ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	985 224 323
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	WINTERSHALL DEA NORGE AS
Forretningsadresse:	Jåttåflaten 27 4020 STAVANGER

Regnskapsår

Årsregnskapets periode:	01.01.2021 - 31.12.2021

Konsern

Morselskap i konsern:	Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Steinar Haga
Dato for fastsettelse av årsregnskapet:	23.02.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert

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

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

Brønnøysundregistrene, 14.03.2023

Resultatregnskap

Beløp i: USD	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	3	3 055 781 000	1 514 817 000
Annen driftsinntekt	3	-73 142 000	25 211 000
Sum inntekter		**2 982 639 000**	**1 540 028 000**
Kostnader			
Lete og produksjonskostnader	4	580 546 000	633 729 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	9,10,11	620 627 000	1 230 605 000
Annen driftskostnad	5	56 936 000	28 810 000
Sum kostnader		**1 258 109 000**	**1 893 144 000**
Driftsresultat		**1 724 530 000**	**-353 116 000**
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	7	424 000	716 000
Annen renteinntekt	7	4 071 000	6 595 000
Agio gevinst			79 027 000
Sum finansinntekter		**4 495 000**	**86 338 000**
Rentekostnad til foretak i samme konsern	7	74 733 000	56 509 000
Annen rentekostnad	7	-14 705 000	1 068 000
Agio tap	7	4 928 000	
Sum finanskostnader		**64 956 000**	**57 577 000**
Netto finans		**-60 461 000**	**28 761 000**
Ordinært resultat før skattekostnad		**1 664 069 000**	**-324 355 000**
Skattekostnad på ordinært resultat		1 321 263 000	-454 212 000
Ordinært resultat etter skattekostnad		**342 806 000**	**129 857 000**
Årsresultat		**342 806 000**	**129 857 000**

Balanse

Beløp i: USD	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Konsesjoner, patenter, lisenser, varemerker og lignende rettigheter	11	488 627 000	439 873 000
Goodwill	11	1 363 421 000	1 364 842 000
Sum immaterielle eiendeler		**1 852 048 000**	**1 804 715 000**
Varige driftsmidler			
Anlegg under utførelse	9	1 961 791 000	1 595 345 000
Skip, rigger, fly og lignende	9	4 639 303 000	4 797 501 000
Bruksrett	10	47 592 000	101 722 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende		7 202 000	6 731 000
Sum varige driftsmidler		**6 655 888 000**	**6 501 299 000**
Finansielle anleggsmidler			
Andre fordringer		1 239 000	9 249 000
Sum finansielle anleggsmidler		**1 239 000**	**9 249 000**
Sum anleggsmidler		**8 509 175 000**	**8 315 263 000**
Omløpsmidler			
Varer			
Varer		61 973 000	64 829 000
Sum varer		**61 973 000**	**64 829 000**
Fordringer			
Kundefordringer		442 776 000	209 457 000
Andre fordringer		81 643 000	398 957 000
Konsernfordringer		1 467 453 000	186 361 000
Sum fordringer		**1 991 872 000**	**794 775 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		71 988 000	76 536 000
Sum bankinnskudd, kontanter og lignende		**71 988 000**	**76 536 000**

Balanse

Beløp i: USD	Note	2021	2020
Sum omløpsmidler		**2 125 833 000**	**936 140 000**
SUM EIENDELER		**10 635 008 000**	**9 251 403 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		710 992 000	710 992 000
Overkurs		233 391 000	233 391 000
Annen innskutt egenkapital		1 419 463 000	1 077 066 000
Sum innskutt egenkapital		**2 363 846 000**	**2 021 449 000**
Sum egenkapital		**2 363 846 000**	**2 021 449 000**
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	16	50 446 000	51 158 000
Utsatt skatt	8	3 150 314 000	2 485 268 000
Fjerningsforpliktelse		1 468 478 000	1 747 005 000
Sum avsetninger for forpliktelser		**4 669 238 000**	**4 283 431 000**
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner		0	802 525 000
Langsiktig konserngjeld		2 315 551 000	1 568 785 000
Øvrig langsiktig gjeld		57 236 000	6 907 000
Leieforpliktelse		51 917 000	68 447 000
Sum annen langsiktig gjeld		**2 424 704 000**	**2 446 664 000**
Sum langsiktig gjeld		**7 093 942 000**	**6 730 095 000**
Kortsiktig gjeld			
Leverandørgjeld		141 233 000	122 181 000
Betalbar skatt	8	576 850 000	0
Skyldige offentlige avgifter		6 188 000	5 529 000
Fjerningsforpliktelse		100 771 000	70 691 000
Annen kortsiktig gjeld		339 524 000	240 489 000
Leieforpliktelse		12 654 000	60 969 000

Balanse

Beløp i: USD	Note	2021	2020
Sum kortsiktig gjeld		**1 177 220 000**	**499 859 000**
Sum gjeld		**8 271 162 000**	**7 229 954 000**
SUM EGENKAPITAL OG GJELD		**10 635 008 000**	**9 251 403 000**

Wintershall Dea Norge AS
2021 Annual Report

Wintershall Dea Norge AS Annual Report 2021

Contents

wintershall dea

Directors Report

Business Objective

Wintershall Dea Norge AS ("the Company") carries out gas and oil activities on the Norwegian Continental Shelf (NCS). This includes the search for gas and oil, appraisal and development of discovered resources as well as production and sale of hydrocarbons. We have operated on the NCS for almost 50 years and are now amongst the leading oil and gas companies in Norway. We are the operator of around a third of our 96 concessions, including the producing fields Brage, Maria and Vega. We are also an active partner in several exploration, development and production assets.

Our portfolio is being expanded further with smart technical solutions. As operator of the Nova and Dvalin fields, we are further strengthening our position as an expert in subsea field development. Both fields are being developed by means of a subsea tieback, with production facilities on the seabed which are connected to existing host platforms.

Our exploration and production concessions are located in all regions on the NCS: in the North Sea, Norwegian Sea and the Barents Sea. The southernmost concession is south-west of Stavanger, while the northernmost one is well above Hammerfest. Nova and Brage are located around 120 kilometres west of Bergen. Maria and Njord lie roughly at the level of Trondheim while the Dvalin field lies even further north in the central part of the Norwegian Sea. Our registered office is in Stavanger while we also have an operational office in Bergen.

Reserves and resources

As of 31 December 2021, we had aggregated 1P reserves of 418 million boe and 2P reserves of 561 million boe (a 1P to 2P ratio of 75%) with a 2P reserve life of 10 years. Our 2P reserves consisted of 54% gas and 46% liquids.

Production

Our total production in 2021 amounted to 58.2 million boe net (159 kboe/d). This is an increase compared to 2020, where we produced 56.4 million boe net (154 kboe/d). Our operated assets contributed to an overall of 13.3 million boe net (36.4 kboe/d).

For the operated Vega field (56.7% Working Interest, hereinafter WI), production ended up at 7.6 million boe net (21 kboe/d) for the year, which is down from 2020, mainly caused by a planned reduction in contracted export capacity at the Gjøa host platform. The Vega field production is mainly defined by the contracted gas capacity at the Gjøa host, referred to as Maximum Bookable Quantity (MBQ), with potential upsides on the liquid production. The main Vega production loss and deferral for 2021 were related to the dissolving of a hydrate plug ("ice plug") in the pipeline between templates Q and R. This operation required a shut-in of the full Vega field production for a month in October/November 2021.

The loss during this production period has been mostly compensated through good reservoir and well performance, with significant liquid production from the new infill well R-11 drilled and delivered in November, as well as utilisation of additional available capacity at Gjøa on an operational basis throughout the year, in particular during Q1 and Q4 2021. The drilling rig Deepsea Aberdeen, contracted in Q3 2020 for the delivery of a 3 infill well campaign, started operations in Q3 2021 and delivered the first well R-11 in November 2021. The rig operation has continued on the next infill well, Q11, with delivery in Q1 2022, and will finalise the campaign with well Q13 in Q2 2022.

Production from the operated Maria field (50% WI) was strong and ended with 4.6 million boe net (13 kboe/d) for the full year, which is 50% up compared with 2020. The reservoir and well performance have been good with a boost from the infill wells delivered during the second half of 2020, production well G-2 and injection well H-3. Additionally, strong efforts in optimising production throughout the year have contributed to the good performance. The longer-term activity to further increase field recovery, the Maria Revitalization Project, passed DG1 in March 2021, and maturation has continued with current plans for a concept select and DG2 in February 2022. The plan is to take an investment decision for the project in Q3 2022 with a following submission of an update to the existing PDO (Plan for Development and Operation) for authority approval. First oil from this project is planned early 2025.

Production from the operated Brage field (35.2% WI) was slightly lower compared with 2020 and ended up at around 1.1 mmboe net (3 kboe/d). The main reason for the reduction from last year was the lack of new production from infill wells as a break in the infill drilling program was initiated in Q2 2020. The main losses during 2021 were caused by having to shut in full field production for a major part of September due a leak discovered in the spill oil tank underneath the platform, and again having a full field shut-in for almost half of October due to challenges with a gas cooler. The infill drilling activity recommenced during Q2 2021, after a full year break, with the approval of a three-well campaign. The first well, A-01D, delivered production from mid-October. The infill drilling campaign has continued with the delivery of well A-35B at the tail-end of 2021 but has yet not been put on production. The infill drilling activity is planned to continue throughout 2022, starting with the last well in the ongoing campaign, A32D, before continuing with additional wells to maintain production levels. These wells will be approved on a well-by-well basis. Brage is planning for an approximate three-week maintenance turnaround in May 2022, which is scheduled every four years, and aligned with the maintenance turnaround at the Oseberg field centre to which Brage's production pipeline is tied.

Production from the Gjøa field (28% WI), operated by Neptune Energy, ended up at approximately 7.2 million boe net (20 kboe/d), which is up by almost 10% from 2020. The planned shutdown scope for Gjøa and Vega was revisited and the total number of shut-in days for the year was reduced compared with the plan. Additionally, the start of production of Gjøa's own P1-development in Q1 2021 showed good reservoir and well performance, contributing to the overall good production delivery. The activity level onboard Gjøa has been high throughout the year with significant amount of work performed to prepare for the tie-in of the Nova and Duva fields, in addition to the work required for the P1 development. The Duva field started production in August 2021 but still had topside work to be performed throughout the year. The main focus on Gjøa during 2022 will be to continue the good production performance whilst also finalising the required topside modifications and preparing for and delivering the start-up of the Nova field.

The Dvalin field (55% WI), located in the Haltenbanken area, has been developed as a subsea tie-in to the Heidrun host platform. The development finalised its project delivery in Q4 2020 preparing to start production. Upon production start, the stream was immediately shut-in due to identification of significant amounts of mercury well outside the contracted well stream specifications and also what the limits of the receiving terminals, Nyhamna and Tjeldbergodden, can handle. The early and immediate work clearly indicated that filters were required at both the receiving terminals and a project with a dedicated team has been set-up to deliver these. The work is performed jointly with the operator Gassco for the Nyhamna part, whilst the cooperation partner at Tjeldbergodden is the operator Equinor. As part of the input to the filter project, a 30-day test production period was attempted in July 2021 but was yet again quickly shut-in due to the amounts of mercury observed. The project for the delivery of the filters will be the main Dvalin activity for 2022, with the target of starting production from the field in December.

Aasta Hansteen (24% WI), operated by Equinor, has delivered strong production above expectations at 13 mmboe net (36 kboe/d) in 2021, equal to the level of production in 2020. The processing capacity has increased from 23 MSm3/d to 25.8 MSm3/d and has been key to the high production in 2021. Aasta Hansteen has been producing at a production efficiency of 95 % including planned and unplanned downtime. The Aasta Hansteen field reserves have increased from 306 mmboe (gross) to 354 mmboe (gross). The Asterix field (19% WI), operated by Equinor, is being developed as a subsea tie-back to Aasta Hansteen.

The Skarv Unit (28% WI) including PL212 Ærfugl North delivered a total production of 11.9 mmboe net (33 kboe/d) in 2021, compared with 8.7 mmboe net (24 kboe/d) in 2020. The Skarv Unit is operated by AkerBP and is one of the key contributors to the Company's production in Norway. The field experienced some Covid-19 challenges in addition to operational shut-ins, prolonged turnaround and water production from some of the Ærfugl wells. The Ærfugl phase II and Gråsel projects have been delivered successfully according to budget and ahead of schedule. Both projects have progressed very well despite the Covid-19 pandemic.

Production from Edvard Grieg (15% WI), operated by Lundin, delivered above expectations at 6.3 mmboe net (17 kboe/d), which is 13% up compared with 2020 and with high production efficiency of 98%. The expected production plateau has been prolonged on Edvard Grieg. An additional three infill wells have been drilled and completed according to schedule and budget. The Solveig subsea tie-back project started production in 3Q 2021 as planned. A project to deliver power from shore is progressing according to schedule with expected start-up at the end of 2022.

The Snorre unit (8.57% WI), operated by Equinor, has produced 3.2 mmboe net (9 kboe/d) in 2021, which is 50% up compared with the previous year due to start-up of the Snorre Expansion Project (SEP) in December 2020. The SEP drilling campaign has continued during 2021 and is progressing ahead of schedule.

The Veslefrikk field (18% WI), operated by Equinor, and the Knarr field (30% WI), operated by Shell, are both approaching end of field lifetime. Preparation for abandonment is ongoing for both fields. Veslefrikk is expected to cease production in February 2022, while Knarr is expected to cease production in May 2022.

Development

The development of the own operated Nova field (45% WI) progressed in 2021. The field, which was discovered in 2012, is located in the Norwegian North Sea, around 120 km northwest of Bergen. The expected gross recoverable reserves from the field are around 92 mmboe, of which the majority is oil. Together with our partners, we are investing almost €1.1 billion in the development.

Nova is being developed as a subsea tieback connecting two templates to the existing Gjøa platform which is operated by Neptune Energy. Gjøa will process the production fluids and provide water injection and gas lift to the Nova field.

A substantial part of the Nova project was completed in 2021 with all of the subsea equipment safely installed on the seabed. This includes two subsea template systems, around 90 kilometres of pipelines, risers and umbilicals, and almost 250 000 tonnes of protective rock.

Drilling on Nova resumed at the end of 2021. The drilling campaign originally started at the end of October 2020 but was paused in March 2021, following an incident with a Xmas tree in which a winch wire snapped on the rig and one of the Xmas trees sank to the seabed. The contract for the drilling rig West Mira was terminated in May. However, a new rig, the Scarabeo 8, was contracted in June and resumed drilling again in early November. Drilling will continue into 2022.

Topside modifications on the host platform Gjøa have been continuing throughout 2021. The Nova field is planned to start producing in the second half of 2022.

The Njord area is comprised of the Njord field (50% WI), Hyme and Bauge (both 27.5% WI), and Fenja (0% WI) fields. Equinor is the operator of Njord, Hyme and Bauge while Neptune Energy is the operator of Fenja. The Njord Future project involves a major upgrade and refurbishment of the Njord A semi-submersible production and drilling unit and the Njord Bravo crude oil storage and offloading vessel. The project was heavily impacted by Covid-19 and consequences of earlier scope changes and under-estimation during previous two years. Production start-up is now expected in the second half of 2022. Overall, the Njord Future project gross investment is projected to €3.0 billion and field gross recoverable reserves is estimated to 174 million boe. The Hyme subsea tie-back to Njord was completed in 2014 and has remaining gross reserves estimated to 15 million boe. Bauge and Fenja subsea tiebacks are currently being developed. Bauge gross reserves are estimated at 49 million boe. Both these fields are foreseen to be on-stream shortly after Njord and Hyme start-up. The Bauge project total investment is €0.4 billion.

In the Skarv Unit, the Ærfugl project has progressed very well. The Ærfugl development comprises of six subsea production wells tied-back to the existing Skarv FPSO. The project is developed as a two-phased development. Ærfugl phase 1 is developed by three satellite subsea production wells in the southern part of the field, while Ærfugl phase 2 includes three subsea production wells in the northern part of the field. Both Ærfugl phase 1 and 2 have progressed very well. Ærfugl phase 1 started producing in November 2020 ahead of plan, according to budget and with no serious incidents. Ærfugl phase 2 started producing from one well in April 2020, while the next two wells started production ahead of plan in November 2021. The Gråsel project passed the investment decision in December 2020 and has been developed with one oil producer and one gas injector from existing infrastructure. Gråsel started production in June 2021.

The Snorre Expansion Project started production in December 2020 with continuous production drilling in 2021. The project is progressing ahead of plan and below budget. The project is a major increased oil recovery project in the Snorre area and on the NCS and consists of six subsea templates with 13 producers and 11 water alternating gas (WAG) injectors tied-back to Snorre A.

The Hywind Tampen offshore floating windfarm is progressing according to plan with expected start-up in 3Q 2022. Hywind Tampen consists of 11 floating wind turbines each delivering 8 MW, whereof 6 turbines will support Snorre and 5 turbines will support Gullfaks. The project is expected to reduce the total CO2 emissions in the two fields by 200,000 tonnes (gross) per year.

Exploration

The Company had a high level of exploration drilling activity in Norway throughout 2021, participating in a total of five exploration wells (three as operator) and three appraisal wells. The five exploration wells that were completed in 2021 resulted in four discoveries (including a discovery during the Bergknapp appraisal well) and two dry wells. The remaining two wells were drilled in relation to the appraisal of the MOL operated Iving discovery in the North Sea. Participation in a further eight exploration wells is planned in 2022.

Two partner operated exploration wells were completed in February 2021. The Bask exploration well in PL533 B in the south-western Barents Sea tested a new Paleocene play to the northwest of the Alta discovery. The well was dry but encountered 90 metres of sandstones with poor reservoir quality and traces of hydrocarbons. PL533 B is operated by Lundin with 40% equity. Partners are Aker BP with 35% and Wintershall Dea Norge AS with 25%. The Eidsvoll well in PL617 in the southern North Sea was drilled on the western flank of the Mandal High, close to the boundary between the Norwegian and Danish sectors. The well targeted Upper Jurassic sandstones of the Mandal formation but was dry with only traces of hydrocarbons in poor reservoir quality sandstones. The well was operated by MOL with 40% equity. Partners were OMV 30%, Wintershall Dea Norge AS 15% and Pandion Energy 15%.

The Lundin operated Solveig D segment well, drilled within the PL359 Solveig license, was completed in April 2021. The well targeted additional resources that can be tied back to the Solveig field, which started production in 2021. The well encountered a 10 metres oil column in sandstones of Triassic age. The operator's provisional recoverable resource estimates for the discovery are between 3 and 9 mmboe. The PL359 licensees (Lundin 65%, OMV 20% and Wintershall Dea Norge AS 15%) will evaluate development options in conjunction with future expansion of the Solveig field.

In May 2021, the Company completed the operated Dvalin North exploration well in the Norwegian Sea. The well resulted in significant gas, condensate and oil discoveries in reservoir intervals of Jurassic and Cretaceous age. In the primary target in the Middle Jurassic Garn Formation, a gas column of 85 metres was proven. Gas, condensate and oil columns of 33 and 114 metres were also encountered in the Cretaceous Lysing and Lange Formations. The Dvalin North discovery is expected to hold 70-140 million boe. At the end of 2021, the PL211 licensees (Wintershall Dea Norge AS 55%, Petoro 35%, and Sval Energi 10%) decided to pass the DG1 milestone for the gas discovery in the Garn Formation. The potential to develop the discovery as a sub-sea tie-back to the Company's operated Dvalin field will be further evaluated in 2022. The discoveries in the Lysing and Lange Formations are likely to require further appraisal in order to confirm commerciality.

In June and July 2021, the Company participated in two appraisal wells drilled by MOL in order to delineate the Iving discovery in the PL820S license in the North Sea. The first well encountered a 3-metre gas column over a 30-metre oil column in the upper part of the Triassic Skagerrak Formation. Oil was also encountered in a 6-metre sandstone layer with moderate reservoir quality in the lower part of the Skagerrak Formation. A separate oil column of about 50 metres was encountered in basement rocks with poor reservoir quality. The second appraisal well encountered a 20-metre gas column over a 29-metres oil column in the Skagerrak Formation. Prior to the drilling of the appraisal wells, the recoverable resources associated with the Iving discovery were estimated to be between 12 and 71 mmboe. However, the results of the appraisal wells will lead to a downward adjustment of the resource estimates. MOL is the operator of PL 820S with 40% equity. The partners are Lundin 41%, Pandion 12.5% and Wintershall Dea Norge AS 6.5%.

In July 2021, the Company drilled two side-tracks from a production well in the northern part of the Brage field in order to test the Talisker East prospect in the PL055 Brage license. The side-tracks both encountered oil and gas in the Middle Jurassic Oseberg Formation. Provisional recoverable resource estimates are between 3 and 10 mmboe. The discovery will be evaluated as a potential infill target by the Brage asset where the Company is the operator with 35.2%. Partners are Lime Petroleum 33.8%, DNO 14.3%, Vår Energi 12.3% and Neptune 4.4%.

In August 2021, the Company completed a re-entry of the Bergknapp discovery well in the PL836S license that was temporarily abandoned in April 2020 due to the onset of the Covid-19 pandemic. Three drill-stem tests (DSTs) were performed in the Jurassic Garn and Tilje Formations. All three DSTs flowed oil to surface. Following completion of testing, a downdip sidetrack was drilled in order to delineate the discovery and to core the Garn and Tilje Formations. The sidetrack also encountered a 260 metres thick, gas-bearing section in the Late Triassic Åre Formation. Following completion of the re-entry and sidetrack, the recoverable resources associated with the Bergknapp oil discovery were estimated be

40 to 84 mmboe. Provisional recoverable resource estimates for the new Åre Formation gas discovery are 20 to 80 mmboe. Further work will be carried out in order to evaluate potential development options, including a tie-back to Kristin or the Company's operated Maria field. The Company operates PL 836S with 40% equity. DNO and Spirit Energy are partners with 30% each.

The Company continues to apply for new exploration acreage through participation in the annual Awards in Predefined Areas (APA) licensing round. In the APA 2020 licensing round, announced in January 2021, the Company was awarded shares in a total of fourteen new exploration licenses and two area extensions to existing exploration licenses. The Company was also awarded operatorship of four of these licenses. Five of the new licenses are located in the North Sea, nine in the Norwegian Sea, and two in the Barents Sea. The Company did not participate in the 25th Licensing Round, announced in June 2021. In the APA 2021 licensing round, announced in January 2022, the Company was awarded shares in a total of seven new exploration licenses. The Company was also awarded operatorship in four of these licenses. Five of the new licenses are located in the North Sea and two in the Norwegian Sea.

A total of seventeen exploration licenses were relinquished during 2021 including three operated licenses: PL1021 in the Barents Sea, and PL944 and PL1010 in the Norwegian Sea. The majority of the relinquished licenses were located in the Barents Sea and the Vøring Basin, following disappointing exploration well results in 2020 and early 2021. These relinquishments will be partly offset by new awards from the APA 2021, resulting in a portfolio of approximately 40 exploration licenses on the Norwegian Continental Shelf.

Financial Result

The operating profit for the year 2021 is USD 1 725 million, compared to an operating loss of USD 353 million in 2020. The increase is mainly attributable to higher revenues due to the significant increase in commodity prices in 2021 and reversal of impairments made in previous years.

Oil and gas prices increased significantly compared to 2020. The average realised oil price for 2021 of 70.8 USD/bbl represented an increase of 64% compared with the previous year. Gas prices also went up by about 148%. As a consequence, and supported by good production performance throughout the portfolio, revenues doubled compared with the previous year amounting to around USD 3 056 million.

Production expenses increased year-on-year by approximately 1% to USD 552 million following the higher production as compared with 2020 and higher environmental taxes.

Total exploration expenses amounted to USD 29 million in 2021, which reflects a decrease of USD 58 million compared with 2020. The main reasons for the reduction are lower expenses related to dry or non-commercial exploration wells and reversal of previous impairments, partly offset by higher G&G and seismic data acquisition cost.
Depreciation and impairment charges decreased significantly by USD 610 million compared with 2020, amounting to USD 621 million in 2021. The reduction is mainly due to the reversal of previous

impairments of producing assets of USD 307 million in 2021 versus impairments of USD 256 million recorded in 2020. The remaining reduction of depreciation relates to the adjustment of reserve estimates and changes in production performance.

The financial result for the year 2021 amounted to a loss of USD 60 million, compared to a gain of USD 29 million in 2020. This change was mainly driven by net losses from foreign currency positions, which had a negative impact of USD 5 million in 2021 compared with a gain of USD 79 million in 2020. In addition, interest and financial expenses increased year-on-year by USD 5 million due to refinancing of long-term loans, lower capitalisation of borrowing cost (due to technical completion of the Dvalin development project in 2020), partly compensated by lower financial expenses related to the accretion of interest for the abandonment provisions due to updated macroeconomic assumptions.

The significant increase in revenues and consequently operating result contributed to a profit before taxes of USD 1 664 million compared with a loss of USD 324 million incurred in 2020. For 2021 the Company recorded tax expenses of USD 1 321 million compared with a tax income of USD 454 million the year before, which was mainly caused by the temporary tax measures introduced by the Norwegian government in 2020. The effective tax rate in 2021 was approximately 79% as the positive effect from the temporary tax measures was offset by low tax rate/deductibility related to oil hedge losses.

The Company closed the year 2021 with a net profit of USD 343 million compared with USD 130 million in 2020.

Cash flow from operations benefitted from strong commodity prices during the year and increased from USD 1 466 million in 2020 to USD 2 304 million in 2021.

The Company's result is considerably affected by changes in oil, gas and natural gas liquids prices and foreign exchange rates. We continuously secure our balance sheet and cash position against variations in exchange rates and commodity prices by entering into commodity and foreign exchange instruments. The credit risk is continuously monitored and considered low as we only sell to major oil companies. Gas is mostly sold to other Wintershall Dea Group companies.

Financial position

Total assets amounted to USD 10 635 million in 2021 compared with USD 9 251 million in 2020. Higher gas and oil revenues contributed to a year-on-year increase of trade receivables and cash pool balances of USD 1 281 million. Property, Plant & Equipment (PP&E) increased by USD 155 million driven by a continuously high level of investments in development projects and infill drilling activities during 2021, exceeding the depreciation for the year. Moreover, reversal of impairments added to the increase. In contrast, abandonment assets decreased due to updated decommissioning estimates and macroeconomic assumptions.

Total liabilities amounted to USD 8 271 million compared with the previous year's amount of USD

7 230 million. This change is mainly driven by increased tax liabilities due to significantly improved commodity prices, partly offset by the reduction in abandonment provisions due to updated decommissioning estimates and macroeconomic assumptions.

Equity increased by USD 342 million. This results in an equity ratio of 22.2%, up from 21.9% by the end of 2020.

The financial statements have been prepared under the assumption of going concern, and the Board confirms this assumption.

The positive operating cash flow of USD 2 304 million (2020: USD 1 466 million) provides for the required liquidity to fund our capital expenditures. If required, additional liquidity can be procured directly through the existing cash pool agreement with Wintershall Dea AG.

Health, Safety, Environment and Quality (HSEQ)

Management of Health, Safety, Environment, and Quality is an integrated part of all our activities. The corporate HSEQ vision of Zero Harm as well as six focus areas form the foundation for our activities:

- Leadership
- Safe and Healthy Workplace
- Environmental Protection
- Security
- Major Accident Prevention
- Quality

The Major Accident Prevention focus is a key topic, and we continue to build on the Petroleum Safety Authority's main theme from 2020: *Never another major accident*. In the Company we conduct awareness seminars, and we implement new tools to continue to strengthen our barrier management.

After a successful implementation campaign in 2020, we have continued to strengthen our safety culture through the use of the IOGP Life Saving Rules. We are also actively using the industry collaboration Always Safe (www.alwayssafe.no) and carry out learning workshops in all departments, onshore and offshore every quarter. A local Safety Leadership program was carried out for the Management Team, with dedicated workshops related to risk management, contractor management, sustainability and more. This effort is further supported by a global Wintershall Dea Group Safety Leadership programme which will continue into 2022. Using the knowledge and skills from these programmes, we continue to develop our managers and team leads to ensure a common approach to HSEQ.
The annual "Safety Day" was conducted as usual in October. Despite the pandemic situation, we were able to invite all employees to physical stands in Bergen and Stavanger as well as online presentations.

During 2021 we have strengthened our environmental reporting in line with Wintershall Dea Group sustainability initiatives and our Energy Transition Pathway. Through our activities, we contribute to reduced emissions through modifications of existing facilities, new technology, electrification of production facilities both onshore and offshore, while also developing concepts for safe and efficient storage of carbon. The Company has identified various storage sites that are currently being matured towards a license application for CO2 storage on the NCS.

The Covid-19 pandemic continues to have an influence on our activities. During 2021 we have consolidated our approach and are able to quickly adjust to changes in the infection rates, rules and regulations. Our "Corona Task Force" continues to meet to discuss threats and mitigating measures regularly. Throughout 2021 we have successfully managed the situation. We have had few confirmed cases amongst our employees, and we have avoided any further spreading or outbreaks. Open dialogue with the employees, sensible measures in line with corporate and national requirements and a flexible attitude in order to learn from, and share with, the rest of the industry have been key success factors in our strategy.

Staffing

The number of employees at the end of 2021 was 486 compared with 480 at year-end 2020. Average sick leave, including both the offshore and onshore staff, was 3.24% in 2021 compared with 3.14% in 2020.

Equal opportunities

We aim to provide equal opportunities for women and men and to ensure no discrimination with respect to remuneration and promotions. We are working systematically on recruiting women in positions traditionally held by men. There are no differences in salary and job description for women and men. The share of women in our company was 35% onshore, and 23% offshore by the end of the year. The management team consists of four female and seven male employees. In addition, our own-operated major project Nova is managed by two male employees.

Preventing discrimination

We work actively, systematically, and in a goal-oriented manner, to ensure equal opportunities and rights as well as preventing discrimination because of ethnicity, origin, nationality, language, religion and philosophy. The activities comprise among other things recruitment, salary and working conditions, promotion, development prospects and protection against harassment. Our employees represent more than 25 different nationalities with a big variation in age and background.
One of our objectives is to provide working places with no room for discrimination due to reduced working capability. We work actively and, in a goal-oriented manner to frame and adjust the main

solutions in the physical conditions, so that our premises can be used by most people. Individually adapted working places and job tasks for handicapped employees or applicants are made.

Directors and Officers liability insurance

The Company maintains a Directors and Officers liability insurance on behalf of the members of the Board of Directors and the Managing Director which is procured through Wintershall DEA AG. The insurance also covers any employee acting in a managerial capacity and includes controlled subsidiaries. The insurance policy is issued by reputable insurers with an appropriate rating.

Outlook

We have established ourselves as a strong operator and reliable partner on the NCS through major transactions and successful exploration and development activities in recent years. We are determined to further build on this position and will increase our equity production with our own operated Dvalin and Nova assets expected to come onstream in 2022. Production is planned to also benefit from the remediation measures for Maria, the continuous infill drilling activities on the Vega field and the start-up of the non-operated Njord area fields.

We already started many initiatives in previous years focusing on cost efficiency and have further built on those during 2021. These optimisation initiatives generated further solid results in 2021, optimising the organisation and improvements in HSEQ. This will continue in the next year.

To maintain the anticipated production level in the future, we will keep a high level of exploration activity also in the coming years. The Company will continue its strong focus on bringing the existing discoveries and current development projects into production. Overall, we have an attractive license portfolio, including producing fields, interesting exploration prospects, discoveries and development projects. We are prepared to further invest, while continuing to evaluate scope and schedule and keep cost efficiency in focus.

Forward-looking statements.

This annual report contains forward-looking statements regarding the future development of the Wintershall Dea Group and its companies as well as of the economic and political environment. These statements are assessments that we have made based on information available to us at the time this document was prepared. Forward-looking statements are not guarantees of the future developments and results outlined therein. In the event that the underlying assumptions do not materialise or unforeseen risks arise, actual developments can deviate from the developments expected at present. Therefore, we cannot assume responsibility for the correctness of these statements. The Company does not assume any obligation to update the forward-looking statements contained in this report above and beyond the legal requirements.

Allocation of annual result

Our accumulated retained earnings as of 31 December 2021 were USD 1 419 million. We posted a profit of USD 343 million for the year. The Board of Wintershall Dea Norge AS proposes the following allocation of the annual result at the general meeting:

Transfer to other equity	USD 342,806,364.25
Sum provisions and transfer	USD 342,806,364.25

A dividend of NOK 4 700 million is proposed for the fiscal year 2021 (USD 532.9 million converted at year-end 2021 USD/NOK rate of 8.8194).

Wintershall Dea Norge AS Annual Report 2021

Statement from the members of the Board and Managing Director

We confirm hereby that the annual result for the period from January until 31 December 2021 is according to our best knowledge, has been prepared in accordance with the Accounting Act §3 – 9 and that the information in the accounts reflect a true and fair view of the Company's assets, liabilities, financial standing and result in total and that the information in the annual report gives a true summary of the development, result and standing of the Company, together with a specification of the most central risk and uncertainties the Company is facing.

Stavanger, 23 February 2022

Dawn Summers *Signed electronically*	Sylke Schauer *Signed electronically*	Martin Romberger *Signed electronically*
Michael Zechner *Signed electronically*	Rikke Tittel *Signed electronically*	Erik Egedahl *Signed electronically*
Bjørn Asbo *Signed electronically*	Alv Bjørn Solheim Managing Director *Signed electronically*	

Statement of Income

Amounts in USD 1 000	Note	2021	2020
Operating income and expenses			
Revenue		3 055 781	1 514 817
Other income	3	(73 142)	25 211
Total income	3	**2 982 639**	**1 540 028**
Production expenses		(551 869)	(546 573)
Exploration expenses	4	(28 677)	(87 156)
Depreciation and impairment (reversal) charges	9, 10, 11	(620 627)	(1 230 605)
Other operating and administrative expenses	5	(56 936)	(28 810)
Total operating expenses		**(1 258 109)**	**(1 893 144)**
Operating profit / (loss)		**1 724 530**	**(353 116)**
Financial income and expenses			
Foreign currency exchange rate gain/(loss)		(4 928)	79 027
Interest and other financial income		4 495	7 311
Interest and other financial expenses		(60 028)	(57 577)
Net financial items	7	(60 461)	28 761
Profit / (loss) before tax		**1 664 069**	**(324 355)**
Income tax (expense) / benefits	8	(1 321 263)	454 212
Profit / (loss) for the year		**342 806**	**129 857**

Statement of Comprehensive Income

Amounts in USD 1 000	Note	2021	2020
Profit / (Loss) for the year		342 806	129 857
Actuarial gain / (loss) *	16	(1 858)	10 199
Deferred tax effect on above items		1 449	(7 955)
Other comprehensive income		(409)	2 244
Total comprehensive income / (loss).		**342 397**	**132 101**

* not to be reclassified to the Statement of Income at a later date.

Balance sheet as at December 31

Amounts in USD 1 000	Note	2021	2020
ASSETS			
Intangible assets			
Goodwill	11	1 363 421	1 364 842
Capitalized exploration and license acquisition costs	11	488 627	439 873
Total intangible assets		**1 852 048**	**1 804 715**
Property, plant and equipment			
Production facilities in development	9	1 961 791	1 595 345
Production facilities	9	4 639 303	4 797 501
Machinery and equipment	9	7 202	6 731
Right of use assets	10	47 592	101 722
Total property, plant and equipment	9	**6 655 888**	**6 501 299**
Financial assets			
Long term receivables and prepayments		1 239	9 249
Total financial assets		**1 239**	**9 249**
Total noncurrent assets		**8 509 175**	**8 315 263**
Current assets			
Inventory			
Spare parts		61 973	64 829
Total inventory		**61 973**	**64 829**
Current receivables			
Trade receivables	12	442 776	209 457
Other receivables	12, 22	1 549 096	585 318
Total current receivables		**1 991 872**	**794 775**
Cash and cash equivalents	13	71 988	76 536
Total current assets		**2 125 833**	**936 140**
Total assets		**10 635 008**	**9 251 403**

Amounts in USD 1 000	Note	2021	2020
EQUITY AND LIABILITIES			
Equity			
Share capital		710 992	710 992
Share premium		233 391	233 391
Other equity		1 419 463	1 077 066
Total equity	14	**2 363 846**	**2 021 449**
Deferred tax liabilities	8	3 150 314	2 485 268
Pension obligations	16	50 446	51 158
Abandonment and other provisions	15	1 468 478	1 747 005
Long term lease obligation	10	51 917	68 447
Long term loan		2 315 551	2 371 310
Other long term liabilities		57 236	6 907
Total noncurrent liabilities		**7 093 942**	**6 730 095**
Accounts payable	17	141 233	122 181
Current tax payable, taxes withheld and public duties payable	8	583 038	5 529
Abandonment and other provisions	15	100 771	70 691
Short term lease obligation	10	12 654	60 969
Other current liabilities	17, 22	339 524	240 489
Total current liabilities		**1 177 220**	**499 859**
Total equity and liabilities		**10 635 008**	**9 251 403**

Stavanger, 23 February 2022

Dawn Summers
Signed electronically

Sylke Schauer
Signed electronically

Martin Romberger
Signed electronically

Michael Zechner
Signed electronically

Rikke Tittel
Signed electronically

Erik Egedahl
Signed electronically

Bjørn Asbo
Signed electronically

Alv Bjørn Solheim
Managing Director
Signed electronically

wintershall dea

Statement of Cash Flows

Amounts in USD 1 000	Note	2021	2020
Cash flow from operating activities			
Profit / (Loss) before taxes		1 664 069	(324 355)
Exchange rate effects		4 928	(79 027)
Change in long term receivables		8 010	5 053
(Gain) / Loss on sale of assets		(10 974)	(2 949)
Taxes received / (paid)		272 465	636 270
Capitalized interest and reversal of discounting		(33 841)	(29 050)
Depreciations, impairments and reversal of impairments		633 964	1 250 441
Exploration expenses previously capitalized		18 038	59 742
Consumption of abandonment provision		(18 437)	(9 107)
Consumption of provision for Maria deferral volumes		(20 095)	(12 060)
Change fair value oil derivatives		96 499	23 452
Change in trade receivables		(233 319)	(28 583)
Change in spare parts		2 856	(7 784)
Change trade creditors		19 052	27 040
Change in pension provisions		328	(13 322)
Change other receivables and liabilities		(99 873)	(29 845)
Cash flow from operating activities		**2 303 670**	**1 465 916**
Cash flow from investing activities			
Investments in property, plant and equipment and intangible assets, excl exploration		(890 984)	(1 115 194)
Investments related to exploration activities		(90 594)	(66 814)
Proceeds from sale of assets		11 087	2 357
Cash flow from investing activities		**(970 491)**	**(1 179 651)**
Cash flow from financing activities			
Net financing from cash pooling with group companies		(1 282 368)	(281 385)
Repayment of lease liability		(55 359)	(69 136)
Cash flow from financing activities		**(1 337 727)**	**(350 521)**
Change cash and cash equivalents		(4 548)	(64 256)
Cash and cash equivalents beginning of the year	12	76 536	140 792
Cash and cash equivalents year end		**71 988**	**76 536**

*) Includes interest payments of 59 255 and received interest of 1 869.

Statement of Changes in Equity

Amounts in USD 1 000	**Share capital**	**Share premium reserve**	**Other equity**	**Total equity**
Equity as of 1 January 2021	710 992	233 391	1 077 066	2 021 449
Profit (loss) for the period	-	-	342 806	342 806
Other comprehensive income and loss *)	-	-	(409)	(409)
Equity as of 31 December 2021	**710 992**	**233 391**	**1 419 463**	**2 363 846**
Equity as of 1 January 2020	710 992	233 391	944 965	1 889 348
Profit (loss) for the period	-	-	129 857	129 857
Other comprehensive income and loss *)	-	-	2 244	2 244
Equity as of 31 December 2020	**710 992**	**233 391**	**1 077 066**	**2 021 449**

*) For details see Note 16 – Pensions and Note 2 – Significant transactions.

Notes to the Financial Statements

Note 1 - Accounting Policies

PRINCIPAL ACTIVITIES AND CORPORATE INFORMATION

Wintershall Dea Norge AS ('the Company') is a limited liability Company registered in Norway. The Company is engaged in exploration, development and operation of oil and gas properties on the Norwegian Continental Shelf.

The Company is a subsidiary of E&A Internationale Explorations- und Produktions- GmbH with the ultimate parent Wintershall Dea AG which issues group financial statements which include Wintershall Dea Norge AS. Wintershall Dea AG's registered office is in Celle, Lower Saxony, Germany, and it is dual headquartered in Kassel (Friedrich-Ebert-Straße 160 in 34119 Kassel) and Hamburg (Überseering 40 in 22297 Hamburg), Germany.

BASIS FOR PREPARATION

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) as per 31 December 2021, including additional Norwegian regulations. The financial statements were approved by the Board of Directors on 23 February 2022.

The functional currency of the Company is the US dollar. The financial statements are presented in thousand US dollar (USD) and rounded unless explicitly stated.

CHANGES IN ACCOUNTING PRINCIPLES

The International Accounting Standards Board (IASB) adopted the following new International Financial Reporting Standards (IFRS) and Amendments to existing standards, which became effective for the Company as at 1January 2021. The amendments to IFRS 16 'COVID-19 Related Rent Concessions beyond 30 June 2021', which became effective as of 1 April 2021, were endorsed by the European Union (EU) as of 30 August 2021.

- Amendments to IFRS 4 Insurance Contracts – Deferral of IFRS 9 (2020)
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (2020) 'Interest Rate Benchmark Reform – Phase 2
- Amendments to IFRS 16 (2021) 'Covid-19 Related Rent Concessions beyond 30 June 2021

The amendments had no material impact on the Company's financial statements.

AMENDMENTS TO STANDARDS AND INTREPRETATIONS WITH A FUTURE EFFECTIVE DATE

The IASB has adopted further standards and amendments to standards, which are not yet mandatory in the European Union (EU) for the fiscal year beginning on 1 January 2021. EU endorsement is still pending in most of the cases.

	IASB effective date
Amendments to IFRS 3 (2020) Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16 (2020) Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to IAS 37 (2020) Onerous Contracts — Cost of Fulfilling a Contract	1 January 2022
Amendments to Annual Improvements 2018 – 2020 (2020)	1 January 2022
IFRS 17 (2017) Insurance Contracts' including Amendments to IFRS 17 (2020)	1 January 2023
Amendments to IAS 1 (2020) Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 1 (2021) Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8 (2021) Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12 (2021) Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IFRS 17 (2021) 'Initial Application of IFRS 17 and IFRS 9 - Comparative Information	1 January 2023

The effects of the new standards on the Company's financial statements are currently under review and no material impacts are expected.

FOREIGN CURRENCY TRANSLATION AND TRANSACTIONS

Foreign currency transactions are translated into US dollar using the exchange rates on the dates of the transactions. Monetary items denominated in foreign currencies are valued at the exchange rates of the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised as financial items in the income statement.

SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Although these estimates are based on management's best knowledge of historical experience, current events and actions, actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about judgements, assumptions and estimation uncertainties is included in the following notes: 2, 9, 10, 11, 15 and 24.

PENSIONS
The pension plans are administrated by an insurance company. The cost of defined benefit pension plans and other post-employment medical benefits is determined using actuarial valuations prepared by an independent actuary. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, state contribution, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Actuarial gains or losses are booked directly against other comprehensive income.

JOINT ARRANGEMENTS
A joint arrangement is present where the Company holds a long-term interest which is jointly controlled by the Company and one or more other venture partners under a contractual arrangement.

The Company's exploration and production license activities that are within the scope of IFRS 11 *Joint Arrangements* have been classified as joint operations. The parties to a joint operation have rights to the assets and obligations for the liabilities, relating to their respective share of the joint arrangement. In determining whether the terms of contractual arrangements and other facts and circumstances lead to a classification as joint operations, the Company considers the nature of products and markets of the arrangement and whether the substance of their agreements is that the parties involved have rights to substantially all the arrangement's assets. The Company accounts for the assets, liabilities, revenues and expenses relating to its interests in joint operations in accordance with the principles applicable to those particular assets, liabilities, revenues and expenses.

WINTERSHALL DEA NORGE AS AS OPERATOR OF JOINTLY CONTROLLED ASSETS
Indirect cost, including personnel costs, are accumulated in cost pools. These are then allocated to corporate activities and operated licenses based on time recording. Cost allocated to partners in operated licenses is not included in the Company's result. Only the Company's share of this cost is included in the financial statements.

ACQUISITIONS AND DIVESTMENTS
For a business combination to exist, the acquired asset or group of assets must constitute a business (an integrated set of activities and assets conducted and managed for the purpose of providing a return to investors), which generally consists of inputs, processes and outputs. This requires judgement to be applied on a case-by-case basis as to whether the acquisition meets the definition of a business combination.

Acquisitions of interests in oil and gas producing licenses are generally regarded as business combinations and are accounted for using the acquisition method, nevertheless an assessment is made for each individual transaction considering the specific facts and circumstances. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

At the acquisition date, the costs of a business combination are allocated by recognising the identifiable assets, liabilities and contingent liabilities at their fair values at that date. For oil and gas producing properties the purchase price is allocated between exploration rights, mineral rights, facilities, wells, deferred tax and goodwill.

Acquired licences for which no decision to develop has been made are treated as asset purchases, whereas acquisitions of licences for which a development decision has been made are assessed under the criteria described.

The acquisition date is the date when effective control is transferred to the acquirer (transaction date). The acquirer's income statement incorporates the profits and losses of the acquired interest from the transaction date.

A transaction including various types of assets is consistently accounted for applying the methodology which is appropriate for the prevailing group of assets.

GOODWILL

Goodwill is initially measured as the excess value of the aggregate of the consideration transferred and the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities at the acquisition date. Following initial recognition, the goodwill acquired is measured at cost less any accumulated impairment losses. Goodwill is not amortized. The goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is recognized at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributed to bringing the asset into operation, the initial estimate of or adjustment of estimated decommissioning obligation, if any, and, for qualifying assets, borrowing costs.
Acquired and developed properties used for petroleum production are depreciated using the unit-of-production method. The rate of depreciation is equal to the ratio of oil and gas production for the period to proved reserves. Any changes in the reserves affecting unit of production calculations are reflected prospectively.

Pipeline assets and onshore processing facilities are depreciated on a straight-line basis over the concession period. Depreciation of other assets than oil and gas properties is calculated on a straight-line basis over a period varying from three to ten years and adjusted for impairment charges and residual value, if any. Expected useful lives of long-lived assets are reviewed at each balance sheet date and, where they differ significantly from previous estimates, depreciation periods are changed accordingly. Any change is accounted for prospectively. The carrying value of the property, plant and equipment on the balance sheet represents the cost less accumulated depreciation and any impairment charges.

EXPLORATION AND DEVELOPMENT COST FOR OIL AND GAS PROPERTIES

The Company applies the successful efforts method to account for exploration and development costs. All exploration costs (including seismic acquisitions, seismic studies, and internal G&G studies), except for acquisition costs of licenses and drilling costs for exploration wells, are charged to expense as incurred.

Drilling costs for exploration wells are temporarily capitalised as intangible assets pending the evaluation of potential existence of oil and gas reserves. If an exploration well does not encounter hydrocarbons, or if the evaluation of a discovery leads to the conclusion that the discovery cannot be developed in a technically and commercially feasible manner, the drilling cost is expensed. The costs for acquiring licenses are capitalised as intangible assets and assessed for impairment at each reporting date. All evaluation costs following a discovery considered to be commercial are capitalized together with the exploration costs as intangible assets.

Capitalised exploration costs are classified as intangible assets and are re-classified to tangible assets upon start of development. All cost for developing commercial oil and/or gas fields are capitalised as tangible assets. Pre-operating cost is expensed as incurred.

IMPAIRMENT OF NON-CURRENT ASSETS

Property, plant and equipment and intangible assets with finite useful lives (excluding goodwill) are reviewed for potential impairment indicators annually, and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. On occurrence of such triggering event, the asset is tested for impairment. Goodwill and other assets, which are not regularly amortized, are tested for impairment annually.

For the purpose of assessing impairment, assets are grouped into cash-generating units (CGU) at the lowest levels for which there are separate identifiable cash flows. For oil and gas properties a field is considered a CGU. For goodwill the Company as a whole is the defined CGU, reflecting that anticipated synergies and benefits leading to goodwill cannot be assigned to single assets.

An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds the recoverable amount. The recoverable amount is the higher of the asset's fair value less cost of disposal and its value in use. These values are generally determined on the basis of discounted cash flow calculations which, in turn, are generally based on current corporate planning. The cash flow forecasts pertain to the life-of-field period for the individual concession/licence or groups of concessions/licences. The calculations are based on historical experience as well as expectations of future market trends. The principal assumptions underlying management's determination of the recoverable amount are the forecasts for oil and natural gas market prices, reserve estimates, the production forecast as well as the discount rates. The discount rates applied are based on the weighted average cost of capital (WACC). The calculation is independent of the actual capital structure of the Company and, instead, based on a peer group.

The Company's accounting and strategic decision-making systems are fully integrated and use post-tax cash flows and post-tax discount rates to arrive at present value measures. The Company has not implemented pre-tax impairment calculations in its valuation models as required by IAS 36.55, however, management assumes that a pre-tax discount rate gives the same result, since the post-tax discount rate reflects the specific amount and timing of the future tax cash flows. Refer to *Note 9 – Property, plant and equipment* for more details regarding impairment testing.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however, not to a higher amount than if no impairment loss had been recognised. Such reversal is recognised in the income statement. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Impairments of goodwill are never reversed.

LEASES

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Recognition of leases and exemptions

At the lease commencement date, the Company recognizes a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets

For these leases, the Company recognizes the lease payments as other operating expenses in the statement of profit or loss when they incur.

Lease liabilities

The lease liability is recognized at the commencement date of the lease. The Company measures the lease liability at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option either to extend or to terminate the lease when the Company is reasonably certain to exercise this option.
The lease payments included in the measurement comprise of:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- Amount expected to be payable by the Company under residual value guarantees
- The exercise price of a purchase option, if the Company is reasonably certain to exercise that option

- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in an index or rate.

The Company does not include variable lease payments in the lease liability. Instead, the Company recognizes these variable lease expenses in profit or loss.

Right-of-use assets
The Company measures the right-of use asset at cost, less any accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The cost of the right-of-use asset comprise:

- The amount of the initial measurement of the lease liability recognized
- Any lease payments made at or before the commencement date, less any incentives received

Right-of-use assets are generally depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Right of use production facilities are depreciated on a unit-of-production basis.

The Company applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Company as the operator of a license
The Company distinguishes between leases where all partners in the license are considered to share the primary responsibility for lease payments, and where the Company bears the primary responsibility for the lease payment alone. Where the Company bears the responsibility alone, the lease liability is recognized on a gross basis. Where all the partners in the license share the responsibility, the Company recognize the leasing liability net based on the participation interest in the license.

Company as a non-operator of a license
The Company recognizes its proportionate share of the lease liability where the Company is a non-operator and considered to share the primary responsibility of the lease payments.

SPARE PARTS
Spare parts are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price, less the estimated selling expenses.

ASSET RETIREMENT OBLIGATIONS
In accordance with the terms of licenses where the Company has an ownership interest, the State may instruct the license holders to partly or completely remove the facilities at the end of production or when the concession period expires.

Upon initial recognition of a removal liability, the Company calculates and records the net present value related to future abandonment and decommissioning. This removal liability is viewed to be a part of the total cost of the relevant property, plant and equipment and depreciated using the unit of production method. The change in the time value (net present value) of the liability is charged as a finance cost (accretion) and increases the future liability related to abandonment and decommissioning. Any change in the best estimate related to expenditures associated with abandonment and decommissioning liabilities is accounted for prospectively. The discount rate used when calculating the net present value of the abandonment and decommissioning liability is calculated based on a risk-free interest rate.

REVENUE RECOGNITION

The Company applies IFRS 15 Revenues from contracts with customers, which requires identification of the performance obligations for the transfer of goods and services in each contract. Revenue is recognised upon satisfaction of the performance obligations for the amounts that reflect the consideration to which the Company expect to be entitled in exchange for those goods and services.

On this basis sales of petroleum products are recorded as income at the time of delivery (control transfer) as the title passes to the customer based on the contractual terms of the agreement (the sales method). Gas and natural gas liquids (NGL) are usually sold on a continuous basis as produced and are invoiced monthly. Produced oil is stored in tanks on the fields or on shore.

OVER- AND UNDERLIFT

Obligations (current liabilities) that are caused by liftings of petroleum in excess of the production entitlement for each license are valued at the higher of fair value or production cost. Receivables from the other partners (short term receivables) that are caused by lifted oil being less the production entitlement for each license, are valued at the lower of production cost and net realisable value.

INCOME TAXES

Current income tax assets and liabilities for the current and prior periods are measured at the nominal amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as of the balance sheet date. The Petroleum Tax Act is applicable for the company including a marginal tax rate of 78%. Finance costs and income are in principle only applicable to the corporate income tax rate of 22%, however interest and FX on interest bearing debt are subject to an allocation between the offshore tax regime (78%) and the corporate tax regime (22%).

Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred income tax assets and liabilities in the balance sheet are measured in the functional currency USD. As the tax currency is NOK, the revaluation effect on certain items, e.g. the tax book value/remaining tax depreciation, may have a significant impact on the deferred tax income/expense.

Uplift, a special regulation for offshore activities, is included in the computation as a permanent difference. In addition, any consideration in connection with license transactions on the NCS is done on a post-tax basis, and therefore subject to permanent differences.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized in the balance sheet when the Company becomes a party to a financial instrument. Financial assets are derecognized when the Company no longer has a contractual right to the cash flows from the financial asset or when the financial asset is transferred together with all material risks and rewards of ownership and the Company does not have control of the financial asset after it has been transferred. For example, receivables are derecognized when they are definitively found to be uncollectible. Financial liabilities are derecognized when the contractual obligations expire, are discharged or cancelled. Sales of financial instruments are accounted for using the settlement date.

The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. If pricing on an active market is available, for example in the form of share prices, these are used as the basis for the measurement. Otherwise, the measurement is based on internal measurement models using current market parameters or external measurements, for example, from banks. These internal measurements predominantly use the net present value method and option pricing models.

Valuation allowances are recognized for expected credit losses on financial assets not measured at fair value through profit or loss, independent of the existence of any actual default events. Individual valuation allowances are recognized if there is objective evidence of permanent impairment. If this evidence no longer exists, the impairment is reversed in the statement of income up to the carrying amount of the asset had the default event not occurred. Impairments on financial instruments are booked in separate accounts.

The classification and measurement of financial assets is based on the one hand on the cash flow condition (the “solely payments of principal and interest” criterion), that is, the contractual cash flow characteristics of an individual financial asset. On the other, it also depends on the business model for managing financial asset portfolios. Based on these two criteria, the Company uses the following measurement categories for financial assets:

Financial assets and liabilities recognized at fair value through profit or loss include all assets whose cash flows are not solely payments of principal and interest in accordance with the cash flow condition established in IFRS 9. Derivatives are allocated to this measurement category, for example. The company does not generally exercise the fair value option in IFRS 9, which permits the allocation of financial instruments not measured at fair value through profit or loss on the basis of the cash flow condition or the business model criterion to the above category under certain circumstances.

Financial assets measured at amortized cost include all assets with contractual provisions that lead to cash flows at fixed points in time. These cash flows are solely payments of principal and interest on the principal amount outstanding in accordance with the cash flow condition in IFRS 9, provided the asset is held with the intention of collecting the expected contractual cash flows over its term. This measurement category includes trade accounts receivable, as well as other receivables. Initial measurement of these assets is generally at fair value, which often corresponds to the nominal value of the financial asset issued. Subsequent measurement recognized in income is performed using the effective interest method.

Valuation allowances are recognized for expected credit losses in both initial and subsequent measurement, even before the occurrence of any default event. If the counterparty is considered as having defaulted, an individual valuation allowance is generally recognized for the financial assets measured at amortized cost.

The extent of expected credit losses is determined based on the credit risk of a financial asset, as well as any changes to this credit risk: If the credit risk of a financial asset has increased significantly since initial recognition, lifetime expected credit losses are generally recognized. If, however, the credit risk has not increased significantly in this period, impairments are generally only recognized for the 12-month expected credit losses. By contrast, under the simplified approach for determining expected credit losses permitted by IFRS 9, impairments for receivables such as trade accounts receivable always cover the lifetime expected credit losses of the receivable concerned.

At Wintershall Dea Norge AS, the credit risk of a financial asset is assessed using both internal information and mainly external rating information on the respective counterparty. This applies also for the determination whether there is a significant increase in counterparties credit risk since initial recognition of such financial asset. The significance of the increase in the credit risk is not reviewed for trade accounts receivable or lease receivables.

The Company uses internal and external ratings, as well as the assessments of agencies and credit insurers, when available. Individual valuation allowances are also based on historical values relating to customer solvency and customer-specific risks. Factors such as credit insurance, which covers a portion of receivables measured at amortized cost, are likewise considered when calculating valuation allowances.

If, in a subsequent period, the amount of the valuation allowance decreases due for example to a reduction in the credit risk of a counterparty, or an objective event occurring after the valuation allowance, it is reversed in the statement of income. Reversals of valuation allowances may not exceed amortized cost, less any expected future credit losses.

The following measurement categories are used for financial liabilities:

Financial liabilities are generally measured at amortized cost, provided these do not represent derivatives. They are generally measured at fair value at the time of addition, which often corresponds to the value of the consideration received. Subsequent measurement is recognized in profit or loss at amortized cost using the effective interest method.

Financial liabilities recognized at fair value in the statement of income contain liabilities resulting from derivative financial instruments. These are likewise measured at the value of the consideration received as the fair value on the date of initial recognition. The latter also represents a measure of value for these liabilities in subsequent measurement. The option to subsequently measure financial liabilities at fair value is not exercised.

Derivative financial instruments can be embedded within other contracts, creating a hybrid financial instrument. If IFRS requires separation, the embedded derivative is accounted for separately from its host contract and measured at fair value. If IFRS 9 does not provide for separation, the hybrid instrument is accounted for as a whole at fair value.

CONTINGENT ASSETS AND LIABILITIES
A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed, where an inflow of economic benefits is probable.

SUBSEQUENT EVENTS
Subsequent events are favorable and unfavorable events that take place after the balance sheet date, but before the date on which these financial statements are authorized to be issued. Material new information about the situation at year end is corrected for. Events that are related to the situation after the balance sheet date are disclosed if they are expected to have a material impact on the Company's financial position or performance.

COMPARATIVES
Comparative figures have been adjusted to conform to changes in presentation in the current year, where necessary.

Note 2 – License transactions

In November 2020, the Company signed an agreement with Lundin Energy Norway AS regarding sale of 1% share in license PL820S. The transaction was closed in February 2021.

In December 2020, the Company signed an agreement with Aker BP ASA regarding sale of 1.9175% share in license PL261B (Carve out area PL261). The transaction was closed in May 2021.

In December 2020, the Company signed an agreement with Pandion Energy AS regarding sale of 2.5% share in license PL820S and 15% share in license PL617. The transactions were closed in first half of 2021.

In August 2021, the Company signed an agreement with Vår Energi AS regarding sale of 6% economic interest in license Statfjord Øst. The transaction was closed in November 2021.

In October 2021, the Company signed an agreement with Equinor Energy AS regarding sale of 10% share in license PL1128. The transaction is expected to be closed in Q1 2022.

In October 2021, the Company signed an agreement with Equinor Energy AS regarding sale of 10% interest in license PLPL896. The transaction is expected to be closed in Q1 2022.

Seventeen exploration licenses were relinquished during 2021.

Note 3 – Income

Amounts in USD 1000	2021	2020
Sales crude oil	1 350 353	791 708
Sales dry gas	1 413 048	567 546
Sales NGL	253 092	138 817
Sales condensate	39 288	16 746
Revenue from contracts with customers*	**3 055 781**	**1 514 817**

Amounts in USD 1000	2021	2020
Gain on sale of Statfjord Øst	3 687	-
Gain on sale of PL617	7 131	-
Gain on sale of other licenses	156	2 949
Settlement of embedded derivative with customer	-	37 621
Change in fair value oil derivatives	(96 499)	(23 452)
Sale of processing capacity on offshore facility	7 447	8 093
Other	4 936	-
Total other income	**(73 142)**	**25 211**
Total income	**2 982 639**	**1 540 028**

Revenue per country

Amounts in USD 1000	2021	2020
Norway	25 785	742 540
United Kingdom	856 949	399 828
Switzerland	534 232	13 752
France	542 951	224 118
Germany	843 156	134 579
Netherlands	27 381	-
Singapore	225 327	-
Total revenue*	**3 055 781**	**1 514 817**

*All revenue is recognized at a point in time, no revenue is recognized over time. The performance obligation is limited to delivering oil, gas and NGL. Trade receivables is the only balance sheet item related to contract balances. Please refer to note 12 for information on trade receivables.

Note 4 - Exploration Expenses

Amounts in USD 1000	2021	2020
Field studies and geological and geophysical costs	27 603	24 745
Seismic acquisitions	12 036	2 669
Reversal impairment license acquisition cost	(29 000)	-
Expensed exploration drilling	18 038	59 742
Total exploration expenses	**28 677**	**87 156**

The expensed exploration drilling in 2021 is mainly related to exploration wells in PL533 and PL617. The expensed exploration drilling in 2020 is mainly related to exploration wells in PL894, PL609, PL960 and PL1027. A reversal of impairment of license acquisition cost for PL327A was recognized at year-end 2021.

Note 5 - Other Operating and Administrative Expenses

Amounts in USD 1 000	2021	2020
New business and expensed development costs*	19 932	13 051
Administrative expenses	16 330	14 313
Release of provision for Knarr abandonment cost**	(5 750)	-
Release of provision for Veslefrikk abandonment cost**	(14 084)	(3 455)
Other operating costs	40 508	4 901
Total other operating and administrative expenses	**56 936**	**28 810**

Audit and advisory fee paid to KPMG		
Audit fee	667	569
Total audit and advisory fee	**667**	**569**

*New business and expensed development costs includes pre-operating costs on fields in development.

**The Knarr and Veslefrikk fields have been fully depreciated. Production stop is expected beginning of 2022. The reduction in abandonment provision is therefore released in Statement of Income.

Note 6 - Personnel Expenses

Amounts in USD 1 000	2021	2020
Salary and bonus	111 831	97 132
Employer's part of social security	14 693	13 441
Pension cost*	12 758	6 924
Director's fees	13	18
Other salary related items	2 778	5 963
Total personnel expenses	**142 073**	**123 478**

* For more details, see Note 16 Pensions.

Number of employees December 31	486	480

Compensation to Board of Directors and Managing Director	2021
Alv Bjørn Solheim	935
Board of Directors	13

Personnel expenses are normally paid in NOK and allocated to the functional cost.

Severance pay, early retirement agreement and shares in the Company held by its Managing Director or the Board of Directors.
No agreements regarding severance pay exist between the Company and its Managing Director or the Board of Directors. The Managing Director and the Board of Directors do not hold any shares in the Company. At year-end 2021, an earlier retirement agreement was signed between the Company and its Managing Director with an underlying future payment obligation of USD 2.4 million over the next four years.

Note 7 - Financial Items

Amounts in USD 1 000	2021	2020
Net (loss) / gain on currency	(4 928)	79 027
Net foreign exchange (loss) / gain	**(4 928)**	**79 027**
Interest income from group companies	424	716
Other interest income	4 071	6 595
Total interest and financial income	**4 495**	**7 311**
Interest expenses to group companies	(74 733)	(56 509)
Interest expenses to financial institutions	(501)	(13 940)
Capitalized interest expenses *)	52 218	62 696
Other interest expenses	(3 901)	(5 661)
Accretion abandonment provision	(18 377)	(33 646)
Other financial expenses	(14 734)	(10 517)
Total interest and financial expenses	**(60 028)**	**(57 577)**
Net financial items	**(60 461)**	**28 761**

*) Capitalized interest expense is calculated at an interest rate of 2.9% (2020: 2.9%).

Note 8 - Income Taxes

Calculation of deferred taxes / deferred tax assets	**2021**	**2020**
Temporary differences		
Fixed assets	4 866 395	4 512 537
Other provisions (including abandonment)	(1 563 342)	(1 707 796)
Net pension funds	(50 446)	(51 218)
Basis for deferred tax / deferred tax asset - ordinary tax	**3 252 607**	**2 753 523**
Other temporary differences	(114 793)	(228 401)
Temporary tax measures	1 209 936	831 116
Basis for deferred tax / deferred tax asset - special tax	**4 347 750**	**3 356 238**
Deferred taxes / deferred tax assets ordinary tax	715 574	605 775
Deferred taxes / deferred tax assets special tax	2 434 740	1 879 493
Deferred taxes / deferred tax assets in the balance sheet	**3 150 314**	**2 485 268**
Deferred taxes	4 373 699	3 940 681
Deferred tax assets	1 223 385	1 455 413
Net deferred taxes / deferred tax assets in the balance sheet	**3 150 314**	**2 485 268**

Basis for tax payable	**2021**	**2020**
Income before taxes	1 664 069	(324 355)
Permanent differences	21 423	140 742
Norm price adjustments	(228)	1 021
Changes in temporary differences	(464 402)	34 261
Functional currency effects	15 726	(62 387)
Basis for tax payable ordinary tax	**1 236 588**	**(210 718)**
Uplift for use current year	(268 449)	(354 477)
Net financial items allocated onshore	40 841	(4 733)
Realization oil hedge contracts	51 028	-
Temporary tax measures - depreciation special tax	(424 143)	(754 650)
Basis for tax payable special tax	**635 865**	**(1 324 578)**
Ordinary tax	272 049	(46 358)
Special tax	356 084	(741 764)
Total taxes payable	**628 133**	**(788 122)**
Revaluation/functional currency effects	(2 750)	(50 186)
Advanced corporation tax	(41 153)	491 932
Tax receivable previous years	(7 380)	(10 083)
Tax payable / (refund) in balance sheet	**576 850**	**(356 459)**

Income taxes charged to the income statement consist of	2021	2020
Tax payable / (refund)	628 133	(788 122)
Change in deferred taxes	665 046	406 192
Interim period taxes recorded in the balance sheet / part of gain/loss	(1 512)	-
Changes in deferred taxes from acquisitions / sale of assets	(7 315)	-
Tax effect cost booked to equity*	1 449	(7 955)
Adjustment prior year (payable tax)	35 462	(64 327)
Tax expense / (income)	**1 321 263**	**(454 212)**

Effective tax rate reconciliation	2021	2020
Income before taxes	1 664 069	(324 355)
Calculated income tax at applicable tax rate**	1 297 974	(252 997)
Effect of permanent differences on acquisitions / sale of assets/shares***	(1 942)	-
Effect of other permanent differences	(31 896)	74 013
Uplift used in current year	(150 331)	(198 507)
Effect of financial items	53 133	(44 517)
Losses oil hedge contracts (realized and unrealized)	132 998	-
Effect of functional currency**** / other items	(8 903)	(5 841)
Adjustment prior year	30 230	(26 363)
Tax expense / (income)	**1 321 263**	**(454 212)**

Effective tax rate	**79 %**	**140 %**

* Refer to Statement of Comprehensive Income.
** Marginal tax rate of 78% for both 2021 and 2020.
*** Permanent differences are related to acquisition costs and gain/loss on sale of assets.
**** Gain/loss on currency in USD is non-taxable (as NOK is tax currency).

Note 9 – Property, Plant and Equipment

Amounts in USD 1 000	Production facilities in development	Production facilities	Machinery and equipment	Total tangible fixed assets
Acquisition cost 1 January 2021	1 600 014	14 251 912	11 809	15 863 735
Additions during the year*	483 002	471 973	3 413	958 388
Additions / (disposals) due to changes in abandonment provision	3 739	(214 761)	-	(211 022)
Disposals during the year	-	(47 315)	(3 394)	(50 709)
Reclassification	(120 295)	173 097	-	52 802
Acquisition cost 31 December 2021	1 966 460	14 634 906	11 828	16 613 194
Cumulative depreciation and impairment 1 January 2021	(4 669)	(9 454 411)	(5 078)	(9 464 158)
Depreciation of the year	-	(894 122)	(2 961)	(897 083)
Reversal of impairments of the year	-	307 100	-	307 100
Disposals during the year	-	45 830	3 413	49 243
Cumulative depreciation and impairment 31 December 2021	(4 669)	(9 995 603)	(4 626)	(10 004 898)
Net book value 31 December 2021	**1 961 791**	**4 639 303**	**7 202**	**6 608 296**
Acquisition cost 1 January 2020	1 947 338	12 696 435	12 884	14 656 657
Additions during the year*	772 730	400 378	2 800	1 175 908
Additions / (disposals) due to changes in abandonment provision	15 050	9 684	-	24 734
Disposals during the year	-	-	(3 875)	(3 875)
Reclassification	(1 135 104)	1 145 415	-	10 311
Acquisition cost 31 December 2020	**1 600 014**	**14 251 912**	**11 809**	**15 863 735**
Cumulative depreciation and impairment 1 January 2020	(4 669)	(8 281 636)	(6 679)	(8 292 984)
Depreciation of the year	-	(916 437)	(2 274)	(918 711)
Impairments of the year	-	(256 338)	-	(256 338)
Disposals during the year	-	-	3 875	3 875
Cumulative depreciation and impairment 31 December 2020	**(4 669)**	**(9 454 411)**	**(5 078)**	**(9 464 158)**
Net book value 31 December 2020	**1 595 345**	**4 797 501**	**6 731**	**6 399 577**

*) Capitalized interest expense is calculated at an interest rate of 2.9% (2020: 2.9%). USD 52 218 thousand was capitalized in 2021.

Machinery and equipment is depreciated on a straight-line basis over the useful life of the asset, which varies between three and ten years. Production facilities are depreciated on a unit-of-production basis.

Additions mainly related to the Nova, Njord, Skarv, Snorre and Solveig fields in 2021 and to the Dvalin, Nova, Skarv, Njord and Snorre fields in 2020. Disposal of 2021 is mostly due to the disposal of wells on the Veslefrikk field.

The Solveig expansion projects have been reclassified to Production facilities in 2021.

Impairment testing

Key economic assumptions are determined for the Wintershall Dea Group as a whole and are consistently applied for the Company. The estimated impacts of climate policies and energy transition (for example the long-term price assumptions for gas and oil and for CO2 prices) are included. These estimates affect the recoverable amount of our assets (including goodwill) as well as the useful life and time of decommissioning.

Oil and gas price forecasts are based on the Group's current oil and gas price scenario taking into account management's estimates and the available market data. The oil and gas price scenario includes an oil price of 69 USD/bbl and a gas price of 13.3 USD/mmbtu for the year 2022.

Increased service potential on the fields Maria and Aasta Hansten resulted in total impairment reversal of USD 307.1 million being recognized at year-end 2021. The total recoverable amount for these fields was USD 893.3 million.

Mostly declining commodity prices resulted in total impairments of USD 271.3 million being recognized in June 2020 on the Maria, Brage and Knarr fields. Part of the impairment on Knarr was recognized as impairment on ROU assets (Note 10).

The cash flows for the 2021 year-end tests were discounted using a post-tax USD discount rate of 6.7% on a nominal basis.

Note 10 – Leases

Right-of-use assets

Right-of-use assets	Buildings	Machinery and equipment	Vehicles	Total
Acquisition cost 1 January 2021	52 984	168 747	726	222 457
Addition of right-of-use assets	4 166	-	182	4 348
Disposals	(1 616)	(43 141)	(242)	(44 999)
Acquisition cost 31 December 2021	**55 534**	**125 606**	**666**	**181 806**
Accumulated depreciation and impairment 1 January 2021	(7 077)	(113 297)	(360)	(120 735)
Depreciation	(6 463)	(37 270)	(248)	(43 981)
Disposals	-	30 294	208	30 502
Accumulated depreciation and impairment 31 December 2021	**(13 540)**	**(120 273)**	**(400)**	**(134 214)**
Carrying amount of right-of-use assets 31 December 2021	**41 994**	**5 333**	**266**	**47 592**

Right-of-use assets	Buildings	Machinery and equipment	Vehicles	Total
Acquisition cost 1 January 2020	52 965	184 657	842	238 464
Addition of right-of-use assets	19	16 090	-	16 109
Disposals	-	(32 000)	(116)	(32 116)
Acquisition cost 31 December 2020	**52 984**	**168 747**	**726**	**222 457**
Accumulated depreciation and impairment 1 January 2020	(2 498)	(42 799)	(165)	(45 463)
Depreciation	(4 579)	(55 536)	(276)	(60 391)
Impairment losses in the period	-	(14 962)	-	(14 962)
Disposals	-	-	81	81
Accumulated depreciation and impairment 31 December 2020	**(7 077)**	**(113 297)**	**(360)**	**(120 735)**
Carrying amount of right-of-use assets 31 December 2020	**45 907**	**55 450**	**366**	**101 722**
Lower of remaining lease term or economic life	5-15 years	2-10 years	2-5 years	
Depreciation method	Linear	Linear/UOP	Linear	

* The disposal is due to adjustments to the Snorre lease agreement and the cancellation of the West Mira contract.
**The 2020 impairment loss is due to part of the Knarr impairment being recognized under ROU assets. Refer also to Note 9.

Lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	2021	2020
Within one year	14 190	63 564
Within 1-5 years	26 468	36 116
More than 5 years	34 195	42 408
Total undiscounted lease liabilities at 31 December	**74 853**	**142 088**

Summary of lease liabilities	2021	2020
Lease liability at 1 January	129 416	209 286
New lease liabilities recognised in the year	4 348	16 109
Cash payments for the principal portion of the lease liability	(55 359)	(69 109)
Early retirement	(14 315)	(32 026)
Interest expense on lease liability	2 447	4 410
Currency exchange differences	(1 966)	746
Total lease liabilities at 31 December	**64 571**	**129 416**

Operating expenses in the period related to short-term leases amount to 1 666 (2020: 1 659)

Note 11 - Intangible Assets

Amounts in USD 1 000	Goodwill	Capitalized exploration and license acquisition cost	Sum
Acquisition cost 1 January 2021	1 364 842	470 272	1 835 114
Additions	-	90 594	90 594
Disposals during the year	(1 421)	(18 038)	(19 459)
Reclassifications	-	(52 802)	(52 802)
Acquisition cost 31 December 2021	**1 363 421**	**490 026**	**1 853 447**
Cumulative amortization 1 January 2020	-	(30 399)	(30 399)
Expensed exploration expenditures previously capitalized	-	(18 038)	(18 038)
Reversal of impairment of license acquisition cost	-	29 000	29 000
Disposals during the year	-	18 038	18 038
Cumulative amortization 31 December 2021	**-**	**(1 399)**	**(1 399)**
Net book value 31 December 2021	**1 363 421**	**488 627**	**1 852 048**
Acquisition cost 1 January 2020	1 364 842	473 512	1 838 354
Additions	-	66 814	66 814
Disposals during the year	-	(59 743)	(59 743)
Reclassifications	-	(10 311)	(10 311)
Acquisition cost 31 December 2020	**1 364 842**	**470 272**	**1 835 114**
Cumulative amortization 1 January 2020	-	(30 399)	(30 399)
Expensed exploration expenditures previously capitalized	-	(59 743)	(59 743)
Disposals during the year	-	59 743	59 743
Cumulative amortization 31 December 2020	**-**	**(30 399)**	**(30 399)**
Net book value 31 December 2020	**1 364 842**	**439 873**	**1 804 715**

For impairment tests of intangible assets including goodwill the assumptions described under Note 9 – Property, plant and equipment were applied. As the CGU for goodwill is the Company, the recoverable amount is derived from the sum of fair value less cost of disposal for all assets, taking into account the likely production and cost profiles. The goodwill impairment test did not result in any impairment in 2021. A sensitivity analysis was performed at year end. The analysis shows that a 20% reduction is sales prices would not result in further impairments.

The fair value less cost of disposal of exploration assets is determined on a risked basis reflecting the uncertainty of the economic recoverability of the resources.

Capitalized exploration expenditures (exploration wells) are written-off immediately when a drilled well is dry. Wells which encountered hydrocarbons are regularly reviewed with respect to ongoing evaluation results to assess recoverability.

Additions mainly include drilling cost for exploration wells. The expensed exploration drilling in 2021 is mainly related to exploration wells in PL533 and PL617. The expensed exploration drilling in 2020 is mainly related to exploration wells in PL894, PL609, PL960 and PL1027. A reversal of impairment of license acquisition cost for PL327A was recognized at year-end 2021.

Note 12 - Accounts Receivable Trade and Other Receivables

Amounts in USD 1 000	**2021**	**2020**
Trade debtors*	442 776	209 457
Other receivables		
Pre-payments	1 844	4 291
Underlift	46 351	18 896
Advanced corporation tax	-	356 459
Receivables from cash pooling	1 467 453	186 361
Other short-term receivables and working capital billings	33 448	19 311
Total other short-term receivables	**1 549 096**	**585 318**

*The Company has no history of incurring trade debtor losses and consider risk of losses to be insignificant.

Note 13 - Cash and Cash Equivalents

Amounts in USD 1 000	**2021**	**2020**
By category:		
Cash and cash equivalents, non-restricted	65 803	70 911
Cash and cash equivalents, restricted*	6 185	5 625
Total cash and cash equivalents	**71 988**	**76 536**
By currency:		
Norwegian kroner (NOK)	71 988	76 536
Total cash and cash equivalents	**71 988**	**76 536**

*Restricted cash includes taxes withheld with USD 6.2 million in 2021 and USD 5.6 million in 2020. The taxes withheld is held in a NOK account.

Note 14 - Share Capital

	2021	2020
Ordinary share capital, nominal (NOK 1 000)	4 311 455	4 311 455
Number of shares	17 245 820 364	17 245 820 364

	Number of shares	Share capital (USD 1 000)	Share premium reserve (USD 1000)
Issued and fully paid as of January 1, 2021	17 245 820 364	710 992	233 391
Share capital December 31, 2021	**17 245 820 364**	**710 992**	**233 391**
Issued and fully paid as of January 1, 2020	17 245 820 364	710 992	233 391
Share capital December 31, 2020	**17 245 820 364**	**710 992**	**233 391**

The nominal value of each share is NOK 0.25. The Company did not hold treasury shares in 2021 and 2020.

Note 15 – Provisions

Amounts in USD 1 000	**ARO**	**Other**	**Total**
As at January 1, 2021	1 756 541	61 155	1 817 696
Change in estimate / arising during the year	31 937	43 012	74 949
Change in estimate / release during the year	(272 986)	-	(272 986)
Accretion during the period	18 377	-	18 377
Consumption	(18 437)	(47 696)	(66 133)
Currency conversion effect	(144)	(2 510)	(2 654)
As at December 31, 2021	**1 515 288**	**53 961**	**1 569 249**
Comprising:			
Current 2021	50 196	50 575	100 771
Noncurrent 2021	1 465 092	3 386	1 468 478
Total current and noncurrent 2021	**1 515 288**	**53 961**	**1 569 249**

Asset retirement obligations (AROs) are related to future well closure, decommissioning and removal expenditures for offshore installations. The obligations are imposed and defined by national and international legal requirements.

According to the terms of production licenses on the Norwegian Continental Shelf, the Company has a duty to remove offshore installations as required by the authorities upon termination of production, or when the license expires. The asset retirement obligation is calculated on the basis of an assumed removal concept, based on the Norwegian Petroleum Act of 1996 and on international regulations and guidelines. The asset retirement obligations for 2021 relate to provisions for plugging of wells and removal of well heads, pipelines and platforms.

When calculating the net present value of the long-term portion of the provision, the Company uses an inflation rate of 2.0% (2.2% in 2020) and field specific nominal discount rates in the range 0.1% to 2.0%

(0.1% to 1.0% in 2020). The field specific discount rates are based on USD government bonds with maturity dates equal to the expected year of abandonment of the various fields.

Change in estimate of ARO is mainly due to additions due to new installations, reduced cost estimates on existing facilities and wells and changes to the currency rates used in the estimates as well as inflation and discount rates.

Note 16 - Pensions

The legacy Wintershall Norge AS pension schemes were adjusted in 2015. Onshore Employees born in 1963 and earlier, and offshore employees born in 1965 and earlier, kept a defined benefit plan. Employees joining the company in 2016 and later and other employees are on a defined contribution plan.

The pension scheme for legacy Dea Norge AS employees was adjusted in 2020. Employees whose remaining length of service was less than 15 years at the time of change remain on the legacy defined benefit plan; others are entitled to benefits under a defined contribution pension plan. The change resulted in a net positive one-time effect of USD 10.7 million which was included in the pension cost of the year in 2020.

Payments made in 2021 to the defined contribution plan and “AFP” early retirement plan have been included in in the Statement of Income as pension cost of the period. The included amount for these arrangements amounts to USD 6.1 million.

The defined benefit scheme for salaries up to 12G for legacy Wintershall Norge AS employees is secured with the insurance company Livsforsikringsselskapet Nordea Liv Norge AS. The defined benefit scheme for legacy Dea employees is secured in the insurance company DNB Livsforsikring. Both are in compliance with the Act on Occupational Pensions. Pension benefits for salaries higher than 12G are treated as an unfunded pension plan. The obligation of the unfunded plan is included in the pension liability and is presented in the table on the next page.

Unrealised gains and losses resulting from changes in actuarial assumptions are booked directly against equity. The pension obligation is calculated by an independent actuary as an estimate of the obligation as per 31 December 2021. In the life insurance company, the risk for death and disability is spread among all the customers, which is therefore used as the relevant indicator for future disability and life expectancy rate. The rates used are based on historical data relevant for the population in the life insurance company. These rates result in an adjustment to available data with respect to an increase in the life expectancy span and an increase in the expected disability rate.

Weighted average assumptions	2021	2020
Discount rate	1.5%	1.5%
Estimated future increase in salary	2.5%	2.0%
Expected annual increase in pension payments	0.0%	0.0%
Expected increase in the basis for calculation of government contribution	2.25%	1.75%
Expected return on funds	1.5%	1.5%
Expected turnover	1.86%	2.29%
Demographic assumptions about mortality	K2013BE	K2013BE

Components of net pension cost for the period	2021	2020
Benefits earned during the year	4 677	12 543
Reclassification prior year provisions	-	-
Curtailment	-	(10 718)
Interest cost	1 299	2 021
Expected return on pension assets	(577)	(915)
Fee charged	79	68
Net pension cost for the period	**5 478**	**2 999**
Payroll tax	637	882
Pension cost including social security*	**6 115**	**3 881**

Net pension obligations	2021	2020
Pension funds at January 1	38 289	51 584
Expected return	577	915
Administrative expenses	(79)	(68)
Benefits paid from plan	(621)	(537)
Changes in estimates	25	(10 355)
Plan amendments and other changes	-	(7 411)
Investments	3 195	4 031
Foreign currency effects	(1 319)	130
Pension funds at December 31	40 067	38 289
Pension obligation at January 1	89 447	126 263
Change in estimate	1 883	(20 554)
Benefits paid from plan	(4 513)	(4 258)
Plan amendments and other changes	-	(24 967)
Pension costs	6 612	13 053
Foreign currency effects	(2 916)	(90)
Pension obligation at December 31	90 513	89 447
Estimated pension obligation at December 31	**50 446**	**51 158**

*Pension funds are invested with Nordea Liv and DNB Livsforsikring.

Note 17 - Current Liabilities

Amounts in USD 1000	2021	2020
Other current liabilities		
Working capital from joint ventures and outstanding billings	87 879	169 897
Bonus provision employees	10 336	11 624
Accrual vacation pay	8 293	7 654
Fair value of hedge	138 652	30 482
Deferred income	55 498	7 446
Other accruals	9 179	13 386
Short term debt to group companies	29 687	-
Other current liabilities	**339 524**	**240 489**

Note 18 - Commitments and Contingencies

Expected contractual obligation and license commitments

Company has the following expected obligations relating to its own and partner-operated licenses:

The Company was committed to participate in seven license approved wells end of 2021. Expected expenditures to drill these wells amounted to approximately USD 58 million.

Contractual obligations (USD 1 000)	2021
Contractual obligations in connection with construction in progress	320 473

Expected expenditures to drill committed exploration wells and contractual obligations in connection with construction in progress includes value of short-term leases.

Guarantees
The Company has no financial debt which is secured with mortgages.

Legal disputes
The Company is not involved in any material legal disputes.

Liability for damages/insurance
The Company's operations involve risk for damages, including pollution. Installations and operations are insured through an Offshore Energy Package Policy.

Note 19 - Financial Instruments

The accounting classification of each category of financial instruments, and their carrying amounts, are set below.

Amounts in USD 1 000	2021	Note	Fair value through P&L	Amortised cost	Total carrying amount
Assets					
Bank deposits		13	-	71 988	71 988
Trade receivable		12	-	442 776	442 776
Other receivable		12	7 748	1 489 011	1 496 759
Sum financial assets			**7 748**	**2 003 775**	**2 011 523**
Liabilities					
Long term loan		22	-	2 315 551	2 315 551
Other long term liabilities			40 027	10 555	50 582
Trade creditors		17	-	141 233	141 233
Short-term debt		17	-	29 687	29 687
Other current liabilities		17	138 652	152 556	291 208
Total financial liabilities			**178 679**	**2 649 582**	**2 828 261**

	2020	Note	Fair value through P&L	Amortised cost	Total carrying amount
Assets					
Bank deposits		13	-	76 536	76 536
Long term receivable			7 957	-	7 957
Trade receivable		12	-	209 457	209 457
Other receivable		12	-	205 672	205 672
Sum financial assets			**7 957**	**491 665**	**499 622**
Liabilities					
Long term loan			-	2 371 310	2 371 310
Trade creditors		17	-	122 181	122 181
Other current liabilities		17	30 482	190 729	221 211
Total financial liabilities			**30 482**	**2 684 220**	**2 714 702**

Financial risk factors

The Company is exposed to several different financial risks, refer to *Note 20 - Financial Risks* for more information on how the Company manages these risks.

Fair value

Fair value of forward currency contracts is recognised at fair value on the date on which a derivative contract is entered into and subsequently remeasured at fair value based on interest rates and exchange rates on the balance sheet date. Fair value of these financial instruments at 31 December 2021 was USD -54.3 million.

The Company has designated oil-sales derivatives as hedging instruments. The price of the hedged item is defined via a price formula in the sales contract. The instruments used are Brent dated oil swaps for which a liquid market exists. Fair value of these financial instruments at 31 December 2021 was USD -116.6 million.

In the context of financing activities, embedded derivatives had been identified, which were required to be separated and accounted for at fair value. Following the complete repayment of the non-current debt to banks (term loans), the embedded derivatives have been derecognized accordingly.

For further details regarding accounting principles see Note 1 - Accounting Policies. For all other financial instruments, the carrying amount is either the fair value, or approximates the fair value.

Fair value based on prices quoted in an active market for identical assets or liabilities, includes financial instruments actively traded and for which the values recognised in the balance sheet are determined based on observable prices on identical instruments. This category will, in most cases, only be relevant for investments in listed instruments. Even though Company uses quoted prices whenever possible, no such instruments were held as of 31 December 2021.

Fair value based on inputs other than quoted prices which are derived from observable market transactions, includes non-standardised contracts for which fair values are determined on the basis of price inputs from observable market transactions. This will typically be when the Company uses forward prices on foreign exchange rates as inputs to the valuation models to determining the fair value of its derivative financial instruments.

Note 20 - Financial Risks

The Company is exposed to a variety of financial risks. These include risks related to product prices, foreign currency and interest rates, as well as credit and liquidity risks. The Company seeks to minimize the impact of adverse fluctuations in financial markets on its financial performance. Risk management is an integral part of the Company's activities, including of those from financial market fluctuations.

Commodity price risk
The Company's revenue, cash flows and profitability depend to a large extent on commodity prices. Any resulting adverse changes in market prices could have a negative impact on the Company's earnings and equity.

Commodity price risks related to production are assessed and mitigated regularly using systematic risk management. The Board of the Company has approved a hedging policy where the principles are in line with the Wintershall Dea Group commodity hedging policy. The maximum hedge volumes are 75%, 50%, and 25% of effectively hedgeable gas production for a one, two, or three-year horizon, respectively. Existing hedges as at 31 December 2021, include forward gas sales to stabilize portions of gas revenues until 2024, as well as Dated Brent crude oil swaps to stabilize portions of our oil sales until 2024.

Currency risk
The Company is exposed to changes in foreign currency exchange rates. Revenues are to a large extent incurred in US-dollar, Euro and Great Britain pound. Invoices for services and goods and cash calls from other operators are also denominated in Norwegian krone, US-dollar, Euro, Great Britain pound and other currencies. Most booked exposures are being hedged by means of currency forwards against the Company's functional currency, being the US-dollar.

Interest rate risk
The Company is exposed to fluctuation in short-term interest rates, which are kept unhedged.

Credit risk
Credit risks arise when contractual partners do not fulfil their obligations. The Company is exposed to credit risks from its operating activities (primarily trade accounts receivable) and its financing activities, including deposits with banks and financial institutions, favorable derivative financial instruments (positive fair value) and other financial receivables.

Credit risk is managed on a Wintershall Dea Group basis. The Company follow Group procedures in place that address credit approval applications, the granting and renewing of counterparty limits, the proactive monitoring of exposures against these limits and requirements for triggering secured payment terms.

As part of these processes, counterparty credit exposure is regularly monitored and assessed on a timely basis. If customers are independently rated, these ratings are used for assessment. If there is no independent rating, the risk management function assesses customers' credit quality based on their financial position or bases the assessment on past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with set limits. There are no significant concentrations of credit risk. Payment risks are within limits stipulated by the management and closely monitored.

The Company's major customers, Shell Trading International Ltd, Equinor ASA, Total Energies Trading SA and other Wintershall Dea Group companies are considered financially solid counterparties.

To secure long-term entitlements or in case of counterparties of insufficient credit risk rating Company request parent company guarantees or other collaterals to mitigate the risk.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on credit ratings and customer balance. Historically the company has not experienced material losses on trade receivables. No provision has been made for future losses at year-end. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 11. The Company does not hold collateral as security.

Liquidity risk

Liquidity risk management ensures that the required liquidity to meet financial obligations is available at all times and that the liquidity position of the Company is optimised. Centralised financial planning for the Wintershall Dea Group is the basis of the liquidity risk management. Financial planning is performed for the following twelve months on a monthly basis and for the following two months on a daily basis.

The Group monitors its liquidity risk by reviewing the cash flow requirements on a regular basis taking into consideration the funding sources, existing bank facilities and cash flow generation from the producing asset base. Specifically, it is ensured that there is sufficient liquidity to meet operational funding requirements and debt servicing.

With the established measures, the Company considers its liquidity risk to be minor.

Note 21 - Dividends

Paid dividend

In accordance with resolution made by the Annual General Meeting in Wintershall Norge AS on 22 February 2021, the Company has not paid any dividend for 2021 to its shareholders.

Proposed dividend

A dividend of NOK 4 700 million is proposed for the fiscal year 2021 (USD 532.9 million converted at year-end 2021 USD/NOK rate of 8.8194).

Note 22 - Related Parties

Amounts in USD 1 000	**2021**	**2020**
Debt		
Loans including accrued interest to affiliates - Wintershall Dea Finance BV	1 584 804	1 582 763
Loans including accrued interest to affiliates - Wintershall Dea AG	760 434	-
Total debt	**2 345 238**	**1 582 763**
Receivables		
Cash pooling Wintershall Dea AG	1 467 453	186 361
Total receivables	**1 467 453**	**186 361**

The Company has entered into financing agreements with Wintershall Dea AG and Wintershall Dea Finance B.V. The Cash Management Agreement with Wintershall Dea AG allows the exchange of NOK, USD, GBP and EUR and is not limited to specified amounts. The applicable reference interest rate is NIBOR for NOK as well as LIBOR for USD, GBP and EUR. The applicable interest rates are reference rate plus a margin, which is adjusted from time to time in line with market changes. In 2021, the margin for loans was 0.50%. The margin in 2021 for deposits in all four currencies was minus 0.05%.

The loan Agreements with Wintershall Dea Finance B.V consists of three loans of USD 775 million (due 2028), USD 400 million (due 2025) and USD 400 million (due 2023). The USD 400 million loans pay fixed interest rates of 2.86% and 3.23%. The USD 775 million loan pays fixed interest of 3.69%.

In the beginning of 2021 two loans for EUR 373 million and EUR 285 million were agreed with Wintershall Dea AG (both due 2051). These two loans were used to refinance the bank loans described in note 23. The applicable fixed interest rates are 3% and 2.5%.

In addition, group services (including IT, procurement and other back-office services) have been charged to the Company during the year. The Company is selling gas to Wintershall Dea AG:

Amounts in USD 1 000	**2021**	**2020**
Gas sales	870 550	134 579

The following current positions were outstanding with Wintershall Dea Group companies at 31 December:

Amounts in USD 1 000	**2021**	**2020**
Trade receivables	227 003	60 241
Trade payables	33 903	21 090

Wintershall Dea Group enters into commodity and currency derivative contracts with external parties on behalf of Wintershall Dea Norge AS, these contracts are subsequently transferred to the Company through internal hedge contracts. We note the following relevant transactions and balance sheet positions:

Amounts in USD 1 000	**2021**	**2020**
Fair value of commodity derivative contracts as at 31 December	(119 951)	(23 452)
Fair value of currency derivative contracts as at 31 December	54 271	8 156
Realized losses on commodity derivative contracts	(101 447)	(1 353)
Realized losses on currency derivative contracts	(6 162)	(9 611)

Note 23 – Financing

The Company participated in a group financing scheme arrangement by a consortium of banks (Syndicated Credit Facilities Agreement). The first tranche was drawn on 30 April 2019 and the second tranche were drawn on 2 May 2019. As of 31 December 2019, the Company had utilized a nominal amount of USD 800 million. The loan was refinanced in January 2021. Refer to Note 22 for information regarding the new loan.

Note 24 - Oil and Gas Reserves (unaudited)

The following tables reflect the estimated proved reserves of oil and gas at 31 December 2021:

Reserves as of 31.12.2021	Hydrocarbons - Million BOE
1P (Developed and undeveloped)	418.1
2P (Developed and undeveloped)	561.0

Note 25 – Impact of the COVID-19 pandemic

In June 2020, the Norwegian government enacted temporary changes in the petroleum tax system, in effort to maintain oil and gas investments during a period of falling oil prices and reduced activity due to the COVID-19 situation. The changes include an increase of the uplift allowance to 24% for investments and the direct tax expense of both uplift allowance and capital expenditures in the special petroleum tax regime in 2020 and 2021. These changes result in a positive tax effect of USD 53 million in the tax result for full-year 2021. In addition, the final cash refunds from the Norwegian tax authorities for the tax value of losses for fiscal year 2020 were received in the first half of 2021 and totaled NOK 2 929 million (USD 345 million).

Note 26 - Subsequent Events

No events have occurred subsequent to the balance-sheet date that would require adjustment to the financial statements.

KPMG AS
Forusparken 2
Postboks 57
4008 Stavanger

Telephone +47 45 40 40 63
Internet www.kpmg.no
Enterprise 935 174 627 MVA

To the General Meeting of Wintershall Dea Norge AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Wintershall Dea Norge AS (the Company), which comprise the balance sheet as at 31 December 2021, the statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Basis for Opinion

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

Other Information

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

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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

Stavanger, 23 February 2022
KPMG AS

Hendrik Leendert Oostenrijk
State Authorised Public Accountant

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Inger Helene Iversen	28.09.2012	17.10.2012
Telefon	Deres referanse	Vår referanse
61236772	39491/steinarh	2012/652353

WINTERSHALL NORGE AS
Postboks 230 Sentrum
4001 STAVANGER

MOTTATT
19 OKT 2012

Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk for Wintershall Norge AS, org.nr. 985 224 323

Vi viser til deres brev av 28. september 2012 til hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Wintershall Norge AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Wintershall Norge AS 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.

Bakgrunn
Fra søknaden gjengis:

> ***Selskapet***
> *Wintershall Norge AS er et heleid datterselskap av Wintershall Norwegen Explorations- und Produktions - GmbH, som holder til i Kassel, Tyskland som igjen indirekte er et heleid datterselskap av BASF SE i Ludwigshafen, Tyskland (www.basf.com). BASF SE er verdens ledende kjemikonsern med ca 111 tusen ansatte.*
>
> *Wintershall Norge AS driver petroleumsvirksomhet på norsk kontinentalsokkel. Dette inkluderer leting etter olje og gass, utvikling og utbygging av påviste ressurser, samt produksjon og salg av disse. Selskapet har sitt hovedkontor i Stavanger. I 2011 hadde selskapet 252 millioner kroner i salgsinntekter. Mer informasjon om selskapet finnes på www.wintershall.no.*
>
> ***Bakgrunn***
> *Selskapet er som nevnt ovenfor del av et internasjonalt konsern med tysk morselskap. I tillegg eier selskapet direkte 100 prosent av to datterselskap i Storbritannia, Wintershall (UK) Ltd og Wintershall (UK North Sea) Ltd.*
>
> *All finansiering gjøres med Belgium BASF Coordination Centre (BBCC) i Beligia og BASF SE i Tyskland. Bankforbindelser er SEB i Finland, JP Morgan i USA og HSBC i Storbritania.*
>
> *Selskapet har også flere ansatte og styremedlemmer som ikke er norsktalende.*
>
> *Som nevnt ovenfor opererer selskapet i en internasjonal bransje. Nesten all skriftlig*

Postadresse	Besøksadresse	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org. nr: 996250318	Telefaks
For elektronisk henvendelse se www.skatteetaten.no		22 17 08 60

kommunikasjon med våre partnere, leverandører, kunder, eiere, finansieringsforbindelser, ansatte, datterselskap og styre foregår på engelsk. Selskapet finner det derfor mest naturlig å fremlegge årsregnskap og årsberetning på engelsk, og søker derfor om slik tillatelse.

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

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:
"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

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

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, 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 denne vurderingen har Skattedirektoratet lagt vekt på at selskapenes virksomhet er utpreget internasjonal og arbeidsspråket er engelsk. Videre er det vektlagt at selskapene er datterselskap av et utenlandsk selskap.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Rune Tystad
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Inger Helene Iversen