdi 31.12. Varige driftsmidler Immaterielle eiend.





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## 2023 Board of Director's report

Sval Energi Holding AS with subsidiaries ("the Group", "Sval") was established in 2019 with the aim of building a new generation energy company. The Group started as an infrastructure Group but are now building a strong portfolio combining oil and gas resources with decarbonisation (CCS) value chains.

The main activity in the Group is within the company Sval Energi AS, which is an exploration and production (E&P) company with a diverse portfolio of production, development and exploration assets on the Norwegian Continental Shelf. Now Sval is in the top ten list of the largest oil and gas producers on the Norwegian continental shelf. Last year, the Group acquired Spirit Energy Norway AS (Spirit)'s and Suncor Energy Norge AS (Suncor)'s Norwegian businesses. Later the same year, the Group acquired Equinor's participating interest the Greater Ekofisk area and 19% in the Martin Linge field. In August 2023, The Group was awarded operatorship for the Trudvang CO2 storage licence in the North Sea. The licence has the potential to store nine million tons of CO2 annually. This corresponds to approximately 20% of Norway's annual CO2 emissions. Sval Energi AS has a 40% ownership stake, while Storegga Norge AS and Vår Energi Norge AS each own 30%.

### Production

The Group had a portfolio of 14 producing fields at the end of 2023. During the year two new fields started production and the Vale field ceased production. Two new fields came into production in 2023, Fenja with 17.5% owner share and Dvalin with 10% owner share. Vale ceased production in September 2023 and decommissioning has commenced. Total volumes produced in 2023 were 24 million barrels of oil equivalents ("mmbœ"). Oil represented 62% of the production, with gas and NGL (Natural Gas Liquid) making up 38%. On average, the 2023 production was 66,365 boe/d and the three largest producers being Ekofisk, Martin Linge and Kvitebjørn.

### Development projects

The Group participated in 2023 in six development projects on the NCS which supports the Group's growth ambitions:

- The development projects Hanz (started production in April 2024), Halten East and Eldfisk North progressed according to plan in 2023, and production is planned to start in 2024
- The Dvalin North, Maria phase 2 and Symra projects were approved by the Ministry of Energy in 2023

### Exploration

The Group is an active explorer in Norway, which is an attractive region with significant opportunities. Sval's exploration activities are focused around the Group's producing hubs where existing infrastructure can be utilised leading to short lead times and attractive economics for discoveries. The exploration portfolio consisted of 20 licenses at the end of 2023. The Group is actively high grading its exploration portfolio, and Sval Energi AS was awarded four new licenses and divested four licenses during 2023. The Group participated in one exploration well on the NCS in 2023, the Sara well near Martin Linge which was dry. Sval is currently planning six exploration wells in 2024 and 2025.

### Portfolio optimisation

In August 2023, the Group was awarded 40% and operatorship for the Trudvang CO2 storage licence in the North Sea. The licence has the potential to store nine million tons of CO2 annually. This corresponds to approximately 20 percent of Norway's annual CO2 emissions.

### Renewables

The Group's wholly owned subsidiary Sval Renewables AS holds a 50% interest in the Metsälamminkangas ("MLK") onshore wind farm in Finland. With 24 turbines and an installed capacity of 132 MW, MLK has an estimated gross annual power generation of 400 GW, which is generated from 24 GE turbines with a total installed capacity of 132 MW. The wind farm has an estimated operational life of around 30 years and has been in operation since March 2022. MLK is producing renewable energy and is a positive contributor to the Northern European energy mix from a greenhouse gas perspective.



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## Consolidated Financial Statements

### Consolidated – Sval Energi Holding AS

The Group prepares and presents its accounts in accordance with International Financial Reporting Standards (IFRS), as adopted by EU and the Norwegian Accounting Act. The accounting policies applied in the Group's consolidated Financial Statements for 2023 are consistent with the statement for the year ended 31 December 2022, except the following:

- Change in presentation currency from NOK to USD
- Valuation of over-/underlift in the balance sheet from using cost price as measurement in 2022 to use of sales price in 2023
- Applying hedge accounting for all new commodity hedges entered into in 2023 with gain/loss recognised in other comprehensive income ("OCI") upon settlement/closing

In accordance with the Accounting Act § 3-3a, we confirm that the Financial Statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the coming years and the Group's economic and financial position is sound.

The Board of Directors believes that the consolidated Financial Statement provide a true and fair view of the Group's result for 2023 and the financial position at year-end.

### Income Statement

The Group's total income of USD 2 038 467 thousand (2022 - USD 1 860 732 thousand) consist of revenue from contracts with customers of USD 1 986 747 thousand and other operating income of USD 51 720 thousand. The increase in income is explained by higher production offset by lower prices in 2023 compared to 2022.

Total operating expense is USD 880 988 thousand (2022 - USD 745 045 thousand). Of this, production cost is USD 344 928 thousand, exploration expense is USD 21 549 thousand, depreciation is USD 466 857 thousand and other operating expenses is USD 47 654 thousand. The increase in operating expense in 2023 reflects the Group's increased activity/production in 2023.

Operating profit for 2023 is USD 1 157 479 thousand with 24.7 million boe of oil and gas sold compared to USD 1 115 687 thousand in 2022 with 13.2 million boe sold.

Net financial expense in 2023 is USD 88 004 thousand (2022 - net financial income of USD 18 218 thousand). Out of this, other financial income is USD 127 418 thousand (2022 - USD 68 966 thousand), and relates to unrealised/realised gain on forward currency contracts of USD 67 989 thousand in addition to foreign exchange gain of USD 59 429 thousand. In 2022 the main driver is unrealised gain on forward currency contracts USD 67 472 thousand. The Interest expense of USD 132 808 in 2023 (2022 - USD 41 565 thousand) consists mainly of interest expense of USD 82 201 thousand (2022 - USD 27 146 thousand), USD 32 750 on other interest expenses (2022 - USD 729 thousand), and USD 28 667 thousand related to accretion expenses (2022 - USD 10 436 thousand). Other financial expenses is USD 105 834 thousand (2022 - USD 19 769), where of 102 066 thousand is from unrealised/realised loss on forward currency contracts (2022 - USD 830 thousand).

Share of net (loss) in the equity accounted investment in MLK in 2023 of USD 3 516 thousand compared to net gain of USD 10 206 thousand in 2022.

Income tax expense was USD 916 096 thousand (2022 – USD 823 109 thousand). Tax payable was USD 735 022 thousand (2022 - USD 1 398 491 thousand).

Profit for the year was USD 149 864 thousand (2022 – USD 321 002 thousand), and total comprehensive income was USD 160 655 thousand (2022 – USD 323 708 thousand).



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## *Statement of Financial Position*

the Group's consolidated Financial Position has improved during the year, but mainly due to less cash and cash equivalents, the Group's total assets decreased compared to 2022. Total assets amount to USD 4 511 086 thousand at year-end 2023 whereas in 2022 USD 4 945 880 thousand.

Total non-current assets are USD 3 637 861 thousand on 31 December 2023, a small decrease from USD 3 713 766 thousand at year end 2022. The decrease is related to net decrease of property, plant and equipment in addition to reduced amount invested in joint venture.

Total current assets are USD 873 225 thousand on 31 December 2023, this is a net decrease compared to USD 1 232 115 thousand from year end 2022. The decrease in current assets is mainly within cash and cash equivalents.

Total equity on 31 December 2023 is USD 270 734 thousand, a small increase from year end 2022 when total equity was USD 260 080 thousand. This corresponds to an equity ratio of 6.0% compared to 5.3% in 2022. In addition to the profit of the year, the changes in equity are related to a dividend payment to Sval Energi Invest II AS in November 2023 of USD 150 000 thousand.

Non-current liabilities at year-end 2023 are USD 2 622 909 thousand compared to USD 2 696 794 thousand in 2022. The main driver for the decrease is a net decrease of bank borrowings non-current (USD 235 560 thousand), offset by an increase in deferred tax of USD 108 107 thousand and an increase in decommissioning liability non-current from USD 753 019 thousand in 2022 to USD 817 004 thousand in 2023.

Current liabilities are USD 1 617 444 thousand compared to USD 1 989 007 thousand in 2022. The decrease is from a significant reduction in tax payable (USD 735 022 thousand in 2023 compared to USD 1 398 490 thousand in 2022) partly offset by an increase in other liabilities current from USD 460 905 in 2022 to USD 747 406 thousand in 2023.

## *Cash Flow and Liquidity*

Net cash flow from operating activities was USD 562 493 thousand compared to USD 1 323 314 thousand in 2022. The decrease in operating cash flow is explained by taxes paid of USD 1 406 180 in 2023 compared to USD 286 844 in 2022.

Net cash used on investment activities was USD 415 933 thousand in 2023 compared to USD 1 164 198 thousand in 2022. Cash used on investment activities was significant lower due to no acquisitions in 2023, while in 2022 the acquisitions of mainly Spirit Energy Norway AS, Suncor Energy Norge AS, and Martin Linge/Ekofisk were in total USD 947 678 thousand. Disbursement on investment in property, plant and equipment on the other hand was USD 302 656 thousand in 2023 (2022 - USD 178 671).

Net cash used in financing activities were USD 486 338 thousand compared to cash from financing activities in 2022 of USD 327 818 thousand. Cash used in financing activities in 2023 was mainly related to net proceeds to bank borrowings of USD 320 940 thousand, while in 2022 the net proceeds from bank borrowings were USD 891 126 thousand. In addition, the main driver of changes in financing activities was dividend paid of USD 150 000 thousand to shareholders in November 2023 compared to USD 775 329 thousand paid in September 2022.

Cash and cash equivalents 31 December 2023 were USD 291 125 thousand compared to USD 633 157 thousand in 2022.

## **Parent Company – Sval Energi Holding AS**

The parent company, Sval Energi Holding AS, has prepared its Financial Statements for the year ended 31 December 2023 in accordance with Generally Accepted Accounting Principles in Norway ("NGAAP").



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The accounting policies applied in the statutory financial statements for 2023 are consistent with the statutory financial statements for the year ended 31 December 2022, except for the change of functional and presentation currency from NOK to USD.

The Board of Directors believes that the annual accounts provide a true and fair view of the Company's result for 2023 and the financial position at year-end. In accordance with the Accounting Act § 3-3a, we confirm that the Financial Statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the coming years and the Company's economic and financial position is sound.

#### *Income Statement*

Sval Energi Holding AS is a holding company without any employees. Operating loss for 2023 is USD 158 thousand and USD 27 thousand for 2022.

Net financial income is USD 45 999 (2022 - USD 294 880 thousand). Out of this, USD 49 851 thousand relates to the dividend received from Sval Energi AS in November 2023 (2022 - USD 291 849 thousand).

Profit for the year was USD 45 812 thousand (2022 - USD 294 204 thousand).

#### *Statement of Financial Position*

Total non-current assets related to the investment in the subsidiary Sval Energi AS. The investment is USD 79 287 thousand as of 31 December 2023, a decrease from USD 179 435 thousand compared to year end 2022. The decrease of net book value of investment is related to dividend received from Sval Energi AS in November 2023, where USD 100 149 thousand is recognised as a reduction of investment in subsidiary.

Total current assets are USD 112 969 on 31 December 2023, an increase from USD 112 262 thousand 31 December 2022. The increase in current assets is related to cash and cash equivalents, partly offset by the total repayment of the borrowings to shareholders and related parties of USD 5 181 thousand.

Total assets amount to USD 192 256 at year-end 2023 whereas in 2022 it was 291 697 thousand.

Total equity on 31 December 2023 is 72 296 thousand, a decrease from year-end 2022 when total equity was USD 176 484. This corresponds to an equity ratio of 37.6% compared to 60.5% in 2022. In addition to the profit of the year, the only change in equity is a dividend payment to Sval Energi Invest II AS in November 2023 of USD 150 000 thousand.

Current liabilities are USD 119 960 thousand at 31 December 2023 compared to USD 115 213 thousand at year-end 2022. The increase in current liability is mainly within borrowings from related parties, offset by a decrease in tax payable from USD 3 912 thousand in 2022 to USD 30 thousand in 2023.

#### *Cash Flow and Liquidity*

Sval Energy Holding AS is a holding company and cash flow used in operating activities was USD 3 658 thousand compared to USD 82 thousand in 2022, and except from operating profit the movement is mainly due to taxes paid of USD 3 606 thousand.

Net cash from investment activities in 2023 of USD 154 766 thousand is related to the dividend received from Sval Energi AS of USD 150 000 thousand, in addition to net group contribution received of USD 4 766 thousand. In 2022 the same activity was USD 539 413 thousand generated from dividend from Sval Energi AS of USD 775 329 thousand offset by capital increase in subsidiary of USD 235 916 thousand.



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Net cash used in financing activities in 2023 was USD 145 153 thousand compared USD 438 099 thousand in 2022. Cash used in financing activities in 2023 was mainly relates to dividend of USD 150 000 thousand paid to shareholder in November 2023. While in 2022 the movement was related to dividend paid of USD 775 329 thousand in December, partly offset by increased borrowing to Sval Energi AS USD 97 205 thousand and capital increase of USD 235 916 thousand received from shareholder in September 2022.

Cash and cash equivalents 31 December 2023 were USD 112 969 thousand compared to USD 107 080 thousand in 2022.

#### *Dividend*

Sval Energi Holding AS paid a total dividend of USD 150 000 thousand to Sval Invest II in November 2023. In December 2022 a dividend of USD 753 000 thousand was paid to Sval Invest II AS.

#### **The Group's sustainability approach**

Environmental, Social and Governance ("ESG") aspects are an integral part of the Group's business strategy and ESG assessments are integrated into business activities and decisions to add value and future-proof the business. In 2023, the Group revised its ESG materiality assessment to reflect the approaching regulatory requirements introduced by the new EU Corporate Sustainability Reporting Directive ("CSRD"), which applies to Sval from the financial year 2025. The double materiality assessment sets the foundation for development of the ESG strategy and the reporting scope. The selected ESG topics are sorted under the key overarching environmental, social and governance themes.

The Group is committed to report with reference to the Global Reporting Initiative ("GRI") and the recommendations of the Taskforce on Climate related Financial risk Disclosure ("TCFD") while transitioning towards the new EU CSRD framework. For further information on our work relating to material sustainability topics, we refer to the annual Sustainability Report, the Equality and Anti-Discrimination Report and the Transparency Act report all of which are published on our website ([www.sval-energi.no](http://www.sval-energi.no)).

#### **Environment**

The Group acknowledges the climate challenge and the need for decarbonisation in line with the Paris Agreement, as well as national and industry targets. The impact from the oil and gas industry is material. Decarbonisation of our oil and gas activities is therefore a priority. Sval's commitment to minimise the negative impact of its activities is captured in the ESG and Health, Safety and Environment ("HSE") Policies.

Sval works closely with our license partners and through industry fora to decarbonise the activities on the NCS. The most material measure in the Group's portfolio during 2023 was electrification of the Ivar Aasen field fully operational. This nearly eliminates the Greenhouse Gas ("GHG") emissions from the field. This will also enable low carbon operations for the ongoing field developments of Hanz and Symra. By the end of 2023, the electrification projects for Njord and Draugen received regulatory approval, which will facilitate electrification of our Fenja tie-in field in 2027.

Environmental responsibility is considered part of our licence to operate, and in our 2023 Sustainability Report we also discuss our impacts and actions relating to pollution, biodiversity and ecosystems, and waste management.

#### **Social responsibility**

Safety is the number one priority in the Group and the HSE policy defines clear targets and Key Performance Indicators (KPIs) aiming for zero harm to people. In 2023, Sval commenced the decommissioning of Vale involving marine operations and activities on the Heimdal platform, and we also completed a vessel based maintenance campaign on the Oda field, both without any safety incidents. The Group systematically audits the HSE and emergency preparedness established by the operator of each asset the Company holds an interest in.

Absence from work due to illness remained low (2.7%) in 2023.



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Following a period of significant growth including multiple mergers and acquisitions, the Group reorganized in Q1 2023 to better adapt the organisation to the business' needs. At year-end 2023, the Group had 144 employees across the Stavanger and Oslo offices, of which 36% were women and 64% were men, and 19 different nationalities were represented. Sval continues to focus on gender equality and recruiting a workforce from diverse age groups and backgrounds. In 2023 we introduced a new reporting tool to improve our analysis and thereby target measures towards areas of concern. The Group undertook a salary harmonisation project, and diversity and inclusion training were provided across the organisation.

Sval also conducted a Working Environment Survey in collaboration with a third-party provider and with active involvement of our employee representatives. The survey allowed us to identify elements of the working environment which are working well and also highlighted areas for improvement, with employees expressing a desire for increased focus on personal and career development, improved communication, and greater involvement.

In 2023, the Group has continued the work on human rights and decent working conditions to safeguard workers in the value chain. In response to the Norwegian Transparency Act we refer to the Transparency Act report published on our website ([www.sval-energi.no](http://www.sval-energi.no)).

#### **Governance**

Governance activities and ethical business conduct remain priority areas for Sval and are high on the agenda for our Board and management team. The Group is committed to responsible corporate governance, adherence to laws and fostering a culture of ethics and compliance throughout the organisation. There have been no reported cases of non-compliance with laws and regulations in the fiscal year of 2023.

Sval has continued the work to improve its security and resilience against cyber threats. In 2023, the Group has further enhanced the Information Security Management System, benchmarking against ISO27001 standards and ensuring alignment with evolving cyber regulations.

#### **Reporting of payments to governments**

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

#### **Norwegian Equality and Anti-Discrimination Act**

The subsidiary Sval Energi AS in accordance with the Norwegian Equality and Anti-Discrimination Act § 26, Sval provides a statement of the actual status in terms of gender equality in the Company and what is being done to fulfil the activity obligation according to the legislation. Sval's statement is available on the Company's website ([www.sval-energi.no](http://www.sval-energi.no))

#### **Financial risk**

##### *Liquidity risk and cash management*

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

##### *Commodity price risk*

Fluctuation in oil and gas prices is a key financial risk to which the Group is exposed. During 2023, there has been high volatility in both oil and gas prices, although on average the realised prices have been relatively high in a historical context. To mitigate some of the commodity price risk, Sval is using financial derivatives to insure against downside price risk.



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#### *Interest rate risk*

As revenues and expenditures are largely denominated in different currencies, the Group is exposed to foreign exchange rate risk. Crude oil and NGL revenues are all USD denominated, while the dry gas is EUR and GBP denominated depending on whether it is sold to the European continent or to the UK. Some revenues, e.g., resale of transportation capacity, are still NOK denominated. The majority of costs, including tax payments, are NOK denominated although there is some USD exposure related to ongoing development projects as well as some costs being incurred in EUR and GBP.

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

#### *Credit risk*

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

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

#### *Task force of Climate-related Financial Disclosures*

The Group identifies and assesses climate risks and opportunities across its business in line with the recommendations of the Taskforce for Climate-related Financial Disclosures (TCFD) framework. These risks and opportunities are taken into account when developing strategies and financial plans. The climate risk assessment was updated in 2023, and the results were discussed with the Sustainability Committee and the Audit and Risk Committee in the subsidiary Sval Energi AS. Several of the climate-related risks are viewed as material, and this is also reflected in the Group's overall Enterprise Risk Management register. For Sval, the energy transition and global need to decarbonise also offers business opportunities, and we will target areas that match our existing competencies and capabilities. For now, that means focusing on CO2 storage as part of the Carbon capture and storage ("CCS") value chain. Sval's work under the TCFD framework is summarised in our annual Sustainability Report.

#### **Board of Directors**

The Board of Directors has three board members. Board members are nominated through the general meeting and serve for a period of two years from their initial appointment in line with the general rule set forth in section 6-6 of the Norwegian Companies Act. The Board is responsible for approving all significant transactions of Sval Energi Holding AS, such as debt refinancing, acquisitions and disposals, and the issuance of additional equity shares. The Board of Directors are covered by the Group's directors' and officers' liability insurance.

#### **Subsequent events and outlook**

The Hanz license moved from development phase to production phase, where first production was in April 2024.

The Group has five ongoing development projects (Dvalin North, Eldfisk North, Halten East, Maria Phase 2 and Symra) that are making good progress towards production in the near to medium term.

The Group, through the subsidiary Sval Energi AS, was awarded two new licenses in the Annual Awards in Predefined Areas (APA) licensing round, one as operator and one as a partner. The licenses are PL 1229 (Sval 30 percent and operator) and PL 1225 S (Sval 20 percent), both located in the Norwegian Sea.



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Furthermore, the Group initiated drilling activities on two exploration wells at the beginning of 2024. The Amethyst exploration well (PL1138) was spudded on 8 January by the Noble Integrator drilling rig and finalized in March 2024. The Ringhorne North exploration well was spudded on 31 January and finalized in April 2024. Both exploration wells have been a success and declared as discoveries.

The joint venture MLK experienced an incident during February 2024. A fire broke out at Turbine 21. No people were injured. The turbine supplier, OX2 and the SPV is working to resolve the matter, including erecting a new turbine. 23 out of 24 turbines are still in operation and the production short fall following the incident as well as the replacement of the damaged turbine will be compensated financially through agreements already in place prior to the incident.

In January 2024, Sval Renewables AS paid an additional group contribution without taxable effect of EUR 8 million to Sval Energi Invest II AS.

Continued growth of the Group's portfolio through both organic and inorganic activities in line with Group's strategy are key objectives for 2024.

Stavanger, 30 April 2024

The Board of Directors of Sval Energi Holding AS

DocuSigned by:  
*Einar Gjelsvik*  
82A4A4CDC0134AE...  
Einar Gjelsvik  
Chair

DocuSigned by:  
*Ove Martin Juul*  
58F725B27BFD449...  
Ove Martin Juul  
Board member

DocuSigned by:  
*Kjell Erik Endresen*  
C5C50E8C997B4BF...  
Kjell Erik Endresen  
Board member



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FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2023  
SVAL ENERGI HOLDING AS





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## Income Statement

USD thousand	Note	2023	2022
Administrative expenses	3	(158)	(27)
<b>Operating profit</b>		<b>(158)</b>	<b>(27)</b>
Finance income	4, 5	54 742	304 811
Finance cost	4, 5	(8 743)	(9 931)
<b>Net financial items</b>		<b>45 999</b>	<b>294 880</b>
<b>Profit before taxes</b>		<b>45 841</b>	<b>294 852</b>
Income tax expense	6	(29)	(648)
<b>Profit for the year</b>		<b>45 812</b>	<b>294 204</b>
Extraordinary dividend	5, 10	150 000	753 000
From share premium	10	(100 149)	(433 274)
From retained earnings	10	(49 851)	-
Group contribution	10	-	11 627
From other equity	10	45 812	(37 150)
<b>Attributable to the owner</b>		<b>45 812</b>	<b>294 204</b>



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## Balance Sheet

USD thousand	Note	31 December 2023	31 December 2022
<b>ASSETS</b>			
Investments in subsidiary	7	79 287	179 435
<b>Total non-current assets</b>		<b>79 287</b>	<b>179 435</b>
Borrowings to shareholders and related parties	5	-	5 181
Cash and cash equivalents	8	112 969	107 080
<b>Total current assets</b>		<b>112 969</b>	<b>112 262</b>
<b>Total assets</b>		<b>192 256</b>	<b>291 697</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	9	325	325
Share premium		127 358	227 507
Other equity		1 182	5 415
Foreign currency translation reserve		(56 569)	(56 763)
<b>Total equity</b>	10	<b>72 296</b>	<b>176 484</b>
Borrowings from shareholders and related parties	5	119 901	111 291
Accounts payable and other current liabilities	5	29	10
Taxes payable	6	30	3 912
<b>Total current liabilities</b>		<b>119 960</b>	<b>115 213</b>
<b>Total liabilities</b>		<b>119 960</b>	<b>115 213</b>
<b>Total equity and liabilities</b>		<b>192 256</b>	<b>291 697</b>

Stavanger, 30 April 2024

The Board of Directors of Sval Energi Holding AS

DocuSigned by:  
  
Einar Gjelsvik  
Chair

DocuSigned by:  
  
Ove Martin Juul  
Board member

DocuSigned by:  
  
Kjell Erik Endresen  
Board member



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## Cash Flow

USD thousand	Note	2023	2022
<b>Cash flow from operating activities</b>			
Profit before income tax		45 841	294 852
<b>Adjusted for:</b>			
Finance costs, net	4	(45 999)	(294 880)
Taxes paid		(3 606)	-
Changes in accounts payables and accounts receivables		106	(55)
<b>Net cash from operating activities</b>		<b>(3 658)</b>	<b>(83)</b>
<b>Cash flow from investing activities</b>			
Dividend received	5,10	150 000	775 329
Capital increase in subsidiary		-	(235 916)
Group contribution received		4 766	-
<b>Net cash from investing activities</b>		<b>154 766</b>	<b>539 413</b>
<b>Cash flow from financing activities</b>			
New borrowings from subsidiary	5	106 700	282 178
Repayment of borrowings to subsidiary	5	(106 700)	(184 973)
Capital increase	10	-	235 916
Dividend paid	10	(150 000)	(775 329)
Interest received	4	4 891	4 109
Interest paid	4	(43)	-
<b>Net cash from financing activities</b>		<b>(145 153)</b>	<b>(438 099)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>5 955</b>	<b>101 231</b>
Effect of exchange rate changes on cash and cash equivalents		(66)	(664)
Cash, cash equivalents and bank overdrafts at start of the period	8	107 080	9 934
Foreign currency translation reserve		-	(3 421)
<b>Cash and cash equivalents at end of the period</b>	<b>8</b>	<b>112 969</b>	<b>107 080</b>

2022 figures in the Statement of Cash Flow might not correspond with figures in notes below due to use of yearly average USD/NOK exchange rate for the conversion in the presentation currency NOK to USD in the Statement of Cash Flow and year-end USD/NOK exchange rate in the notes. In addition, movements in equity have used historical exchange rate, see note 2 for more information.



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## 1. General information

Sval Energi Holding AS (the Company) was established on 28<sup>th</sup> February 2019. The Company is a wholly owned subsidiary of the HitecVision controlled company Sval Energi Invest II AS. Sval Energi Holding AS and subsidiaries (the Group) was established in 2019 with the aim of building a new generation energy company positioned in both E&P and renewables. Sval Energi Holding AS is a holding company without any employees and 100 % share in Sval Energi AS. The subsidiary Sval Energi AS E&P portfolio consist of several exploration licenses and fields under development.

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

The Financial Statements were authorised for issue by the Annual General Meeting on 30 April 2024.

## 2. Basis of presentation

The Financial Statements have been prepared in accordance with the Company's accounting policies which are further described below. These accounting policies are based on Generally Accepted Accounting Principles in Norway ("NGAAP").

The Company has made an assessment of the criteria in NRS 20 related to functional currency and changed functional currency from NOK to USD with the effect from 1 January 2023. Consequently, the Company has changed its presentation currency from NOK to USD for the Financial Statements for the year ended 31 December 2023. Change in presentation currency is a voluntary change in accounting principles, and retrospective comparison figures are recalculated to presentation currency USD for the year 2022 as follows:

- Income Statement, statement of Comprehensive Income and Statement of Cash Flow translated to USD using yearly average foreign currency rates for the relevant period.
- Assets and liabilities in the Statement of Financial Positions translated to USD at the closing foreign currency rates on the relevant balance sheet dates.
- Equity in the Statement of Financial Positions translated to USD using the historical exchange rate at the date of the transactions and yearly average for retained earnings.

All amounts in the Financial Statements are shown in thousands of USD unless stated otherwise.

The consolidated Financial Statements for the Group for the year ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated Financial Statements for the Group are presented in Sval Energi Holding AS.

## 3. Auditor remuneration

USD thousand	2023	2022
Statutory audit <sup>1)</sup>	20	16
Other assurance services	5	1
<b>Total auditor remuneration</b>	<b>25</b>	<b>17</b>

<sup>1)</sup> The audit fee is presented excluding VAT.



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## 4. Finance income and cost

USD thousand	2023	2022
<b>Finance income</b>		
Other interest income	4 891	4 109
Dividend received	49 851	291 849
Group contribution received	-	8 853
<b>Total finance income</b>	<b>54 742</b>	<b>304 811</b>
<b>Finance cost</b>		
Interest expense on bank borrowings	(43)	-
Interest expense from group companies	(8 610)	(9 874)
Net foreign exchange loss	(90)	(57)
<b>Total finance cost</b>	<b>(8 743)</b>	<b>(9 931)</b>
<b>Net financial items</b>	<b>45 999</b>	<b>294 880</b>

## 5. Intercompany, related parties and key management remuneration

Related party transactions		2023	2022
USD thousand	Type		
Sval Energi AS	Interest	4 219	9 641
Sval Energi AS	Time writing cost	41	-
Sval Energi AS	Repayment of loan	-	(16 550)
Sval Energi AS	Dividend received	150 000 <sup>1)</sup>	753 000 <sup>2)</sup>
Sval Energi Invest II AS	Dividend paid	(150 000) <sup>3)</sup>	(753 000) <sup>4)</sup>
Sval Energi Invest II AS	Group contribution accrual receivable	-	14 907 <sup>4)</sup>
Sval Energi Invest II AS	Group contribution accrual payable	-	(11 627) <sup>4)</sup>
Sval SENAS AS	Group contribution accrual receivable	-	8 644 <sup>5)</sup>
Sval SENAS AS	Group contribution accrual payable	-	(6 742) <sup>5)</sup>

<sup>1)</sup> The Board in Sval Energi AS approved a dividend of USD 150 000 thousand to Sval Energi Holding AS in an extraordinary shareholders' meeting in October 2023, USD 49 851 thousand was recognised as finance income and USD 100 149 thousand as a reduction of investment in subsidiary. The dividend of USD 150 000 thousand was received in October 2023.

<sup>2)</sup> The Board in Sval Energi AS approved a dividend of USD 753 000 thousand to Sval Energi Holding AS in an extraordinary shareholders' meeting in December 2022, USD 317 670 thousand was recognised as finance income and USD 435 330 thousand as a reduction of investment in subsidiary. The dividend of USD 753 000 thousand was received in December 2022.

<sup>3)</sup> The Board in Sval Energi Holding AS approved a dividend of USD 150 000 thousand to Sval Energi Invest II AS in an extraordinary shareholders' meeting in October 2023, USD 150 000 thousand was recognised as reduction in share premium. The dividend of USD 150 000 thousand was paid in October 2023.

<sup>4)</sup> The Board in Sval Energi Holding AS approved a dividend of USD 753 000 thousand to Sval Energi Invest II AS in an extraordinary shareholders' meeting in December 2022, USD 433 274 thousand was recognised as reduction in share premium and USD 319 726 thousand as a reduction of other equity. The dividend of USD 753 000 thousand was paid in December 2022.

<sup>5)</sup> Recognised group contributions were the best estimate expected group contribution as of 31.12.2023 to be approved and paid in 2023. The group contribution is structured as circle group contribution where the contribution to be received are taxable income for the company (positive amount in the table), while the group contribution to be paid are not tax deductible.



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The loan carried interest on arm's length conditions and was subordinated to all other liabilities in Sval Energi Holding AS.

The intercompany receivable and payables consist of:

USD thousand		31.12.2023	31.12.2022
<b>Associated companies</b>	<b>Category</b>	<b>Nominal amount</b>	<b>Nominal amount</b>
Sval SENAS AS	Current receivables	-	1 902
Sval Energi Invest II AS	Current receivables	-	3 280
Sval Energi AS	Current liabilities	(119 929)	(111 291)

The Company has financial risk management policies in place to ensure that all loans and receivables are paid within the agreed terms of payments.

Sval Energi Holding AS, on behalf of Sval Energi AS, has provided a parent company guarantee, see note 11 for more details. Apart from this guarantee, there are no pledges, guarantees or other security in favour of companies in the same group.

#### Key management remuneration

The Board members did not receive any remuneration for 2023 or 2022.

## 6. Tax

#### Accounting principle

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

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

USD thousand	2023	2022
Profit before income tax	45 841	294 852
Tax calculated at the domestic rate (22%)	10 085	64 867
<b>Tax effects of:</b>		
Received group dividend	(10 967)	(64 207)
Permanent difference	898	-
Foreign currency translation of monetary items	13	-
Unrecognised tax losses not recognised as deferred tax asset	-	(12)
<b>Tax expense</b>	<b>29</b>	<b>648</b>
<b>Effective income tax rate</b>	<b>-</b>	<b>0.2%</b>

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

There are no deferred tax balances recognised for either of the years 2023 or 2022.



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## Specification of tax payable:

USD thousand	2023	2022
<b>Tax payable at 1 January</b>	<b>3 912</b>	-
Taxes paid in the period	(3 606)	-
Current tax for the year	29	648
Tax on received group contribution <sup>1)</sup>	-	3 359
Foreign currency effect	(305)	-
Foreign currency translation reserve	-	(95)
<b>Tax payable at 31 December</b>	<b>30</b>	<b>3 912</b>

<sup>1)</sup> Payable tax on group contribution in 2022 from Sval Energi Invest II is not recognised as current tax in the Income Statement but directly against current tax in the balance sheet. Please see note 5 for further information.

## 7. Investment in subsidiary

### Accounting principle

Subsidiaries and investments in associates are carried at cost in the parent company accounts. The cost price of the investment of subsidiaries is increased when capital in subsidiaries is increased or when group contribution or dividend is given to a subsidiary. Distribution received is initially recognised as other financial income. Distribution that exceeds earned equity after purchase of the subsidiary is recognised as a reduction of investment in subsidiary. The Company reviews periodically whether its investment in subsidiary Sval Energi AS have suffered any impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Investment in subsidiary is written down to its recoverable amount when the recoverable amount is lower than the carrying value of the asset. The recoverable amounts of the financial assets have been determined based on the highest of fair value less cost to sell and value in-use calculations. The recoverable amount calculations are based on contractual cash flows and estimates of future cash flows over the useful lives of the assets. The recoverable amount is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. Calculation of the recoverable amount requires use of estimates.

Impairment assessment of the investment in subsidiary was performed at year-end. No impairment is recognised in 2023 nor for 2022.

USD thousand	Country of incorporation	Number of shares owned	Ownership	Net book value of investment <sup>1)</sup>	Equity as per end of period	Profit/loss per end of period
<b>31 December 2023</b>						
Sval Energi AS	Norway	21 637 312	100 %	79 287	276 335	161 673
<b>31 December 2022</b>						
Sval Energi AS	Norway	21 637 312	100 %	179 435	264 662	322 776

<sup>1)</sup> The decrease of net book value of investment from USD 179 435 thousand in year-end 2022 compared to USD 79 287 in year-end 2023 are related to dividend received from Sval Energi AS in October 2023 where USD 100 149 thousand is recognised as a reduction of investment in subsidiary.

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



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## 8. Cash and cash equivalents

### Accounting principle

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

USD thousand	31 December 2023	31 December 2022
Bank deposit	112 969	107 080
<b>Cash and cash equivalents</b>	<b>112 969</b>	<b>107 080</b>

## 9. Share capital

	31.12.2023	31.12.2022
Shareholder	Sval Energi Invest II AS	Sval Energi Invest II AS
Ownership	100%	100%
Share capital	325 214	325 214
Number of shares	200 050 000	200 050 000
Nominal value of each share in NOK	0.014	0.014

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

## 10. Equity

USD thousand	Share capital	Share premium	Other equity		Total equity
			Retained earnings	Currency translation differences	
<b>Balance at 1 January 2022</b>	<b>305</b>	<b>428 673</b>	<b>42 565</b>	<b>(10 068)</b>	<b>461 475</b>
Profit for the year	-	-	294 204	-	294 204
Capital increase <sup>1)</sup>	20	220 480	-	-	220 500
Dividend <sup>2)</sup>	-	(433 274)	(319 726)	-	(753 000)
Group contribution <sup>3)</sup>	-	11 627	(11 627)	-	-
Foreign currency translation reserve	-	-	-	(46 695)	(46 695)
<b>Balance at 31 December 2022</b>	<b>325</b>	<b>227 507</b>	<b>5 415</b>	<b>(56 763)</b>	<b>176 484</b>
Profit for the year	-	-	45 812	-	45 812
Dividend <sup>4)</sup>	-	(100 149)	(49 851)	-	(150 000)
Foreign currency translation reserve	-	-	(194)	194	-
<b>Balance at 31 December 2023</b>	<b>325</b>	<b>127 358</b>	<b>1 182</b>	<b>(56 569)</b>	<b>72 296</b>

<sup>1)</sup> Capital increase of USD 220 500 thousand was approved by shareholder Sval Energi Invest II AS and received in September 2022.

<sup>2)</sup> The Board in Sval Energi Holding AS approved in extraordinary shareholders' meeting and paid in December 2022 a dividend of USD 753 000 thousand to Sval Energi Invest II AS, USD 433 274 thousand was recognised as reduction in share premium and USD 319 726 thousand as a reduction of other equity.

<sup>3)</sup> The group contribution is structured as circle group contribution where the contribution to be received from Sval Energi Invest II AS of USD 11 627 is recognised as an increase of share premium, while the group contribution to be paid to Sval Energi Invest II AS is recognised as a decrease of other equity.

<sup>4)</sup> The Board in Sval Energi Holding AS approved in extraordinary shareholders' meeting and paid in October 2023 a dividend of USD 150 000 thousand to Sval Energi Invest II AS, USD 49 851 thousand was recognised as reduction in other equity and USD 100 149 thousand as reduction in share premium.



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## 11. Commitments and guarantees

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

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

## 12. Subsequent events

There are no subsequent events after the balance sheet date.



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CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2023  
SVAL ENERGI HOLDING AS





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## Consolidated Income Statement

USD thousand	Note	2023	2022
Revenue from contracts with customers	7	1 986 747	1 764 349
Other operating income	7	51 720	96 383
<b>Total income</b>		<b>2 038 467</b>	<b>1 860 732</b>
Production costs	8	(344 928)	(346 196)
Exploration expenses	9	(21 549)	(58 072)
Depreciation	17, 18, 19	(466 857)	(285 734)
Other operating expenses	10, 11, 12	(47 654)	(55 042)
<b>Total operating expenses</b>		<b>(880 988)</b>	<b>(745 045)</b>
<b>Operating profit</b>		<b>1 157 479</b>	<b>1 115 687</b>
Interest income	13	23 220	10 585
Other financial income	13	127 418	68 966
Interest expenses	13	(132 808)	(41 565)
Other financial expenses	13	(105 834)	(19 769)
<b>Net financial items</b>		<b>(88 004)</b>	<b>18 218</b>
Share of net (loss)/profit in equity accounted investments	33	(3 516)	10 206
<b>Profit before taxes</b>		<b>1 065 960</b>	<b>1 144 111</b>
Income tax expense	14	(916 096)	(823 109)
<b>Profit for the year</b>		<b>149 864</b>	<b>321 002</b>

## Consolidated Statement of Comprehensive Income

USD thousand	Note	2023	2022
<b>Profit for the year</b>		<b>149 864</b>	<b>321 002</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified to profit/(loss)</b>			
Foreign currency translation effects		1 689	2 705
Net gain commodity hedging, net of tax	24	9 101	-
<b>Other comprehensive income net of tax</b>		<b>10 791</b>	<b>2 705</b>
<b>Total comprehensive income</b>		<b>160 655</b>	<b>323 708</b>



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## Consolidated Statement of Financial Position

USD thousand	Note	31 December 2023	31 December 2022
<b>ASSETS</b>			
<b>Intangible assets</b>			
Goodwill	34, 16, 19	286 394	286 394
Capitalised exploration expenditures	16	4 619	798
Other intangible assets	16	-	246
<b>Tangible assets</b>			
Property, plant and equipment	17, 19, 27	3 201 840	3 266 184
Right-of-use assets	18, 19	36 649	38 018
<b>Financial assets</b>			
Investment in joint venture	33	14 998	30 754
Loan to joint venture	33	80 589	77 789
Other assets, non-current		12 772	13 582
<b>Total non-current assets</b>		<b>3 637 861</b>	<b>3 713 766</b>
<b>Current assets</b>			
Inventories	15	16 981	17 076
Accounts receivable		3 793	35 248
Derivatives, current	24, 30	70 989	74 991
Other receivables, current	20	490 337	471 643
Cash and cash equivalents	21	291 125	633 157
<b>Total current assets</b>		<b>873 225</b>	<b>1 232 115</b>
<b>Total assets</b>		<b>4 511 086</b>	<b>4 945 880</b>



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## Consolidated Statement of Financial Position

USD thousand	Note	31 December 2023	31 December 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	22	325	325
Share premium		127 358	215 879
Hedge reserve		9 101	-
Retained earnings		202 376	113 991
Foreign currency translation reserve		(68 427)	(70 116)
<b>Total equity</b>		<b>270 734</b>	<b>260 080</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax	14	979 238	871 131
Bank borrowings, non-current	5, 23, 30	792 139	1 027 699
Decommissioning liabilities, non-current	5, 26	817 004	753 019
Lease liabilities, non-current	5, 29	22 832	29 284
Other liabilities, non-current	5, 26	11 696	15 660
<b>Total non-current liabilities</b>		<b>2 622 909</b>	<b>2 696 794</b>
<b>Current liabilities</b>			
Accounts payable	5, 25	11 644	44 203
Taxes payable	14	735 022	1 398 490
Derivatives, current	5, 24	22 037	10 045
Bank borrowings, current	5, 23, 30	49 436	49 800
Lease liabilities, current	5, 29	14 152	9 043
Decommissioning liabilities, current	5, 26	37 747	16 522
Other liabilities, current	5, 25	747 406	460 905
<b>Total current liabilities</b>		<b>1 617 444</b>	<b>1 989 007</b>
<b>Total liabilities</b>		<b>4 240 353</b>	<b>4 685 801</b>
<b>Total equity and liabilities</b>		<b>4 511 086</b>	<b>4 945 880</b>

Stavanger, 30 April 2024

The Board of Directors of Sval Energi Holding AS

DocuSigned by:  
Einar Gjelsvik  
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Einar Gjelsvik

Chair

DocuSigned by:  
Ove Martin Juul  
58F725B27BFD449...

Ove Martin Juul

Board member

DocuSigned by:  
Kjell Erik Endresen  
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Kjell Erik Endresen

Board member



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## Consolidated Statement of Changes in Equity

### Accounting policy

Dividend distribution and group contribution is recognised in the consolidated Financial Statements in the period in which the dividends are approved by the Parent Company's shareholder.

USD thousand	Other equity					Total equity
	Share capital	Share premium	Retained earnings	Hedge reserve	Foreign currency translation reserve	
<b>Balance at 1 January 2022</b>	<b>305</b>	<b>428 673</b>	<b>112 715</b>	-	<b>(19 002)</b>	<b>522 691</b>
Profit for the year	-	-	321 002	-	-	321 002
Comprehensive income for the year	-	-	-	-	2 705	2 705
Capital increase <sup>1)</sup>	20	220 480	-	-	-	220 500
Dividend <sup>2)</sup>	-	(433 274)	(319 726)	-	-	(753 000)
Foreign currency translation reserve	-	-	-	-	(53 819)	(53 819)
<b>Balance at 31 December 2022</b>	<b>325</b>	<b>215 879</b>	<b>113 991</b>	-	<b>(70 116)</b>	<b>260 080</b>
Profit for the year	-	-	149 864	-	-	149 864
Comprehensive income for the year	-	-	-	9 101	1 689	10 790
Group contribution related parties <sup>3)</sup>	-	11 627	(11 627)	-	-	-
Dividend <sup>4)</sup>	-	(100 149)	(49 851)	-	-	(150 000)
<b>Balance at 31 December 2023</b>	<b>325</b>	<b>127 358</b>	<b>202 376</b>	<b>9 101</b>	<b>(68 427)</b>	<b>270 734</b>

<sup>1)</sup> Capital increase of USD 220 500 thousand was approved by shareholder Sval Energi Invest II AS and received in September 2022.

<sup>2)</sup> The Board in Sval Energi Holding AS approved in extraordinary shareholders' meeting and paid in December 2022 a dividend of USD 753 000 thousand to Sval Energi Invest II AS, USD 433 274 thousand was recognised as reduction in share premium and USD 319 726 thousand as a reduction of other equity.

<sup>3)</sup> The Group contribution is structured as circle group contribution where the contribution to be received from shareholder Sval Energi Invest II AS of USD 11 627 thousand is recognised as an increase of share premium, while the group contribution to be paid to Sval Energi Invest II AS is recognised as a decrease of other equity.

<sup>4)</sup> The Board in Sval Energi Holding AS approved in extraordinary shareholders' meeting and paid in October 2023 a dividend of USD 150 000 thousand to Sval Energi Invest II AS, USD 49 851 thousand was recognised as reduction in other equity and USD 100 149 thousand as reduction in share premium.

The presentation currency has been changed to USD for the consolidated financial statements for the year ended 31 December 2023 (2022: NOK). With reference to note 2, the change in presentation currency is a voluntary change in accounting principles, and comparative figures are recalculated retrospectively to USD for every movement in each category of equity using the historical NOK/USD and EUR/USD exchange rates.



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## Consolidated Statement of Cash Flow

### Accounting policy

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

USD thousand			
Cash flow from operating activities	Note	2023	2022
Profit before income tax		1 065 960	1 144 111
<b>Adjusted for:</b>			
Net financial items	13	88 004	(18 218)
Depreciation	16, 17, 18	466 375	285 734
Expensed capitalised dry wells	9, 16	4 907	12 989
Gain from liquidation of subsidiary		(57)	-
Net gain disposal of licenses		(14 114)	-
Increase/decrease decommissioning provision	12, 26	3 954	9 951
Taxes paid	14	(1 406 180)	(286 844)
Tax refunded	14	1 409	159 701
Interest paid		-	(333)
Reversal of share of net profit/loss in equity accounted investments		3 516	(10 206)
Cost of commodity hedge in OCI		(1 376)	-
Changes in inventories, accounts payable and accounts receivable <sup>1)</sup>	20, 25	350 095	26 429
<b>Net cash from operating activities</b>		<b>562 493</b>	<b>1 323 314</b>
<b>Cash flow from investing activities</b>			
Payment for decommissioning of oil and gas fields	26	(28 106)	(7 243)
Disbursement on investment in capitalised exploration expenditures	16	(8 896)	(13 343)
Disbursement on investment in fixed assets	17	(302 656)	(178 671)
Asset acquisition <sup>1,2)</sup>	35	(66 964)	(226 929)
Acquisition of shares in subsidiaries	35	-	(351 664)
Consideration paid in business combination	34	(39 647)	(369 085)
Proceeds from sale of assets		14 346	-
Group contribution received		3 018	-
Repayment of borrowings to subsidiary		-	(17 263)
Dividend from investment in joint venture		12 972	-
<b>Net cash from investing activities</b>		<b>(415 933)</b>	<b>(1 164 198)</b>

<sup>1)</sup> All contingent consideration to asset acquisition in 2023 relates to Equinor transaction of USD 57 121 thousand and Edison of USD 9 842 thousand.

<sup>2)</sup> Asset acquisition in 2022 relates to the acquisition of Martin Linge Unit and the Greater Ekofisk Area USD 335 935 thousand and partly offset by Suncor bank balances received of USD 109 006 thousand. See note 35 Asset acquisition for further information.



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<b>Cash flow from financing activities</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
Dividend paid <sup>3)</sup>	13	(150 000)	(775 329)
Dividend received		431	-
Capital increase		-	235 836
Proceeds from bank borrowings	5, 23, 30	125 412	1 264 038
Repayment of bank borrowings	5, 23, 30	(366 605)	(358 358)
Interest paid	13	(102 770)	(24 924)
Interest received	13	23 023	10 370
Repayment of lease liabilities	29	(8 947)	(2 876)
Other finance expense	13	(3 858)	(20 498)
Receipt/payment upon settlement of derivatives related to financing	24, 30	(3 025)	(440)
<b>Net cash from financing activities</b>		<b>(486 338)</b>	<b>327 818</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>(339 778)</b>	<b>486 934</b>
Effect of foreign exchange rate changes on cash and cash equivalents	13	(2 718)	(1 403)
Cash, cash equivalents and bank overdrafts at start of the period		633 157	176 292
Foreign currency translation reserve		464	(28 666)
<b>Cash and cash equivalents at end of the period</b>		<b>291 125</b>	<b>633 157</b>

<sup>3)</sup> The dividend of USD 753 000 thousand was paid in December 2022), but due to change of presentation currency for 2022 and conversion from NOK to USD for 2022, where yearly average NOK/USD exchange rate is used, the amount is USD 775 329 thousand in the cash flow statement above.

2022 figures in the Statement of Cash Flow might not correspond with figures in notes below due to use of yearly average USD/NOK exchange rate for the conversion in the presentation currency NOK to USD in the Statement of Cash Flow and year-end USD/NOK exchange rate in the notes.



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## 1. General information

Sval Energi Holding AS with subsidiaries ("the Group", "Sval") was established in 2019 with the aim of building a new generation energy company. The Group started as an infrastructure company but are now building a strong portfolio combining oil and gas resources with decarbonisation (CCS) value chains.

The main activity in the Group is within the company Sval Energi AS, which is an exploration and production (E&P) company with a diverse portfolio of production, development and exploration assets on the Norwegian Continental Shelf. Now Sval is in the top ten list of the largest oil and gas producers on the Norwegian continental shelf. Last year, the Group acquired Spirit Energy Norway AS (Spirit's) and Suncor Energy Norge AS (Suncor's) Norwegian businesses. Later the same year, the Group acquired Equinor's participating interest the Greater Ekofisk area and 19% in the Martin Linge field. In August 2023, The Group was awarded operatorship for the Trudvang CO2 storage licence in the North Sea. The licence has the potential to store nine million tons of CO2 annually. This corresponds to approximately 20% of Norway's annual CO2 emissions. Sval Energi AS has a 40% ownership stake, while Storegga and Vår Energi each own 30%.

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

The Financial Statements were authorised for issue by the Annual General Meeting on 30 April 2024.

## 2. Basis of presentation

The consolidated Financial Statements for the year ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and adopted by the European Union, and Norwegian disclosure requirements listed in the Norwegian Accounting Act. The Financial Statements have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value and receivables, loans, and other financial liabilities, which are recognised at amortised cost. Accounts payables are recognised initially at fair value and subsequently measured at amortised cost.

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

The consolidated Financial Statements have been prepared under the assumption of going concern.

The functional currency is determined in each entity in the Group based on the currency within the entity's primary economic environment. For 2023 and 2022, the functional currency is USD for Sval Energy Holding AS and Sval Energi AS, NOK for Sval Renewables AS, while it is EUR for Sval Wind Farm Oy and Metsälamminkangas Wind Oy ("MLK"). The Statement of Financial Position figures of entities with a different functional currency are translated at the exchange rate prevailing at the end of the reporting period for balance sheet items, including goodwill, and the exchange rate at the date of the transaction for profit and loss items. The yearly average exchange rates are used as an approximation of the transaction exchange rate. Exchange differences are recognised in other comprehensive income ("OCI").

Following the divestments of infrastructure assets and increase in E&P activity described above, Sval Energi Holding AS and Sval Energi AS have made an assessment of the criteria in IAS 21 and NRS20 related to functional currency, the companies have changed functional currency from NOK to USD with the effect from 1 January 2023. Consequently, the Group has changed its presentation currency from NOK to USD for the consolidated Financial Statements for the year ended 31 December 2023.



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Change in presentation currency is a voluntary change in accounting principles, and retrospective comparison figures are recalculated to presentation currency USD for the year 2022 as follows:

- Income Statement, statement of Comprehensive Income and Statement of Cash Flow translated to USD using yearly average foreign currency rates for the relevant period.
- Assets and liabilities in the Statement of Financial Positions translated to USD at the closing foreign currency rates on the relevant balance sheet dates.
- Equity in the Statement of Financial Positions translated to USD using the historical exchange rate at the date of the transactions and yearly average for retained earnings.

All amounts in the consolidated Financial Statements are shown in thousands of USD unless stated otherwise.

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

The consolidated Financial Statements for the Group is presented by Sval Energi Holding AS, which is located in Stavanger, Norway.

### 3. Material accounting policy information

#### Changes in accounting policies and disclosures

Differences between the production sold and the Group's entitled share of production result in an underlift or an overlift position. As of 1 January 2023, the underlift positions and physical stock of crude oil are measured at net realisable value using an observable year-end oil market price (fair value) and presented as other receivables, current. The overlift positions are measured at fair value and presented as provisions in current liabilities. Movements during the accounting period are recognised in production costs.

Underlift and overlift positions were measured at cost price in prior period (2022) Financial Statements. The change in measurement from cost price to market price has neither material impact on prior period comparative information nor on equity per 1 January 2023. The change has therefore been implemented prospectively as from 1 January 2023 and comparative information for 2022 has not been changed.

Comparative information in USD thousand for 2022 is shown in table below:

<b>Balance sheet</b>	<b>Production cost</b>	<b>Market price</b>	<b>Impact</b>
Other receivables, current	31 195	57 977	26 782
Accounts payable and other current liabilities	(53 696)	(71 084)	(17 388)
Deferred tax	17 551	10 223	(7 327)
<b>Income Statement effect</b>	<b>(4 950)</b>	<b>(2 884)</b>	<b>2 067</b>

<b>Income Statement</b>	<b>Impact</b>
Production cost	(9 394)
<b>Profit before tax</b>	<b>9 394</b>
Income tax expense	(7 327)
<b>Profit for the year</b>	<b>2 067</b>

#### Material accounting policy information

The following material accounting policy information applies to the Group's 2023 Financial Statements, including all comparative figures.



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## **Investments in joint operations**

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

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

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

## **Derivative financial instruments**

To hedge the Group's commodity price risks for future oil and gas production volumes (cash flow hedge) the Group uses derivative financial instruments such as Brent Crude put options and Gas TTF and NBP Collars. In addition, to manage exposures related to fluctuations in foreign currency exchange rates, the Group enters into FX forwards contracts. These derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and subsequently re-measured at fair value.

The financial instruments are measured using market inputs such as observable forward curves and time to maturity. The Group has designated these financial instruments as cash flow hedges relating to expected future production and sales of oil and gas and applied hedge accounting. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income and the "other equity – OCI" in equity, while any ineffective portion is recognised immediately in profit or loss. Amounts accumulated in the hedge reserve is reclassified to profit or loss when the hedged transaction is exercised/expiry.

For derivative financial instruments that do not meet the criteria for hedge accounting, the subsequently remeasured fair value amount is recognised through profit and loss.

Option premiums paid are treated as cost of hedging and presented in operating expenses, while the potential intrinsic value ("in-the-money value") on commodity hedging exercised are presented in gains on cash flow hedges in other operating income. Since option premiums are paid at exercise or expiry, they are presented as current liabilities in the balance sheet until payment.

## **New and amended IFRS Accounting Standards that are effective for the current year:**

In the current year, the entity has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these Financial Statements.



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## ***IFRS 17 Insurance Contracts (including the June 2022 and December 2021 Amendments to IFRS 17)***

The entity has adopted IFRS 17 and the related amendments for the first time in the current year. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 *Insurance Contracts*.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

The entity does not have any contracts that meet the definition of an insurance contract under IFRS 17.

## ***Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies***

The entity has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions made by primary users.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2

## ***Amendments to IAS 12 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction***

The entity has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

## ***Amendments to IAS 12 Income Taxes – International Tax Reform – Pillar Two Model Rules***

The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the entity is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.



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#### **Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates**

The entity has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

#### **New and revised IFRS Accounting Standards in issue but not yet effective:**

At the date of authorisation of these financial statements, the entity has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

- Amendments to IFRS 10 and IAS 28 – Sale of Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1 – Classification of Liabilities as Current vs Non-current and Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements
- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback

#### **4. Significant accounting judgements, estimates and assumptions**

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

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

##### **a) Impairment and depreciation**

###### *Impairment*

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

###### *Depreciation*

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

##### **b) Decommissioning liability and related decommissioning asset**

Decommissioning costs will be incurred by the Group at the end of the operating life of the Group's interests in upstream assets. The estimated cost of decommissioning at the end of the producing lives of oil and gas fields is reviewed annually and is based on reserves,



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price levels and technology at the balance sheet date. The ultimate decommissioning costs are uncertain and amongst others dependent on the production life of the respective field. The level of provision held is also sensitive to the discount rate used to discount the estimated decommissioning costs.

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

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

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

#### **c) Taxation provisions**

The Group's current tax provision relates to management's assessment of the amount of tax payable on open tax positions where the liabilities remain to be agreed with the Norwegian Oil Taxation Office. Uncertain tax items for which a provision is made, relate principally to the interpretation of tax legislation regarding arrangements entered by the Group or arrangements inherited following acquisitions made by the Group. Due to the uncertainty associated with such tax items, there is a possibility that, on conclusion of open tax matters at a future date, the final outcome may differ.

## **5. Financial risks and risk management**

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

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

#### **Overriding principles**

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

#### **Liquidity risk and cash management**

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

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



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The amounts disclosed in the table below are the financial liabilities contractual undiscounted cash flows at 31 December 2023:

USD thousand	Less than	Between	Between	Between	Over 5	Total
	3 months	3 months and 1 year	1 and 2 years	2 and 5 years	years	
Bank borrowings	394	-	-	854 371	-	854 765
Accounts payable and other current liabilities	759 050	-	-	-	-	759 050
Derivatives	6 871	13 719	-	-	-	20 590
Decommissioning liabilities	9 254	27 761	94 905	100 197	749 364	981 482
Lease liabilities	3 538	10 614	17 572	5 101	4 109	40 935
<b>Total at 31 December 2023</b>	<b>812 859</b>	<b>52 094</b>	<b>112 477</b>	<b>959 669</b>	<b>753 474</b>	<b>2 690 574</b>

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

USD thousand	Less than	Between	Between	Between	Over 5	Total
	3 months	3 months and 1 year	1 and 2 years	2 and 5 years	years	
Bank borrowings	2 219	-	49 990	1 043 502	-	1 095 710
Accounts payable and other current liabilities	505 108	-	-	-	-	505 108
Decommissioning liabilities	4 175	12 524	96 815	63 897	727 628	905 038
Lease liabilities	2 261	6 782	18 086	10 782	5 605	43 516
<b>Total at 31 December 2022</b>	<b>513 763</b>	<b>19 306</b>	<b>164 891</b>	<b>1 118 181</b>	<b>733 233</b>	<b>2 549 372</b>

#### b) Market risk: Interest rate risk

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

#### c) Market risk: Foreign exchange rate risk

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

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

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

#### d) Credit risk

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

- Payment of petroleum revenues – This risk is considered low given the financial status of the customers.



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

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

#### e) Fair value estimation

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

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

In 2023 and 2022, the Group only had financial instruments in level 2 and level 3.

## 6. Segment information

The Group is positioned in both exploration and production (E&P) and renewables.

Profit and loss from renewables for 2023 and 2022 is presented in the consolidated Income Statement as share of net profit/loss in equity accounted investment.

The E&P business is the only material segment in the Group Income Statement, all within the Norwegian continental shelf.

For management purposes, the Group's E&P business has through the reporting period 2023 and 2022 been organised as one business unit with one operating segment and the internal reporting has been structured in the same manner.

## 7. Revenues

### Accounting policy

Revenue which is defined as revenue from contracts with customers according to IFRS 15, is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Recognition of petroleum revenues is based on actual sold volumes to customers (sales method). Differences between the production sold and Sval Energi's entitled share of production result in an underlift or an overlift position. Underlift position and physical stock of crude oil are measured at net realisable value using an observable year-end oil market price (fair value) and presented as other receivables current. Overlift positions are measured at fair value and presented as provisions in other current liabilities. Changes in over-/underlift balances are presented as an adjustment to production cost.



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In 2023, revenue from crude oil, gas and NGL relates to Oda, Vale, Nova, Duva, Kvitebjørn, Maria, Vega, Ivar Aasen, Ekofisk, Tor and Martin Linge for the whole year, Dvalin from August 2023 and Fenja from April 2023. In 2022, revenue from crude oil, gas and NGL relates to Duva for the whole year, Ivar Aasen, Oda, Vale, Kvitebjørn, Vega and Maria from June 2022, and Ekofisk, Tor and Martin Linge from October 2022.

USD thousand	2023	2022
<b>Revenue from contracts with customers</b>		
Revenue from crude oil sales	1 320 118	873 535
Revenue from gas sales	617 244	812 853
Revenue from NGL sales	46 705	22 647
Tariff income	2 680	55 314
<b>Total revenue from contracts with customers</b>	<b>1 986 747</b>	<b>1 764 349</b>
<b>Other operating income</b>		
Other income	13 747	1 564
Gains on disposal of licences	14 652	-
Contingent consideration <sup>1)</sup>	23 321	94 819
<b>Total other operating income</b>	<b>51 720</b>	<b>96 383</b>
<b>Total income</b>	<b>2 038 467</b>	<b>1 860 732</b>

See note 34 Business combinations and note 35 Asset acquisition.

Sales in thousand boe	2023	2022
Sales of crude oil	15 486	8 596
Sales of gas	8 179	4 219
Sales of NGL	1 027	422
<b>Total sales</b>	<b>24 692</b>	<b>13 237</b>

Revenue from crude oil, gas and NGL split by geographic area (by place of delivery) in 2023:

USD thousand	Crude oil	Gas	NGL	Total
UK	780 839	492 802	39 471	1 313 112
Singapore	753	-	-	753
Norway	538 270	98 709	6 227	643 206
Switzerland	257	-	1 007	1 264
Germany	-	25 733	-	25 733
<b>Total revenue from crude oil, gas and NGL</b>	<b>1 320 118</b>	<b>617 244</b>	<b>46 705</b>	<b>1 984 067</b>

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

USD thousand	Crude oil	Gas	NGL	Total
UK	128 901	777 095	7 988	913 985
Singapore	401 856	-	-	401 856
Norway	259 598	3 785	2 699	266 082
Switzerland	83 179	-	11 960	95 139
Germany	-	31 973	-	31 973
<b>Total revenue from crude oil, gas and NGL</b>	<b>873 535</b>	<b>812 853</b>	<b>22 647</b>	<b>1 709 036</b>

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## 8. Production costs

USD thousand	2023	2022
Cost of operation	178 525	104 418
Transportation	131 438	87 657
<b>Production cost based on produced volumes</b>	<b>309 962</b>	<b>192 075</b>
Change in over-/underlift <sup>1)</sup>	28 268	140 720
Commodity price hedging	6 698	13 401
<b>Production cost based on sold volumes</b>	<b>344 928</b>	<b>346 196</b>
Change in accounting principle for over-/underlift calculation, see note 3.		
Produced volumes (million boe)	24.2	11.9
Production cost pr boe produced (USD)	13	16

## 9. Exploration expenses

USD thousand	2023	2022
Seismic <sup>1)</sup>	4 149	31 633
Area fee	1 544	1 053
Dry well expenses <sup>2)</sup>	4 907	12 989
Other exploration expenses	10 949	12 397
<b>Total exploration expenses</b>	<b>21 549</b>	<b>58 072</b>

<sup>1)</sup> 2022 includes change of control cost related to acquisitions.

<sup>2)</sup> The dry well expenses in 2023 mainly relates to the Sara well and in 2022 mainly the Uer exploration well.

## 10. Salaries and personnel expenses

All employees in the Group are employed in subsidiary Sval Energi AS in 2023.

USD thousand	2023	2022
Payroll expense	30 446	23 851
Bonus	6 340	4 191
Social security contribution	7 110	4 773
Pensions	2 800	1 928
Other personnel expenses	1 779	1 234
<b>Total payroll expenses</b>	<b>48 476</b>	<b>35 978</b>

### Number of employees

Total numbers of employees at 31 December 2023 are 144 (2022 – 172). The number of women employed in the Group at year-end was 52 and 92 men.

### Policy statement concerning salaries and other remuneration of senior employees

The Board has established guidelines for salaries and other remuneration to the CEO and other senior employees. Senior employees receive a basic salary, reviewed annually. The Group's senior employees participate in the general arrangements applicable to all the



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Group's employees for defined contribution pension plans, bonus schemes and other payments in kind such as internet connection at home and mobile telephone subscription shown above as "Other remuneration".

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

#### Key management remuneration

USD thousand	Salary and bonus	Pension contribution	Other remuneration	Total
Key management remuneration 2023	459	52	3	514
Key management remuneration 2022	533	57	3	594

The specification above is for the actual amount of compensation paid to the CEO during the calendar year. This compensation is classified under "Other operating expenses" in the Income Statement.

#### Pensions

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

#### Compensation to Board of Directors

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

The Board of Sval Energi AS received the following remuneration:

Name (amounts in USD)	Role	Director's fee 2023	Director's fee 2022
Martin Bachmann	Chairman	45 278	18 177
Kristin Gjertsen	Board member	28 396	31 170
Timothy Dodson	Board member	28 396	31 170
Kristin Færøvik	Board member	28 396	12 988
Einar Gjelsvik <sup>1)</sup>	Board member	28 396	16 270
John Knight <sup>1)</sup>	Board member	28 396	16 270
Lars Christian Bacher <sup>1)</sup>	Previous Board member	-	14 900
Anne Torunn Strømmen Lycke	Previous Board member	-	18 183
Gunnar Kristoffer Hviding Olsen	Previous Board member	-	30 305
John Alexander King	Previous Board member	-	18 183
<b>Total</b>		<b>187 260</b>	<b>207 616</b>

<sup>1)</sup> Compensation to board members invoiced via HitecVision Advisory AS.

In addition, TwoB Consulting GmbH, Dodson Consulting and Valle Colline Energia AS, owned by board members, have received in 2023 USD 262 thousand (2022 – USD 123 thousand), USD 36 thousand (2022 – USD 27 thousand) and USD 24 thousand (2022 – USD 0 thousand) respectively.



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## 11. Auditor's remuneration

USD thousand (exclusive VAT)	2023	2022
Statutory audit	286	211
Other assurance services	84	12
Tax advisory services	-	56
Other services	15	103
<b>Total auditor remuneration (paid)</b>	<b>385</b>	<b>382</b>

## 12. Other operating expenses

USD thousand	2023	2022
Decommissioning estimate update	3 954	9 951
Insurance premium	522	3 414
Consultants	8 244	6 134
Fees for legal services/financing assistance	7 206	9 272
Information technology expenses	9 097	7 853
Other operating expenses	4 130	5 555
<b>Total other operating expenses</b>	<b>33 154</b>	<b>42 178</b>



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## 13. Finance income and cost

USD thousand	2023	2022
Interest income from associates and joint venture <sup>1)</sup>	4 554	1 395
Other interest income	18 666	9 190
<b>Total interest income</b>	<b>23 220</b>	<b>10 585</b>
Unrealised gain on currency forward derivatives	36 310	67 472
Unrealised gain from interest swap	-	1 383
Realised gain on currency forward derivatives	31 679	-
Other finance income	-	111
Net foreign exchange gain	59 429	-
<b>Total other financial income</b>	<b>127 418</b>	<b>68 966</b>
Interest expense on companies in the same group	-	(18)
Interest expense on bank loans	(82 201)	(27 146)
Capitalised interest costs	16 560	-
Interest on lease liabilities	(1 557)	(674)
Amortised finance cost	(4 192)	(2 598)
Accretion expenses	(28 667)	(10 436)
Other interest expenses	(32 750)	(729)
<b>Total interest expenses</b>	<b>(132 808)</b>	<b>(41 565)</b>
Unrealised loss on currency forward derivatives	(67 362)	-
Realised loss on currency forward derivatives	(34 704)	(830)
Other financial expenses	(3 768)	(4 326)
Net foreign exchange loss	-	(14 613)
<b>Total other financial expenses</b>	<b>(105 834)</b>	<b>(19 769)</b>
<b>Net financial items</b>	<b>(88 004)</b>	<b>18 218</b>

<sup>1)</sup> Interest income from Joint Venture relates to loan from Sval Wind Farm OY to Metsälamminkangas Wind Oy (the Group held a 50% interest in Metsälamminkangas Wind Oy).



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## 14. Income tax

### Accounting policies

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

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

The Group does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit. Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

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

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. The legislation will be effective for the Group's financial year beginning 1 January 2024. The Group has performed an assessment of the Group's potential exposure to Pillar Two income taxes. This assessment is based on the most recent information available regarding the financial performance of the Group. Based on the assessment performed, the Pillar Two effective tax rates in all jurisdictions in which the Group operates are above 15% and management is not currently aware of any circumstances under which this might change. Therefore, the Group does not expect a material exposure to Pillar Two top-up taxes.



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## Income tax recognised in the Income Statement

USD thousand	2023	2022
Current taxes for the year	808 348	837 456
Current taxes for prior year and change in uncertain tax provisions	2 492	1 040
<b>Current tax expense</b>	<b>810 840</b>	<b>838 496</b>
Deferred tax liabilities recognised in the period	188 434	63 238
Deferred tax (technical goodwill)	(83 178)	(83 769)
Deferred tax true-up previous years	-	5 144
<b>Deferred tax expense/(income)</b>	<b>105 256</b>	<b>(15 387)</b>
<b>Income tax expense</b>	<b>916 096</b>	<b>823 109</b>
Effective tax rate in %	86%	72%
Tax expense in commodity derivatives used for hedging	2 567	-
<b>Tax expense in total comprehensive income</b>	<b>918 663</b>	<b>823 109</b>

## Reconciliation of income tax expense

USD thousand	Tax rate	2023	2022
78% tax rate on profit before tax	78%	831 449	892 407
Tax effect of uplift	71.8%	(13 706)	(16 037)
Permanent difference DD&A	78%	171 692	147 295
Permanent difference contingent consideration	78%	(18 191)	(94 819)
Permanent difference post-tax consideration	78%	(13 091)	5 928
Other permanent differences <sup>1)</sup>	22%/78%	3 300	1 097
Foreign currency translation of monetary items other than NOK	78%	9 399	-
Foreign currency translation of monetary items other than USD	78%	(46 195)	(13)
Tax effect of financial items	56%	54 968	(29 180)
Currency movements of tax balances	78%	16 163	-
Deferred tax – technical goodwill	78%	(83 178)	(83 770)
Prior period adjustments and change in estimate of uncertain tax provision	78%	4 941	(904)
Tax loss carried forward	22%/78%	(1 454)	1 105
<b>Income tax expense</b>		<b>916 096</b>	<b>823 109</b>

<sup>1)</sup> Reconciliation difference for tax regimes with lower tax rates than 78% is included in other permanent differences.

Tax balances are in NOK (EUR for Sval Wind Farm Oy) and converted to USD using the period end currency rate. When the NOK and EUR weakens against USD, the tax rate increases as there is less remaining tax depreciation measured in USD. In accordance with statutory requirements, the calculation of current tax is required to be based on NOK functional currency. This may impact the effective tax rate as the Group's presentation currency is USD.



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## Deferred tax liabilities/(asset)

USD thousand	31 December 2023	31 December 2022
Property, plant and equipment	1 141 524	859 592
Decommissioning payable	(675 636)	(612 223)
Derivatives	10 770	14 288
Lease liabilities	(27 578)	(29 526)
Amortised finance cost	2 815	3 477
Other receivable/payable	(29 702)	(7 648)
USD loan revaluation	2 832	5 780
Deferred tax - technical goodwill <sup>1)</sup>	554 213	637 391
<b>Total deferred tax liabilities<sup>2)</sup></b>	<b>979 238</b>	<b>871 131</b>

<sup>1)</sup> Remaining deferred tax that created technical goodwill at acquisition date, see note 34 Business combinations.

<sup>2)</sup> Deferred tax liability has increased with USD 108 381 thousand compared to a deferred tax expense of USD 105 511 thousand which is recognised in the Income Statement. The difference of USD 2 567 thousand relates deferred taxes recognised directly in other comprehensive income.

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

## Taxes (receivable)/payable

USD thousand	31 December 2023	31 December 2022
Taxes payable/(receivable) 1 January	1 398 491	(158 628)
Current taxes for the year	808 348	839 701
Net taxes paid in the year	(1 404 772)	(127 144)
Tax payable Pro Contra acquisition <sup>1)</sup>	-	705 459
Prior year adjustments and change in estimate of uncertain tax provisions	(1 671)	159 658
Tax received on group contribution	3 085	-
Foreign currency effect	(68 233)	-
Current tax recognised directly in OCI	(303)	-
Foreign currency translation reserve	77	(20 557)
<b>Total taxes payable</b>	<b>735 022</b>	<b>1 398 491</b>

<sup>1)</sup> Taxes payable includes an uncertain tax provision of USD 146 112 thousand (2022 – USD 154 872 thousand) mainly from acquisitions previous years.

Under the relevant share/asset purchase agreements, the sellers have provided for a tax indemnity to the Group in respect of certain historical tax matters that are transferred to the Group as per regulation to the Petroleum Taxation Act. The Group has recognised a tax indemnity receivable presented under other receivables current of USD 145 787 thousand (2022 – USD 154 872 thousand).



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## 15. Inventories

### Accounting policy

Capital spare parts and drilling and well equipment are measured at the average cost price of the inventory items and presented as inventories. Consumables are charged to the Income Statement.

USD thousand	31 December 2023	31 December 2022
Capital spare parts	12 756	12 991
Drilling and well equipment	11 080	11 349
Provision for obsolete stock	(6 855)	(7 264)
<b>Total inventories</b>	<b>16 981</b>	<b>17 076</b>

## 16. Intangible assets

### Accounting policies

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

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

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

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



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USD thousand	Goodwill	Capitalised	Other	Total
		exploration wells	intangible assets	
<b>Book value 1 January 2023</b>	<b>286 394</b>	<b>798</b>	<b>246</b>	<b>287 438</b>
Additions	-	9 452	72	9 524
Dry well write-off <sup>1)</sup>	-	(4 907)	-	(4 907)
Depreciation	-	-	(318)	(318)
Divestment of licences	-	(752)	-	(752)
Reclassification	-	28	-	28
<b>Book value 31 December 2023</b>	<b>286 394</b>	<b>4 619</b>	<b>-</b>	<b>291 013</b>

The dry well write-off relates mostly to the Sara well.

USD thousand	Goodwill <sup>1)</sup>	Capitalised	Other	Total
		exploration wells	intangible assets	
<b>Book value 1 January 2022</b>	<b>-</b>	<b>5 615</b>	<b>509</b>	<b>6 124</b>
Addition through business combinations	293 322	-	-	293 322
Additions	-	13 332	-	13 332
Depreciation	-	-	(138)	(138)
Disposals	-	-	(47)	(47)
Dry well write-off <sup>2)</sup>	-	(12 989)	-	(12 989)
Reclassification <sup>3)</sup>	-	(4 671)	(29)	(4 700)
Foreign currency translation reserve	(6 927)	(489)	(49)	(7 466)
<b>Book value 31 December 2022</b>	<b>286 394</b>	<b>798</b>	<b>246</b>	<b>287 438</b>

<sup>1)</sup> Goodwill relates to the Spirit acquisition in May 2022.

<sup>2)</sup> The dry well write-off relates mainly to the Uer exploration well.

<sup>3)</sup> PL 211 Dvalin North moved from exploration asset to asset under development.

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

## 17. Property, plant and equipment

### Accounting policies

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

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

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



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

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

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

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

Prior year impairments are reviewed for possible reversal at each financial reporting date.

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

<b>USD thousand</b>	<b>Assets under development</b>	<b>Production assets</b>	<b>Other property, plant and equipment</b>	<b>Total</b>
<b>Cost 1 January 2023</b>	<b>350 304</b>	<b>3 187 757</b>	<b>8 491</b>	<b>3 546 551</b>
Additions	104 361	197 950	166	302 477
Capitalised interest	16 560	-	-	16 560
Estimate change asset retirement cost	7 618	69 113	-	76 731
Divestment	(2 587)	-	-	(2 587)
Asset acquisition	1 255	334	-	1 588
Reclassification <sup>1)</sup>	(243 555)	243 527	-	(28)
<b>Cost at 31 December 2023</b>	<b>233 956</b>	<b>3 698 680</b>	<b>8 657</b>	<b>3 941 292</b>
<b>Depreciation and impairment</b>				
<b>Accumulated at 1 January 2023</b>	<b>2 848</b>	<b>274 267</b>	<b>3 353</b>	<b>280 469</b>
Depreciation	-	457 022	1 964	458 987
Write-down	76	23	-	99
<b>Accumulated at 31 December 2023</b>	<b>2 924</b>	<b>731 313</b>	<b>5 317</b>	<b>739 554</b>
<b>Book value at 31 December 2023</b>	<b>231 031</b>	<b>2 967 368</b>	<b>3 441</b>	<b>3 201 840</b>

<sup>1)</sup> Transferred from asset under development to production assets USD 243 554 thousand (Dvalin USD 117 468 thousand, Fenja USD 126 059 thousand and reclassification of USD 28 thousand, see note 16).



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USD thousand	Assets under development	Production assets	Other property, plant and equipment	Total
<b>Cost 1 January 2022</b>	<b>367 688</b>	<b>103 871</b>	<b>1 117</b>	<b>472 676</b>
Additions	95 480	82 183	1 008	178 671
Additions through business combination <sup>1)</sup>	347 758	959 358	1 657	1 308 773
Asset acquisition <sup>2)</sup>	114 500	1 458 553	5 012	1 578 065
Estimate change asset retirement cost	3 087	125 937	-	129 024
Reclassification <sup>3)</sup>	(538 978)	543 649	29	4 700
Foreign currency translation reserve	(39 231)	(85 795)	(332)	(125 358)
<b>Cost at 31 December 2022</b>	<b>350 304</b>	<b>3 187 757</b>	<b>8 491</b>	<b>3 546 551</b>
<b>Depreciation and impairment</b>				
<b>Accumulated at 1 January 2022</b>	<b>-</b>	<b>4 575</b>	<b>518</b>	<b>5 093</b>
Depreciation	-	276 671	717	277 387
Write-down	2 917	39	-	2 956
Disposal	-	-	2 139	2 139
Foreign currency translation reserve	(69)	(7 017)	(122)	(7 208)
<b>Accumulated at 31 December 2022</b>	<b>2 848</b>	<b>274 267</b>	<b>3 251</b>	<b>280 367</b>
<b>Book value at 31 December 2022</b>	<b>347 455</b>	<b>2 913 490</b>	<b>5 239</b>	<b>3 266 184</b>

<sup>1)</sup> Addition through business combination relates to the Spirit transaction of USD 1 308 773 thousand (USD 347 758 thousand in assets under development, USD 959 358 thousand in production assets and USD 1 657 thousand in other property, plant and equipment).

<sup>2)</sup> Addition through asset acquisition mainly relates to the Equinor transaction of USD 1 418 642 thousand (USD 552 116 thousand relates to Ekofisk, USD 829 070 thousand Martin Linge and USD 37 456 thousand Tor) and the Suncor transaction of USD 159 424 thousand.

<sup>3)</sup> Transferred from asset under development to production assets USD 538 978 thousand mainly related to Nova on stream in 2022, USD 4 700 thousand moved from exploration to asset under development (Dvalin North).

Inventory (useful life): 5 years

Hardware (useful life): 3 years

Production assets: Unit of production method

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



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## 18. Right-of-use assets

In 2023 the Group entered into one new lease agreement as a non-operating partner in the Martin Linge oil and gas field. This is a lease of rig and the lease liability disclosed represents Sval's share only.

USD thousand	Offices	Vessel/Rig	Other equipment	Total
<b>Cost at 1 January 2023</b>	<b>16 281</b>	<b>27 966</b>	-	<b>44 246</b>
Annual index regulation	874	-	-	874
New leasing contract	-	6 316	-	6 316
<b>Cost at 31 December 2023</b>	<b>17 155</b>	<b>34 282</b>	-	<b>51 437</b>
<b>Accumulated depreciation at 1 January 2023</b>	<b>3 878</b>	<b>2 349</b>	-	<b>6 228</b>
Depreciation	1 409	7 151	-	8 560
<b>Accumulated depreciation at 31 December 2023</b>	<b>5 287</b>	<b>9 500</b>	-	<b>14 788</b>
<b>Net book value at 31 December 2023</b>	<b>11 867</b>	<b>24 782</b>	-	<b>36 649</b>

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

USD thousand	Offices	Vessel	Other equipment	Total
<b>Cost at 1 January 2022</b>	<b>2 791</b>	-	-	<b>2 791</b>
Additions through asset acquisition	-	27 966	-	27 966
Additions through business combinations	13 489	-	551	14 040
Disposals	-	-	(551)	(551)
<b>Cost at 31 December 2022</b>	<b>16 281</b>	<b>27 966</b>	-	<b>44 246</b>
<b>Accumulated depreciation at 1 January 2022</b>	<b>2 791</b>	-	-	<b>2 791</b>
Depreciation	787	1 730	-	2 517
Foreign currency translation reserve	300	620	-	920
<b>Accumulated depreciation at 31 December 2022</b>	<b>3 878</b>	<b>2 349</b>	-	<b>6 228</b>
<b>Net book value at 31 December 2022</b>	<b>12 402</b>	<b>25 616</b>	-	<b>38 018</b>

See note 29 Lease liabilities, for more information related to lease liabilities.



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## 19. Impairment

### Accounting policies

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

### Exploration assets

The Group's policy for exploration assets is to perform review of the carrying amount annually. The cost of unsuccessful exploration activity is expensed as it is incurred. At year-end 2023 the book value of exploration assets is immaterial.

### Oil and gas assets

Impairment review is done on CGU level, and any potential write-backs are considered on a case-by-case basis. To ensure that there are no material unadjusted amounts on a portfolio basis, amounts are aggregated and reconsidered at the end of the process. Based on the current market situation the management has done an impairment assessment as of 31 December 2023.

### Oil, gas and NGL prices

In the impairment assessment, the Group used 5 years forward prices as of 31 December 2023. The prices are inflated with a rate of 2%.

Nominal price forecast	2024	2025	2026	2027	2028
Oil price (USD/bbl)	82.3	81.3	82.9	84.6	86.3
Gas price (p/therm)	131	126	129	131	134
NGL price	49.4	48.8	49.7	50.8	51.8

### Currency rates

Below shows the currency rates as of 31 December 2023 used in the calculations:

GBP/NOK	13.51
USD/NOK	10.95
EUR/NOK	11.72

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

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

### Leverage ratio

The Group assume future financing with 50% debt and 50% equity. The main source of future debt is assumed to be reserve based lending (RBL) financing. The cost of RBL financing is SOFR plus a margin currently of 3.45%. The 2023 assumption only includes the margin on the RBL, and the total cost of debt is therefore 7.25%. Corporate tax rate is 22%, and only a minor part of the finance cost is subject to deduction in the special tax, this upside is not included in the calculation.

### Conclusion

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



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## Goodwill

The acquisition of Spirit in May 2022 was considered as a business combination and all of the goodwill balance as of 31 December 2023 relates to this acquisition. The carrying value of aggregate goodwill is USD 286 394 thousand as of 31 December 2023.

Impairment assessment performed for the year 2023 confirmed that the net present value significantly exceeds net book value, and no impairment is recorded for goodwill as of 31 December 2023.

## 20. Other receivables, current

USD thousand	31 December 2023	31 December 2022
Accrued income	262 678	175 618
Share of other current receivables in joint operations	25 054	105 728
Tax indemnity from acquisition of Spirit <sup>1)</sup>	145 787	154 872
Underlift of hydrocarbons	54 464	31 203
Prepaid expenses	1 690	3 410
Accrued interest related parties <sup>2)</sup>	448	247
Other receivables	217	565
<b>Total other receivable, current</b>	<b>490 337</b>	<b>471 643</b>

<sup>1)</sup> See note 34 Business combination for further information.

<sup>2)</sup> Relates to accrued interest to Metsålamminkangas Wind Oy (MLK)

## 21. Cash and cash equivalents

USD thousand	31 December 2023	31 December 2022
Bank deposit, unrestricted	288 195	631 426
Restricted bank deposit, employee taxes <sup>1)</sup>	2 002	1 730
Restricted bank deposit	928	-
<b>Total cash and cash equivalents</b>	<b>291 125</b>	<b>633 157</b>

<sup>1)</sup> For each salary payment, the company Sval Energi AS must make a tax deduction (advanced deduction) in employees' salary and deposit the deduction in a separate bank account. The company has established a separate bank account to facilitate compliance with Norwegian payroll tax law.

## 22. Share capital and other reserves

### Accounting policies

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

### Capital management

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

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



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The Group has 200 050 000 ordinary shares as of 31 December 2023 with a nominal value of NOK 0.014 per share.

	31.12.2023	31.12.2022
Shareholder	Sval Energi Invest II AS	Sval Energi Invest II AS
Ownership	100%	100%
Share capital	325 214	325 214
Number of shares	200 050 000	200 050 000
Nominal value of each share	0.014	0.014

Sval Energy Holding AS has only a single class of shares and all shares carry a single voting right.

## 23. External borrowings

### Accounting policy

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

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

The external financing agreement has been increased from USD 700 million to USD 1 250 million during 2022 and further increased by USD 75 million during 2023. The external financing agreement is USD 1 325 million as of 31.12.2023. For the subsidiary Sval Renewables AS no change in the external financing agreement.

As of 31 December 2023, the external debt consists of a bank facility in USD and a bank facility in EUR:

Facility	Type	Borrower	Currency	Limit
Revolving facility	Bank facility	Sval Energi AS	USD	1 325 000 000
Term Loan	Bank facility	Sval Renewables AS	EUR	44 832 460

As of year-end 2023 and 2022, the Group had the following external debt:

Loan	Currency	Nominal amount (USD thousand)		Maturity
		2023	2022	
Revolving facility – Upstream tranche	USD	804 831	942 052	31 December 2027
Revolving facility – Upstream tranche	NOK	-	101 448	31 December 2027
Term Loan – Upstream tranche	EUR	49 540	49 990	31 December 2024

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

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



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

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

The 12 months liquidity is tested quarterly whereas the net debt to EBITDAX ratio is tested on a semi-annual basis. Any additional financial indebtedness must comply with the requirements in the financing agreements. The book value of the 2023 and 2022 year-end balances on external borrowings are assumed to be equal to the fair value of the balances.

USD thousand	Book value 31 December 2023	Book value 31 December 2022
<b>Bank borrowings</b>		
Bank borrowings principal amount unamortised	804 831	1 043 502
Financing fees and establishment costs	(12 692)	(15 802)
<b>Total bank borrowings, non-current</b>	<b>792 139</b>	<b>1 027 699</b>
Bank borrowings principal amount unamortised	49 540	49 990
Financing fees and establishment costs	(104)	(190)
<b>Total bank borrowings, current</b>	<b>49 436</b>	<b>49 800</b>

The Group has no other undrawn borrowing facilities.

## 24. Derivative financial instruments

Commodity price risk has been hedged using oil/gas put options which protect against a drop in prices while leaving the Group exposed to the full upside. The Group also holds gas collars to protect drop in gas prices, though with cap on the upside. Foreign exchange risk has been mitigated with various foreign exchange forwards where USD/EUR or NOK has been sold and NOK or USD bought at fixed forward rates. All hedging has been conducted with hedge banks within Sval's bank syndicate.

At the balance sheet date, the Group holds the following commodity derivatives, ref table below. Commodity derivatives entered in 2022 are not classified as hedge accounting, with consequential changes in fair value recognised through production cost in the Income Statement. New commodity derivatives entered in 2023 are classified as hedge accounting and the changes in fair value are recognised as other comprehensive income.

### Commodity derivatives

Hedging instruments	Maturity	Volume	Strike
Brent crude oil put options	1Q-3Q 2024	2 167 700	60, 65 and 75\$/bbl
Gas put options	1H 2024	233 500	30 Eur/Mwh
Gas collar	1Q 2024	423 690	42,5 – 80 Eur/Mwh
Gas collar	2Q-3Q 2024	750 000	40 – 120 Eur/Mwh
Gas collar	1Q 2024	6 428 000	110 – 220 £p/therms
Gas collar	2Q-3Q 2024	17 900 000	100 – 250 £p/therms



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## Commodity derivatives assets

USD thousand	2023	2022
Value at 1 January	7 762	7 595
Value at hedging trade date for new hedges	20 853	14 139
Change in fair value – unrealised (production cost)	(7 099)	(13 150)
Change in fair value – unrealised (hedge reserve)	13 045	-
Foreign currency effect	120	-
Foreign currency translation reserve	-	(823)
<b>Value at 31 December</b>	<b>34 680</b>	<b>7 762</b>

As of year-end 2023, the fair value of outstanding oil puts, gas puts and gas collars amounted to USD 34 680 thousand. The effective portion of unrealised gains and losses are recognised in OCI for new hedge contracts entered in 2023, while any ineffective portion is recognised in profit or loss. For 2023 no inefficiency is measured for the commodity hedges. For hedge contracts from 2022 hedge accounting does not apply, and unrealised gains or losses are recognised in profit and loss. Note that the cost price (hedge cost agreed at the inception of the agreements) for the various commodity derivatives is paid at the time of exercise or expiration, and that this deferred payment is presented as current liabilities, refer to table below.

## Commodity derivatives – deferred premiums

USD thousand	2023	2022
Value at 1 January	10 045	9 217
Settlement (production cost)	(8 073)	(12 548)
Settlement (hedge reserve)	(1 376)	-
Value at hedging trade date for new hedges	20 853	14 139
Foreign currency effect	368	250
Foreign currency translation reserve	-	(1 014)
<b>Value at 31 December</b>	<b>21 817</b>	<b>10 045</b>

Outstanding commodity derivatives agreements at 31 December 2023 are all due to expire in 2024. The full intrinsic value of the options/collars, if any, (entered in 2023) at the time of expiry has been presented as other revenue. For old options/collars, where hedge accounting is not applied, the potential intrinsic value is netted with hedge premium cost paid and presented as other revenue. For commodity derivatives agreements applied under hedge accounting, the premiums paid are presented as cost of hedge in the OCI and recycled to production cost in the Income Statement in the period in which the hedged revenue are realised. For old agreements, not applied under hedge accounting, the premium is recognised as production cost.

## Change in hedge reserve

USD thousand	2023	2022
Value at 1 January	-	-
Realised cost of hedge	(1 376)	-
Change in fair value in the period	13 045	-
<b>Value at 31 December</b>	<b>11 669</b>	<b>-</b>

End of period 2023 after tax balance is USD 9 101 thousand.

At the balance sheet date, the Group holds currency forward contracts that are accounted for at fair value through other financial income or expense in the Income Statement. Hedge accounting is not applied for currency forward contracts.



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## Currency forward contracts

USD thousand	2023	2022
Fair value at 1 January	65 879	-
Realised value in the period	(4 473)	(810)
Change in fair value in the period – unrealised	(25 316)	66 689
Foreign currency translation reserve	-	-
<b>Fair value at 31 December</b>	<b>36 090</b>	<b>65 879</b>

The currency forward contracts at 31 December 2023 consists of several contracts, mostly related to sale of USD and acquire NOK with settlement dates in January until May 2024.

## Derivative financial instruments – Interest rate swap

USD thousand	2023	2022
Fair value at 1 January	1 350	(117)
Realised hedge	(1 448)	(62)
Change in fair value in the period – unrealised gain	189	1 165
Foreign currency translation reserve	(90)	364
<b>Fair value at 31 December</b>	<b>-</b>	<b>1 350</b>

The Group had in 2023 and 2022 in place an interest rate swap with a fixed EURIBOR rate of -0.31%. The interest rate swap was realised on mature date the 29 December 2023.

## 25. Accounts payable and other current liabilities

### Accounting policies

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

### Accounts payable

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



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## Current liabilities, current

USD thousand	31 December 2023	31 December 2022
Share of other current liabilities in joint operations (note 27)	87 604	116 594
Deferred consideration related to the acquisition of former Edison Norge AS	-	11 768
Overlift	105 223	53 694
Contingent consideration <sup>1)</sup>	3 264	123 354
Accrued public charges and indirect taxes	18 621	35 576
Accrued expenses	14 724	16 777
Prepayment <sup>2)</sup>	517 969	100 738
Other current liabilities	-	2 405
<b>Total other current liabilities</b>	<b>747 406</b>	<b>460 905</b>

<sup>1)</sup> Contingent consideration of USD 3 264 thousand as of December 2023 relates to the 2022 acquisition of share in the Greater Ekofisk Area and Martin Linge Unit from Equinor. The amount as of December 2022 relates to the acquisition of Spirit USD 38 595 thousand and a share in the Greater Ekofisk Area and Martin Linge Unit from Equinor of USD 84 758 thousand, see note 34 Business combination and note 35 Asset acquisitions for further information.

<sup>2)</sup> Oil and gas prepayment of USD 517 969 thousand per December 2023. The oil prepayment as of December 2022 of USD 100 706 thousand was repaid in 2023.

## 26. Decommissioning liability

### Accounting policies

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



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USD thousand	2023	2022
<b>Total liability as of 1 January</b>	<b>769 541</b>	<b>30 729</b>
Addition through business combination <sup>1)</sup>	-	237 573
Addition through asset acquisition <sup>2)</sup>	-	387 335
Change in estimate	85 196	132 307
Payments for decommissioning	(28 082)	(7 384)
Accretion expense	28 096	10 166
Foreign currency translation reserve	-	(21 184)
<b>Total liability as of 31 December</b>	<b>854 750</b>	<b>769 541</b>

<sup>1)</sup> See note 34 Business combination

<sup>2)</sup> See note 35 Asset acquisition

For end-of-life assets without remaining production a change in decommissioning estimates of USD 8 466 thousand (2022 – USD 3 381 thousand) are recognised as a change in decommission liability with contra in other operating expenses in the Income Statement.

Breakdown of the decommissioning liabilities to current and non-current	2023	2022
Decommissioning liabilities, non-current	817 004	753 019
Decommissioning liabilities, current	37 747	16 522
<b>Total decommissioning liabilities</b>	<b>854 750</b>	<b>769 541</b>

Provisions by decommissioning period	31 December 2023	31 December 2022
2023 – 2030	286 857	274 417
2031 – 2040	238 471	295 816
2041 – 2060	329 422	199 366
<b>Total provisions</b>	<b>854 750</b>	<b>769 599</b>

Upon retirement of the Gassled pipelines, the costs of decommissioning will be recharged to the users (shippers) of the pipelines based on shipped volumes. The Group's liability as a shipper is presented as other non-current liability and estimated based on the net present value of the estimated future retirement costs on the basis of accumulated shipped volumes. Change in estimates are recognised as a decrease in decommission liability of USD 4 512 thousand (2022 increased liability of USD 6 570 thousand) with contra in other operating expenses in the Income Statement. Retirement obligation as shipper in Gassled is classified as non-current provision in the Statement of Financial Position of USD 11 696 thousand.



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## 27. Interests in joint operations

Fields	Share	Operator	Concession period expires
Duva	10.00%	Neptune Energy Norge AS	2044
Dvalin	10.00%	Wintershall Dea Norge AS	2041
Dvalin North	10.00%	Wintershall Dea Norge AS	2032
Edvard Greig Oil Pipeline (EGOP)	4.9269%	Equinor Energy AS	2029
Ekofisk	7.6040%	ConocoPhillips Skandinavia AS	2048
Eldfisk	7.6040%	ConocoPhillips Skandinavia AS	2048
Embla	7.6040%	ConocoPhillips Skandinavia AS	2048
Fenja	17.50%	Neptune Energy Norge AS	2039
Halten East	11.80%	Equinor Energy AS	2027
Hanz	15.00%	Aker BP ASA	2036
Heimdal	28.798 %	Equinor Energy AS	2024
Ivar Aasen	12.32%	Aker BP ASA	2036
Kvitebjørn Oil Pipeline (KOR)	19.00 %	Equinor Energy AS	2031
Kvitebjørn	19.00%	Equinor Energy AS	2031
Maria	20.00%	Wintershall Dea Norge AS	2036
Martin Linge	19.00%	Equinor Energy AS	2027
Nova	45.00%	Wintershall Dea Norge AS	2041
Oda	70.00%	Sval Energi AS	2036
Symra	20.00%	Aker BP ASA	2030
Tor	6.6392%	ConocoPhillips Skandinavia AS	2048
Trym	50.00%	DNO Norge AS	2027
Utsira High Gas Pipeline (UHGP)	7.3904 %	Gassco	2029
Vale	50.00%	Sval Energi AS	2023
Vega Sør	25.00%	Wintershall Dea Norge AS	2024
Vega Unit	5.50%	Wintershall Dea Norge AS	2035



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Fields	Share	Operator	Concession period expires
PL018ES	15.00%	A/S Norske Shell	2028
PL 043BS	19.00%	Equinor Energy AS	2027
PL 043FS	19.00%	Equinor Energy AS	2028
PL 090HS	25.00%	Equinor Energy AS	2024
PL 242	15.00%	Aker BP ASA	2036
PL 249	50.00%	Sval Energi AS	2023
PL 263/263B	30.00%	Equinor Energy AS	2037
PL 375	20.00%	Equinor Energy AS	2041
PL 378	12.12%	Wintershall Dea Norge AS	2041
PL 418B	45.00%	Wintershall Dea Norge AS	2041
PL 528/528B	40.00%	Sval Energi AS	2024
PL 586B	17.50%	Neptune Energy Norge AS	2023
PL 636B/C	10.00%	Neptune Energy Norge AS	2044
PL 956	15.00%	Vår Energi ASA	2027
PL 969 /969B	15.00%	A/S Norske Shell	2026
PL 1040	30.00%	Equinor Energy AS	2027
PL 1043/1043B	30.00%	Vår Energi ASA	2023
PL 1096	20.00%	Vår Energi ASA	2028
PL 1112	20.00%	A/S Norske Shell	2027
PL 1113	30.00%	Neptune Energy Norge AS	2028
PL 1114	30.00%	Harbour Energy Norge AS	2028
PL 1121	30.00%	Equinor Energy AS	2027
PL 1138	30.00%	Harbour Energy Norge AS	2028
PL 1147	40.00%	Sval Energi AS	2029
PL 1150S	40.00%	Sval Energi AS	2029
PL 1158	20.00%	Aker BP ASA	2029
PL 1160	40.00%	DNO Norge AS	2029

## 28. Commitments and contingencies

Nearly all the Group's commitments and contingencies are due to Sval Energi AS' operations. Sval Energi's operations are related to managing its interests across a wide portfolio of exploration, development and production licenses.

### Committed future obligations

The Group is required to participate in the approved work programs for the licenses which also includes obligations to participate in exploration wells. Total drilling commitments as of 31 of December 2023 are 6 wells over 2024 and 2025 with an estimated cost of USD 41 million. The Group has also commitments related to gas transportation with estimated cost of USD 150 million (2022 – USD 88 million).

### Planned investments

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



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USD thousand	31 December 2023	31 December 2022
Within one year	239 264	212 415
One to five years	351 177	506 662
After five years	16 080	1 120
<b>Total other commitments</b>	<b>606 522</b>	<b>720 197</b>

#### Contingent considerations

As part of the Group's acquisition of a share in Martin Linge Unit and Greater Ekofisk Area, the Group has agreed to pay contingent consideration related to oil and gas revenue for the full year 2022 and 2023. The contingency is accounted for in the Group's current liabilities and further detailed in note 34 Business combinations, note 35 Asset Acquisitions and note 25 Accounts payable and other liabilities, current.

#### Guarantees

The Group has replacement DSAs for USD 40 million in favour of Equinor and Centrica, issued as part of Sval's purchase of Spirit in 2022 for future decommissioning cost on Skirne, Kvitebjørn, Heimdal, Kvitebjørn Oil Pipeline and Vale. The Group has also issued an exit DSA in favour of Centrica and SWM Gasbeteiligungs GmbH USD 12 million and has provided a guarantee of USD 29 million in favour of Gassco for future transportation of natural gas.

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

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

## 29. Lease liabilities

USD thousand	2023	2022
<b>Total liability as of 1 January</b>	<b>38 326</b>	<b>45 239</b>
New lease liabilities in the period	5 512	(2 876)
Annual index adjustment	760	-
Payments of lease liabilities	(8 947)	674
Interest expense on lease liability	1 611	-
Foreign currency effect	(280)	-
Foreign currency translation reserve	-	(4 711)
<b>Total liability as of 31 December</b>	<b>36 984</b>	<b>38 326</b>

#### Breakdown of the lease liabilities to current and non-current

Lease liabilities, current	14 152	9 043
Lease liabilities, non-current	22 832	29 284
<b>Total liability as of 31 December</b>	<b>36 984</b>	<b>38 326</b>



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## Nominal lease liabilities maturity breakdown

Within one year	14 152	9 043
One to five years	20 973	27 227
After five years	5 810	7 246
<b>Total nominal lease liabilities</b>	<b>40 935</b>	<b>43 516</b>

## 30. Changes in liabilities arising from financing activities

	01.01.2023	Cash flow	Non-cash changes			31.12.2023
			Foreign exchange movement	Foreign currency translation reserve	Other	
Current interest-bearing borrowings	49 800	(2 315)	3 268	(1 499)	182	49 436
Non-current interest-bearing borrowings	1 027 699	(239 878)	-	-	4 318	792 139
<b>Total liabilities from financing operations</b>	<b>1 077 499</b>	<b>(242 193)</b>	<b>3 268</b>	<b>(1 499)</b>	<b>4 500</b>	<b>841 575</b>

	01.01.2022	Cash flow	Non-cash changes			31.12.2022
			Foreign exchange movement	Foreign currency translation reserve	Other	
Current interest-bearing borrowings	188 092	(128 810)	2 660	(17 922)	5 781	49 800
Non-current interest-bearing borrowings	38 468	1 022 555	(2 065)	(28 076)	(3 183)	1 027 699
<b>Total liabilities from financing operations</b>	<b>226 560</b>	<b>893 745</b>	<b>595</b>	<b>(45 998)</b>	<b>2 598</b>	<b>1 077 499</b>

## 31. Proved and probable reserves (unaudited)

Proved and probable reserves (mmboe)	2023	2022
Proved and probable reserves as of 1 January <sup>1)</sup>	220	42
Acquisitions <sup>2)</sup>	-	165
Change in estimate	-	26
Production	(24)	(12)
<b>Proved and probable reserves as of 31 December<sup>3)</sup></b>	<b>196</b>	<b>220</b>

<sup>1)</sup> Opening balance as from 1 January 2022 had been adjusted to reflect the Group's total proved and probable reserves (2P)

<sup>2)</sup> The increase in the Group's proved and probable reserves (2P) in 2022 was due to acquisitions of Spirit, Equinor's shares in the Greater Ekofisk and Martin Linge and Suncor.

<sup>3)</sup> Reserves in the table as of 31 December 2023 and 2022 are in accordance with reserves in the Competent Person's Report (CPR) provided by an external independent consultancy applying the standard petroleum engineering techniques. Sval's reserves as of 31 December 2023 and as of 31 December 2022 are broadly in-line with the CPR.



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## 32. Group information

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

Company	Principal activities	Country of incorporation	Equity interest 31.12.2023
Sval Energi AS	E&P company	Norway	100%
Sval Renewables AS <sup>1)</sup>	Holding company	Norway	100%
Sval Wind Farm OY	Holding company	Finland	100%
Sval SENAS AS <sup>2)</sup>	Former E&P company	Norway	100%
Trudvang CCS ANS <sup>3)</sup>	CCS company	Norway	40%

<sup>1)</sup> Sval Renewables holds a 50% interest in a wind farm project in Finland through its fully owned subsidiary Sval Wind Farm Oy.

<sup>2)</sup> The Group acquired all issued and outstanding shares in SENAS from Suncor Energy (International) Holdings B.V. the 30 September 2022. The company was liquidated in November 2023 with consequently a loss of USD 32 541 thousand.

<sup>3)</sup> Trudvang CCS ANS was established in October 2023.

## 33. Investments in Joint Ventures

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

Investment in Metsälamminkangas Wind OY, Finland (USD thousand):

Period	Number of shares	Ownership	Net book value of investment	Share of equity	Share of profit/(loss) for the year
31 December 2023	1 250	50%	14 998	14 097	(3 450)
31 December 2022	1 250	50%	30 745	29 810	10 206

The change in the Group's book value of the joint venture investment is reconciled as follows:

Thousand	EUR	USD
<b>Group book value at 1 January 2023</b>	<b>28 764</b>	<b>30 754</b>
Dividend received	(12 000)	(13 260)
Share of loss in joint venture 2023	(3 191)	(3 450)
Adjustment share of loss in joint venture prior year	-	(65)
Currency conversion difference	-	1 019
<b>Group book value at 31 December 2023</b>	<b>13 572</b>	<b>14 998</b>

Thousand	EUR	USD
<b>Group book value at 1 January 2022</b>	<b>74 614</b>	<b>84 507</b>
Debt conversion to equity during the year	(55 572)	(57 465)
Share of gain in joint venture	9 722	10 206
Currency conversion difference	-	(6 569)
Adjustment prior year	-	74
<b>Group book value at 31 December 2022</b>	<b>28 764</b>	<b>30 754</b>



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The table below shows details about the loss in the joint venture for 2023:

Thousand	EUR	USD
Revenue	7 564	8 177
Production costs	(6 585)	(7 118)
Financial items	(4 213)	(4 554)
Tax	42	45
<b>Loss for the year</b>	<b>(3 191)</b>	<b>(3 450)</b>

The table below shows details about the profit in the joint venture for 2022:

Thousand	EUR	USD
Revenue	17 034	17 883
Production costs	(5 994)	(6 293)
Financial items	(1 318)	(1 384)
<b>Profit for the year</b>	<b>9 722</b>	<b>10 206</b>

Sval Wind Farm Oy holds a loan to MLK of USD 80 589 thousand as of 31 December 2023 and USD 77 789 thousand as of 31 December 2022.

## 34. Business combinations

### Accounting policies

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

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

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

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



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

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

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

#### **Acquisition of the Spirit Energy Norway AS business**

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

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

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



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Assets and liabilities recognised at the acquisition date from the business combination assumed at the date of the acquisitions were as follows:

USD thousand	31 May 2022
Goodwill <sup>1)</sup>	286 394
Property, plant and equipment	1 277 864
Right-of-use assets	538
Other non-current assets	9 086
<b>Total non-current assets</b>	<b>1 573 882</b>
Inventories	21 342
Accounts receivable	107
Other receivables, current <sup>2)</sup>	326 022
<b>Total assets, current</b>	<b>347 471</b>
<b>Total assets</b>	<b>1 921 353</b>
Decommissioning liabilities, non-current	229 415
Other liabilities, non-current	8 887
Deferred tax <sup>1)</sup>	724 462
<b>Total liabilities, non-current</b>	<b>962 763</b>
Other liabilities, current <sup>3)</sup>	164 139
Decommissioning liabilities, current	2 409
Taxes payable <sup>2)</sup>	431 660
<b>Total liabilities, current</b>	<b>598 208</b>
<b>Total liabilities</b>	<b>1 560 971</b>
Net assets and liabilities recognised	360 382
<b>Fair value of consideration paid on acquisition<sup>4)</sup></b>	<b>360 382</b>

<sup>1)</sup> USD 719 182 thousand of the deferred tax balance have a contra in technical goodwill.

<sup>2)</sup> Tax payable of USD 431 660 thousand includes uncertain tax provision of USD 141 560 thousand from the acquisition of Spirit. Sval have a tax indemnity against Spirit for these cases, hence is a contra of USD 141 560 thousand recognised as other receivables current.

<sup>3)</sup> The sale and purchase agreement (SPA) between Sval and Spirit includes a post-tax contingent consideration for the period starting 5 October 2021 to 31 December 2022 depending on the development in the commodity prices for gas. The contingent consideration is measured at fair value as a financial liability in the balance sheet at the date of control transfer, and changes in fair value is recognised in the Income Statement in accordance with IFRS 9 subsequent to initial recognition. Due to the nature of the contingent consideration and the fact that it is directly linked to income (through the price and volume of gas delivered) any changes in fair value are classified as other income in the Income Statement. Fair value of contingent consideration at the transfer of control was USD 41 118 thousand, the liability was recognised as other current liabilities.

<sup>4)</sup> Consideration paid on acquisition differ from amount in cash flow statement due to conversion from presentation currency NOK to USD for 2022 and use of yearly average NOK/USD and EUR/USD exchange rate in cash flow and year-end 2022 NOK/USD and EUR/USD exchange rate for the numbers in this note.



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## Reconciliation of goodwill from the acquisition:

USD thousand	31 May 2022
Badwill – Residual goodwill	(432 788)
Technical goodwill as a result of deferred tax <sup>1)</sup>	719 182
<b>Net goodwill from the acquisition</b>	<b>286 394</b>

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

## 35. Asset acquisitions

### Accounting policy

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

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

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

Upon the sale of an interest in a joint operation that is accounted for on a line-by-line basis in accordance with the above accounting principles, all asset and liabilities sold are derecognised from the Statement of Financial Position. Revenues and expenses are included in the Income Statement until the transaction date. Gains and losses relating to the sale of interests in joint operations are determined by comparing the selling price with the net book value of the interest sold. Realised gain or loss from the sale is included in other operating income or expenses in the Income Statement. If the entity disposes of or classifies as held for sale a component that meets the definition of a discontinued operation, the presentation and disclosure requirements of IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations) apply.

### Acquisition of Martin Linge Unit and the Greater Ekofisk Area

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

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

Martin Linge Unit relates to purchase of 19% of Equinor's 70% participating interest in PL 040, PL 043 and PL 043BS on the Norwegian Continental Shelf (NCS). Following the agreement, Equinor will still hold the rights to the majority (51%) of these production licenses and will remain the operator of the Martin Linge Unit. The Greater Ekofisk area relates to purchase of the participating



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interests of 7.60% in PL 018, PL 018B and PL 275 and 6.64% of the Tor Unit on the NCS. Equinor will hold no participating interests in these production licenses following the agreement. ConocoPhillips is, and will continue to be, the operator of these production licenses.

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

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

#### **Acquisition of Suncor Energy Norge AS**

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

## **36. Subsequent events**

#### **Accounting policy**

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

In the annual Award in Predefined Areas (APA) round, Sval won two new licenses, of which one as operator and one as partner. The two new licenses are PL 1229 (Sval 30% and operator) and PL 1225 S (Sval 20%), both in the Norwegian Sea. New and attractive exploration acreage in areas where Sval owns existing infrastructure is an important part of the Group's growth ambition. The goal is that new exploration licences will lead to new discoveries that can be efficiently developed.

The Board does not consider the above to have an impact on the Financial Statements for the Group for 2023.

Sval has in the start of 2024 had drilling activity on one exploration wells. The Ametyst exploration well (PL 1138) was spudded on 8<sup>th</sup> January by the Noble Integrator drilling rig. The well has been classified as dry well and subsequently written off as dry well cost.

The joint venture MLK experienced an incident during February 2024. A fire broke out at Turbine 21. No people were injured. The turbine supplier, OX2 and the SPV is working to resolve the matter, including erecting a new turbine. 23 out of 24 turbines are still in operation and the production short fall following the incident as well as the replacement of the damaged turbine will be compensated financially through agreements already in place prior to the incident.

In January 2024, Sval Renewables AS paid an additional group contribution without taxable effect of EUR 8 million to Sval Energi Invest II AS.



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## 37. Proforma

Table below presents adjusted comparative information for 2022 total comprehensive income as if the assets and business acquired during 2022 were part of the entity for the full year 2022. Also, see note 34 Business combination and 35 Asset acquisitions for more information related to the 2022 transactions.

### Income Statement

USD thousand	2023	Proforma 2022
Revenue from contracts with customers	1 986 747	3 349 349
Other operating income	51 720	102 364
<b>Total income</b>	<b>2 038 467</b>	<b>3 451 713</b>
Production costs	(344 928)	(488 874)
Exploration expenses	(21 549)	(61 907)
Depreciation	(466 857)	(644 160)
Other operating expenses	(47 654)	(77 847)
<b>Total operating expenses</b>	<b>(880 988)</b>	<b>(1 272 788)</b>
<b>Operating profit</b>	<b>1 157 479</b>	<b>2 178 925</b>
Interest income	23 220	10 585
Other financial income	127 418	74 382
Interest expenses	(132 808)	(41 565)
Other financial expenses	(105 834)	(20 553)
<b>Net financial items</b>	<b>(88 004)</b>	<b>22 849</b>
Share of net loss in equity accounted investments	(3 516)	10 206
<b>Profit before taxes</b>	<b>1 065 960</b>	<b>2 211 980</b>
Income tax expense	(916 096)	(1 806 912)
<b>Profit for the year</b>	<b>149 864</b>	<b>405 068</b>



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## Statement of Comprehensive Income

USD thousand	2023	Proforma 2022
<b>Profit for the year</b>	<b>149 864</b>	<b>405 068</b>
<b>Other comprehensive income</b>		
Items that may be reclassified to profit or loss		
Net gain commodity hedging	9 101	-
Currency translation differences	1 689	2 705
<b>Other comprehensive income net of tax</b>	<b>10 791</b>	<b>2 705</b>
<b>Total comprehensive income</b>	<b>160 655</b>	<b>407 773</b>



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To the General Meeting of Sval Energi Holding AS

## INDEPENDENT AUDITOR'S REPORT

### *Opinion*

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

- The financial statements of the parent company Sval Energi Holding AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.
- The consolidated financial statements of Sval Energi Holding AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2023, statement of profit and loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

### *Basis for Opinion*

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

### *Other Information*

The Board of Directors (management) is responsible for the information in the Board of Directors' report. 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

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Registrert i Foretaksregisteret  
Medlemmer av Den norske Revisorforening  
Organisasjonsnummer: 980 211 282



## Deloitte.

Independent auditor's report  
Sval Energi Holding AS

- contains the information required by applicable statutory requirements.

### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



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We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stavanger, 30 April 2024  
Deloitte AS

**Ommund Skiland**  
State Authorised Public Accountant



## Independent auditor's report

Name	Date
Skailand, Ommund	2024-04-30

Identification

 bankID Skailand, Ommund



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Advanced Electronic Signatures (Regulation (EU) No 910/2014 (eIDAS))



Skatteetaten

Vår dato  
25.06.2021

Din/Deres dato

Saksbehandler  
Kjell Knutsen

800 80 000  
Skatteetaten.no

Din/Deres referanse

Telefon  
94897296

Org.nr  
974761076

Vår referanse  
2021/6022005

Postadresse  
Postboks 9200 Grønland  
0134 OSLO

U.off.

SVAL ENERGI HOLDING AS  
Postboks 130  
4068 STAVANGER

## Dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk

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

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

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

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

### Bakgrunn

Fra søknaden siteres:

Selskapene som er opplistet i vedlegg til denne søknaden («Selskapene») er norske drifts, investerings- og holdingselskaper hel- eller deleid av to ulike HitecVision private equity fond lokalisert på Guernsey («Fondene»). De aktuelle fondene er HitecVision VII, L.P. («HV VII») og HitecVision North Sea Opportunity Fund («NSOF»).

Selskapenes formål er «Produksjon og transport av olje og gass, samt alt som naturlig hører til derved, herunder investere i gass infrastruktur aktiva relatert til den norske kontinentalsokkelen», og «Produksjon og salg av vindkraft, samt alt som naturlig hører til derved, herunder investere i infrastrukturaktiva relatert til dette og i selskaper med tilsvarende formål»

Samtlige av Selskapenes direkte- og indirekte aksjonærer er profesjonelle investorer. I tillegg



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

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

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

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

### **Skattekontorets vurdering**

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

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

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

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



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

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

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Gro Stangeland  
Underdirektør  
Innsats, storbedrift  
Skatteetaten

Kjell Knutsen

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