

6

Figures for 2020

Annual accounts SDFI

Page 46 Compliance report for the SDFI annual accounts

Accounts on cash basis, SDFI

Page 49 Appropriation accounts

Page 51 Capital accounts – specified

Page 52 General ledger accounts report

Accounts based on accounting act, SDFI

Page 54 Income statement pursuant to NGAAP

Page 55 Balance sheet at 31 December

Page 56 Cash flow statement

Page 57 Notes

Side 82 Auditor confirmation, Auditor General

Compliance report for the SDFI annual accounts

Purpose

Since its establishment in 2001, Petoro has served as the licensee for the state's participating interests in production licences, fields, pipelines and land-based facilities. Petoro is charged with managing the SDFI portfolio on the basis of sound business principles. As of the end of 2020, the portfolio consisted of 194 production licences, 6 fewer than at the beginning of the year. In January 2020, the Ministry of Petroleum and Energy completed its Awards in Predefined Areas (APA 2019), where 14 production licenses were awarded with SDFI participation. Twenty production licences were relinquished in 2020.

Confirmation

The annual accounts are presented in accordance with the Provisions on Financial Management in Central Government, circular R-115 from the Ministry of Finance, and requirements in the instructions on financial management of the SDFI in Petoro, with the exceptions granted for the SDFI. The board hereby confirms that the annual accounts, which comprise the appropriation and capital accounts prepared on a cash basis, provide a true and fair view in accordance with the cash basis. The general ledger accounts report presents accounting figures for the SDFI as reported to the government accounts in accordance with the standard chart of accounts for state-owned undertakings.

The board confirms that the company accounts have been prepared in accordance with the Accounting Act and Norwegian generally-accepted accounting principles (NGAAP), and provide a true and fair view of the SDFI's assets, obligations and financial results at 31 December 2020.

Assessment of significant factors

Appropriation and capital accounts

In accordance with the supplemental letter of assignment dated 15 December 2020, the SDFI's appropriation for investments¹ totalled NOK 28.0 billion. The appropriation for operating income² totalled NOK 60.2 billion. The appropriation for interest on the state's capital³ totalled NOK 2.5 billion. Operating income in accordance with the cash basis is affected first and foremost by the price of oil and gas and the volume of the SDFI's production sold. Equinor handles marketing and sale of SDFI's products through the marketing and sale instructions issued by the Ministry of Petroleum and Energy.

The general ledger accounts report

on the cash basis shows net reported revenues including financial income totalling NOK 113.7 billion in 2020, compared with NOK 153.0 billion in 2019. The revenue was greatly affected by lower gas and liquids prices in 2020, partially offset by higher oil sales. Expenses reported in the appropriation accounts comprise payments of NOK 27.6 billion as investments and NOK 28.0 billion as operating expenses.

Payments in 2019 amounted to NOK 26.3 billion related to investments and NOK 30.5 billion related to operations. Payments to operations were primarily related to the operation of fields and facilities, processing and transport costs, as well as exploration and field development expenses. This is in addition to payments of financial expenses. Depreciation of fields and facilities amounted to NOK 22.4 billion in 2020, compared with NOK 22.7 billion the previous year.

The SDFI accounts include a number of significant estimates which are subject to uncertainties and rely on discretionary assessments. These e.g. include capitalised exploration costs, estimates of reserves as the basis for depreciation, decommissioning expenses based on estimates for costs to be incurred far into the future, and assessment of impairment charges on tangible fixed assets.

Net cash flow to the state from SDFI totalled NOK 59 billion in 2020, NOK 37 billion lower than in 2019. This decline was mainly caused by lower prices for gas and liquids, in part offset by increased liquids production as a result of Johan Sverdrup phase 1 starting up in October 2019, as well as a positive change in working capital.

Total production reached 988 thousand barrels of oil equivalent per day (kboed), an increase of 24 kboed compared with the previous year.

Gas production amounted to 98 million standard cubic metres (mill. Sm³) per

¹ Ch./item 2440.30

² Ch./item 5440.24

³ Ch./item 5440.80

day, which is on par with the previous year. Gas extraction was higher on Troll than in 2019 due to price optimisation, but this was offset by lower production from particularly Snøhvit as a result of the fire in late September, as well as from Åsgard. The average realised gas price was NOK 1.25, compared with NOK 1.92 per Sm³ the previous year.

Liquids production came to 374 kboed, 24 kboed (7%) higher than the previous year. This increase was caused by Johan Sverdrup starting up at the end of 2019. Excluding production from Johan Sverdrup, production declined by 51 kboed (14%), mainly as a result of natural production decline on multiple fields, as well as reduced production on the fields included in the Government's revised production permits. The average realised oil price was USD 40, compared with USD 65 per barrel the previous year. The price drop in USD was somewhat offset by a weaker NOK, meaning that the achieved oil price measured in NOK was 376, compared with NOK 572 per barrel last year.

Costs incurred for investment totalled NOK 28 billion, just under NOK 1 billion higher than the year before. The increase in investment was mainly caused by higher drilling activity on multiple fields compared with the previous year. Development

investments have been reduced due to the completion of Johan Sverdrup phase 1 in 2019.

The financial result for 2020 was a net income of NOK 48 billion, NOK 49 billion lower than the previous year. This decline was mainly caused by lower revenue as a result of reduced prices for oil and gas, and impairment on fixed assets in the first and fourth quarters. The reduction was partially offset by increased oil production from Johan Sverdrup.

Production costs ended at NOK 14 billion, 0.3 billion higher than the previous year. However, production costs in 2019 were reduced by 1.3 billion as a result of the final settlement in the COSL case. This means that costs in 2020 compared with 2019 were actually reduced by NOK 0.9 billion. The decline was mainly caused by reduced electricity costs, as well as somewhat lower maintenance expenses in connection with prioritisations made as a result of Covid-19.

The book value of assets at 31 December 2020 was NOK 256 billion. The assets mainly consist of fixed assets related to field installations, pipelines and onshore plants, as well as current debtors. Equity at year-end came to NOK 151 billion. Overall debt amounted

to NOK 105 billion, of which 84 billion was related to estimated future removal obligations.

The portfolio's estimated remaining reserves totalled 5,045 million boe at the end of 2020, down by 290 million boe from the year before. Production in 2020 came to 362 million boe. The reserve growth of 72 million boe was primarily the result of the decision to develop Breidablikk. This yields a reserve replacement rate for 2020 of 20 per cent, compared with 40 per cent in 2019.

Additional information

The Office of the Auditor General (OAG) is the external auditor, and approves the annual accounts for the SDFI. On completing its annual audit, the OAG issues a final audit letter (report) which summarises the conclusion of its audit work. The result of the audit will be reported by 1 May 2021.

The Board has appointed PwC to conduct a financial audit of the SDFI accounts as part of Petoro's internal audit process. PwC submits its audit report to the Petoro AS board regarding the annual accounts pursuant to the accounting principles on a cash basis and in accordance with international auditing standards. PwC's audit work forms the basis for the OAG's review of the annual accounts.

Stavanger, 4 March 2021



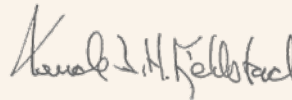
Gunn Wærsted

Chair



Brian Bjordal

Deputy chair



Trude J. H. Fjeldstad

Director



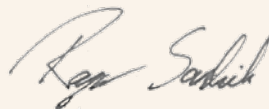
Kristin Skofteland

Director



Hugo Sandal

Director



Ragnar Sandvik

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elected by the employees



May Linda Glesnes

Director,
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Kjell Morisbak Lund

Acting CEO

Accounts on cash basis, SDFI

Note on accounting principles for the accounts on a cash basis

The annual accounts for the SDFI have been prepared and presented in accordance with detailed guidelines stipulated in the Provisions on Financial Management in Central Government (“the Provisions”). The accounts accord with the requirements in Section 3.4 of the Provisions and more detailed provisions in circular R-115 of December 2019 from the Ministry of Finance, with the exceptions that apply for the SDFI.

The presentation of reporting to the appropriation accounts and general ledger accounts is prepared on the basis of Section 3.4.2 of the Provisions, the basic principles for the annual accounts:

- a) the accounting year matches the calendar year
- b) the accounts present all expenses and revenues for the accounting year
- c) the accounts are prepared in accordance with the cash basis.
- d) expenses and revenues are shown gross in the accounts

The reporting presentations of the appropriation accounts and general ledger accounts are prepared on the basis of the same principles, but are grouped in different charts of accounts. These principles correspond with requirements in Section 3.5 of the Provisions on how enterprises shall report to the government accounts. The item “net reported to appropriation accounts” is identical in both presentations.

Pursuant to the requirements in Section 3.7.1 of the Provisions, the enterprise is affiliated with the government’s group account scheme for state-owned companies in Norges Bank.

Appropriation reporting

The presentation of reporting to the appropriation accounts comprises an upper section with the appropriation reporting and a lower section, which shows the enterprise’s listed balances in the capital accounts. The appropriation reporting presents accounting figures reported by the enterprise to the government accounts. These are posted in accordance with the chapters and items in the appropriation accounts the enterprise has at its disposal. The column “Total allocation” shows what the enterprise has at its disposal in the letter of assignment for each government account (chapter/item). The presentation also shows all financial assets and liabilities entered against the enterprise in the government’s capital accounts.

The SDFI receives estimated appropriations. No authorisations have been received or issued to charge from/to chapters/items in other undertakings.

General ledger accounts report

The general ledger accounts report is formatted with an upper part which shows what has been reported to the government accounts in accordance with the standard chart of accounts for state-owned enterprises and a lower part which presents assets and liabilities included in the open account with the state. The general ledger accounts report presents accounting figures reported to the government accounts in accordance with the standard chart of accounts for state-owned enterprises. The report is not formatted in accordance with the method recommended by the Norwegian Government Agency for Financial Management (DFØ), but incorporates adjustments which reflect special conditions for public-sector enterprises.

Accounts on cash basis, SDFI

Appropriation accounts

Presentation of appropriation accounts reporting 31 Dec. 2020 - Figures in NOK

Expense chapter	Chapter name	Category	Description	Total allocation	2020 accounts	(Increase)/ decrease in expenses
2440	Expenses	30	Investments	28,000,000,000	27,600,836,314	399,163,686
5440	Expenses	24.02	Operating expenses	28,400,000,000	28,063,436,976	336,563,024
5440	Expenses	24.03	Exploration and field development expenses	2,000,000,000	1,742,839,038	257,160,962
5440	Expenses	24.04	Depreciation	22,700,000,000	22,438,630,777	261,369,223
5440	Expenses	24.05	Interest	2,500,000,000	2,474,387,043	25,612,957
Total expended				83,600,000,000	82,320,130,148	1,279,869,852

Revenue chapter	Chapter name	Category	Description	Total allocation	2020 accounts	Excess revenue and lower revenue (-)
5440	Revenues	24.01	Operating revenue	115,800,000,000	113,793,972,156	(2,006,027,844)
5440	Expenses	30	Depreciation	22,700,000,000	22,438,630,777	(261,369,223)
5440	Expenses	80	Interest on fixed capital	2,500,000,000	2,483,311,015	(16,688,985)
5440	Expenses	85	Interest on open accounts	0	-8,923,972	(8,923,972)
Total recognised				141,000,000,000	138,706,989,977	(2,293,010,023)
5440	24	Operating profit		60,200,000,000	59,074,678,322	(1,125,321,678)
Net reported to appropriation accounts					(56,386,859,828)	

Capital accounts

0677.03.04693	Settlement account Norges Bank - paid in	102,961,762,019
0677.03.08710	Settlement account Norges Bank - paid in	15,572,918,850
0677.04.05015	Settlement account Bank of Norway - paid out	(59,823,318,742)
	Change in open accounts	(2,324,502,299)
Sum rapportert		0

Holdings reported to the capital accounts (31 Dec)

Account	Text	2020	2019	Change
	Open accounts with the Treasury	(1,334,069,923)	(3,658,572,222)	2,324,502,299

Accounts on cash basis, SDFI Appropriation accounts

NOTE A Explanation of total allocation			
Type and category	Transferred from last year	Allocation for the year	Total allocation
2440.30		28,000,000,000	28,000,000,000
5440.24.02		28,400,000,000	28,400,000,000
5440.24.03		2,000,000,000	2,000,000,000
5440.24.04		22,700,000,000	22,700,000,000
5440.24.05		2,500,000,000	2,500,000,000
5440.24.01		115,800,000,000	115,800,000,000
5440.30		22,700,000,000	22,700,000,000
5440.80		2,500,000,000	2,500,000,000
5440.85		0	0
5440.24		60,200,000,000	60,200,000,000

NOTE B Explanation for authorisations used and calculation of possible amount to be transferred to next year

Not relevant for the SDFI, which receives estimated appropriations

Accounts on cash basis, SDFI

Capital accounts – specified

SDFI capital accounts 2020 – Figures in NOK

Items			
Open account government			1,334,069,923
Fixed assets before impairment		199,949,456,833	
Impairment		(5,736,540,144)	
Fixed asset account		194,212,916,689	194,212,916,689
Total	Total		195,546,986,612
Open account state at 1 Jan. 2020	(3,658,572,222)	(3,364,091,145)	
Total expenses	27,600,836,314		
Total revenue	(83,987,696,142)		
Cash flow	(56,386,859,828)	(56,386,859,828)	
Net transfer to the state	58,711,362,127	96,184,113,331	
Open account state at 31 Dec. 2020		(1,334,069,923)	(1,334,069,923)
Fixed assets 1 Jan. 2020		(194,787,251,296)	
Investments for the year		(27,600,836,314)	
Depreciation for the year		22,438,630,777	
Impairment		5,736,540,144	
Fixed assets 31 Dec. 2020		(194,212,916,689)	(194,212,916,689)
Total			(195,546,986,612)

Stavanger, 4 March 2021



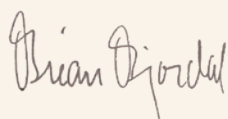
Gunn Wærsted

Chair




Hugo Sandal

Director



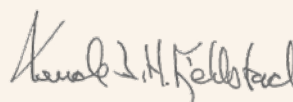
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Director



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Acting CEO

Accounts on cash basis, SDFI General ledger accounts report

Specification of the general ledger accounts report 31. Dec. 2020		
	2020	2019
Operating revenues reported to the appropriation accounts		
Sales and lease payments received	101,154,121,164	134,844,137,426
Other amounts paid in	12,539,270,486	18,123,858,820
Total paid in from operations	113,693,391,649	152,967,996,246
Operating expenses reported to the appropriation accounts		
Depreciation	22,438,630,777	22,673,976,264
Other disbursements for operations	28,027,059,450	30,539,912,130
Total disbursed to operations	50,465,690,227	53,213,888,394
Net reported operating expenses	(63,227,701,422)	(99,754,107,852)
Investment and financial income reported to the appropriation accounts		
Financial income paid in	100,580,507	2,137,757,718
Total investment and financial income	100,580,507	2,137,757,718
Investment and financial expenses reported to the appropriation accounts		
Paid out for investment	27,641,882,871	26,339,149,222
Paid out for share purchases	(41,198,749)	(10,150,360)
Paid out for financial expenses	4,253,755,799	4,517,480,126
Total investment and financial expenses	31,854,439,921	30,846,478,988
Net reported investment and financial expenses	31,753,859,414	28,708,721,270
Collection activity and other transfers to the state		
Contribution management and other transfers from the state		
Revenues and expenses reported under common chapters		
Depreciation (see Ch. 5440 revenue)	(22,438,630,777)	(22,673,976,264)
Interest on the government's capital and open accounts with the Treasury (see Ch. 5440 revenue)	(2,474,387,043)	(2,759,231,562)
Net reported expenses under joint chapters	(24,913,017,820)	(25,433,207,826)
Net expenses reported to the appropriation accounts	(56,386,859,828)	(96,478,594,408)

Accounts on cash basis, SDFI

General ledger accounts report

Overview of open accounts with the Treasury

Assets and liabilities*	2020	2019
O/U call	(2,810,556,994)	1,538,205,263
AP nonop	561,316,837	302,058,421
AR nonop	(139,103,151)	152,439,303
Inventory nonop	29,727,085	19,026,800
Prep exp nonop	(97,139,650)	(110,411,404)
Working cap - nonop	132,837,112	(972,658,814)
VAT	(1,583,538)	(30,061,650)
Agio	(0)	0
Total change open accounts with the Treasury	(2,324,502,299)	294,481,077

*)

O/U call - prepayments calculated net of JV cash call and settlement from operators

AP nonop - accounts payable in settlements from operators

AR nonop - accounts receivable in settlements from operators

Inventory nonop - inventory in settlements from JV operators

Prep exp nonop – prepaid expenses to operators - settlements

Working cap - nonop - primarily accruals in monthly settlements from operators

VAT - balance of VAT payments

Agio - rounding-off related to currency translation (agio/disagio)

Comment on change in open account from 2019 to 2020:

The change was mainly caused by reduced net advances in the licenses. However, this is partially offset by a reduction in provisions in the licenses and a reduction in amounts owed in settlement from operators.

Accounts based on accounting act

Income statement pursuant to NGAAP - SDFI

All figures in NOK million	Notes	2020	2019
OPERATING REVENUE			
Operating revenue	3, 4, 9, 11	108,940	153,395
Total operating revenue		108,940	153,395
OPERATING EXPENSES			
Exploration expenses		1,368	1,614
Production expenses	5	14,074	13,690
Transport and processing expenses	5	10,247	9,686
Depreciation and impairment	2	30,395	26,050
Costs gas purchases, storage and administration	5, 9, 10	3,962	5,405
Total operating costs		60,045	56,445
Operating profit		48,895	96,950
FINANCIAL ITEMS			
Financial income		2,941	1,837
Financial expenses	7, 12	4,082	3,140
Net financial items	8	(1,141)	(1,304)
NET INCOME FOR THE YEAR	19	47,754	95,647

Accounts based on accounting act SDFI balance sheet at 31 December

All figures in NOK million	Notes	2020	2019
Intangible fixed assets	2	57	61
Tangible fixed assets	1, 2, 18, 21	231,410	220,986
Financial assets	2, 11	1,289	1,464
Fixed assets		232,756	222,512
Inventory	6	1,698	2,353
Trade debtors	9, 10	21,922	25,858
Bank deposits		108	0
Current assets		23,728	28,211
TOTAL ASSETS		256,484	250,722
Equity at 1 Jan.		162,070	162,607
Paid from/(to) the state during the year		(58,711)	(96,184)
Net profit		47,754	95,647
Equity adjustments		0	0
Equity	19	151,113	162,070
Long-term decommissioning liabilities	12, 18	84,029	69,883
Other long-term liabilities	13	4,394	4,270
Long-term liabilities		88,423	74,153
Trade creditors		1,912	2,516
Other current liabilities	9, 14, 15	15,037	11,983
Current liabilities		16,948	14,499
TOTAL EQUITY AND LIABILITIES		256,484	250,722

Stavanger, 4 March 2021



Gunn Wærsted

Chair



Hugo Sandal

Director



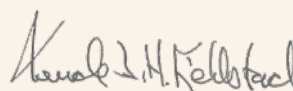
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Acting CEO

Accounts based on accounting act

SDFI Cash flow statement

All figures in NOK million	Notes	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from operations	3, 4	113,794	155,106
Cash disbursements from operations	5	(29,804)	(32,266)
Change in working capital in the licences		(380)	1,153
Change over/under call in the licenses		2,811	(1,538)
Net interest payments		0	(1)
Cash flows from operating activities		86,420	122,454
CASH FLOW FROM INVESTMENT ACTIVITIES			
Investments	2, 11	(27,601)	(26,331)
Cash flow from investment activities		(27,601)	(26,331)
CASH FLOW FROM FINANCING ACTIVITIES			
Net transfer to the state		(58,711)	(96,184)
Cash flow from financing activities		(58,711)	(96,184)
Increase in bank deposits of partnerships with shared liability		107	(61)

Note information for accounts based on the Accounting Act

General

As of 31 December 2020, Petoro AS acted as licensee on behalf of the SDFI for interests in 194 production licences and 16 joint ventures for pipelines and terminals, including the company's management of commercial interests in Mongstad Terminal DA and Vestprosess DA, and the shares in Norpipe Oil AS. The SDFI is also entitled to potential profits in production licences with net profit agreements. Petoro has the same rights and obligations as other licensees, and manages the SDFI on the NCS on the basis of sound business principles.

Administration of the portfolio is subject to the Regulations on Financial Management in Central Government. Accounts for the portfolio are presented both on the cash basis used by the government and in accordance with the Norwegian Accounting Act. The company maintains separate accounts for all transactions relating to its participating interests, so that revenue and costs from production licences and joint ventures are kept separate from operation of the company. Cash flow from the portfolio is transferred to the central government's own accounts with Norges Bank. Petoro prepares separate annual accounts for the SDFI, with an overview of the participating interests managed by the company and associated resource accounting.

Accounting principles for the company accounts

The principal difference between the profit based on the Accounting Act and on a cash basis is that the latter includes cash payment for investments and operating expenses. Adjustments are also made for accruals of income and expenses on a cash basis, with a corresponding adjustment to debtors and creditors in the balance sheet. Realised currency loss/gain related to operating expenses and income is classified on the cash basis as operating expenses and income. The accounts based on the Accounting Act present realised currency loss/gain as financial expenses/income, and these items are accordingly not included in the operating profit. Differences between the accounts prepared in accordance with the Accounting Act (NGAAP) and on a cash basis are indicated in the notes below.

The SDFI's interests in partnerships with shared liability relating to the production of petroleum are included under the respective items in the income statement and recorded in the balance sheet based on relative ownership interest for the SDFI's share of income, expenses, assets and liabilities. The same applies to licence interests in oil and gas activities, including pipeline transport, which are not organised as companies.

SDFI's participation in Equinor's investments that fall under the

marketing and sale instruction, are assessed as investments in associated companies or jointly controlled enterprises and are recorded pursuant to the equity method. The SDFI's share of the equity is recorded in the balance sheet under financial fixed assets and its share of the profit/loss is recorded as operating revenue in the income statement.

SDFI's ownership interests in limited companies are recorded in the balance sheet in accordance with the cost method and any dividend is recorded as a financial item. In addition, revenue from production licences with net profit agreements (concerns licences awarded in the second licensing round) is recorded as other income.

The functional currency is the Norwegian krone.

Revenue recognition principles

The SDFI records revenue from the production of oil, NGL and gas using the sales method. This means that sales are recorded in the period when the volumes are lifted and sold to the customer.

Revenue from ownership in transport and process facilities is recorded when the service is rendered.

Gas swap and borrowing agreements where settlement takes the form of returning volumes are, as a general rule, accrued using the sales method. At the same time, a provision is made for the associated production costs in the event that the SDFI has lent/swapped gas. When lending gas from the SDFI, the lower of production expense and estimated net present value of the future sales price is capitalised as a pre-paid expense at the date of the loan. Furthermore, the SDFI's share of location swaps related to the purchase or sale of third-party gas is recorded net as operating revenue. The SDFI's share of time swaps is recorded gross.

Liabilities arising because too much crude oil has been lifted in relation to the SDFI's share of the production partnership are valued at production cost, while receivables from the other partners in the production partnerships are valued at the lower of production cost and the estimated present value of the future sales price.

Purchases of third-party gas for resale and gas for inventory are recorded gross as operating expenses. The corresponding revenue is included in operating income.

Purchases and sales between fields and/or transport systems

Internal expenses and revenues are eliminated in purchases and sales between fields and/or transport systems in which the

SDFI is both owner and shipper, so that only costs paid to third parties appear as net transport costs.

Foreign currencies

Transactions in foreign currencies are recorded at the transaction rate. Monetary items in foreign currencies are valued at the exchange rate prevailing on the balance sheet date. Unrealised currency losses and realised currency losses/gains are recorded as financial income or financial expenses.

Classification of assets and liabilities

Assets intended for ownership or use over a longer period are classified as fixed assets. Other assets are classified as current assets. Debts due within one year are classified as current assets. Equivalent criteria are applied for classification of current and long-term liabilities.

Research and development

Research and development costs are expensed on a continuous basis. In addition to spending on direct research and development in each joint venture, the operator also charges expenses for general research and development to the partnership in accordance with the extent of exploration, development and operating expenses in the joint venture.

Exploration and development costs

Petoro employs the successful efforts method to record exploration costs for SDFI oil and gas operations. This means that costs related to geological and geophysical surveying are expensed. However, expenses linked to the drilling of exploration wells are recognised in the balance sheet in anticipation of evaluation. Such costs are expensed if the evaluation determines that the discovery is not commercially viable. Considerable time can elapse between the drilling of a well and a final development decision. Capitalised exploration well expenses are accordingly assessed quarterly to determine whether sufficient progress is being made in the projects so that the criteria for capitalisation continue to be met. Dry wells or those where progress is insufficient are expensed.

Expenses linked to development, including wells, platforms and equipment, are capitalised. Costs for operational preparations are expensed on a continuous basis.

Tangible fixed assets

Tangible fixed assets and investments are carried at acquisition cost with deduction for planned and contingent depreciation. Fixed assets under construction are carried at acquisition cost.

Fixed assets leased on terms which largely transfer the financial risk and control to the SDFI (financial leasing) are capitalised under tangible fixed assets and the associated lease obligation is recognised as an obligation under long-term interest-bearing debt at the net present value of the lease charges. The fixed asset is subject to planned depreciation,

and the obligation is reduced by the lease payment after deduction of calculated interest costs.

The SDFI does not take up loans, and incurs no interest expenses associated with the financing of development projects.

Ordinary depreciation of oil and gas production facilities is calculated for each field and field-dedicated transport system using the unit of production method. This means that the acquisition cost is depreciated in line with the ratio between volume sold during the period and reserves at the start of the period. Investments in wells are depreciated in line with the reserves made available by the wells drilled.

Petoro determines the reserve base for depreciation purposes on the basis of estimated remaining reserves per field, which are adjusted by a factor calculated as the ratio between the Norwegian Petroleum Directorate's total of low reserves in production and the sum of expected reserves in production. This is done for both oil and gas reserves. This reserve adjustment totalled 79 per cent of expected remaining oil reserves in 2020, while the corresponding figure for gas reserves was 81 per cent. The reserve estimates are revised annually, and any changes affect only future depreciation expenses.

Ordinary depreciation for onshore facilities and transport systems as well as riser platforms used by multiple fields, is calculated on a straight-line basis over the remaining licence period at 31 December.

Other tangible fixed assets are depreciated on a straight-line basis over their expected economic lifetime.

Intangible fixed assets

Intangible fixed assets are carried at their fair value at the time of acquisition. They are depreciated over the expected contract period or their expected economic lifetime, and any impairment charges are deducted.

Impairment

When the accounts are prepared, tangible fixed assets and intangible assets are reviewed for indications of a decline in value. Producing fields or installations are normally treated as separate entities for the purposes of assessing impairment. Should the recoverable value be lower than the book value, and this decline is not expected to be temporary, the asset is written down to its recoverable value, which is the higher of the asset's fair value less sales costs and its utility value. The utility value is calculated using expected future cash flows, which are discounted using a discount rate based on the weighted average cost of capital (WACC) calculated for the company.

The impairment charge will be reversed if the conditions for

writing down the asset no longer apply, limited to what the value would have been if no writedown was undertaken.

Maintenance expenses

Expenses related to repair and maintenance are expensed on a continuous basis. Expenses for major replacements and renovations that significantly extend the economic life of the tangible fixed assets are capitalised.

Abandonment and decommissioning expenses

Under the terms of a licence, the authorities can require the licensees to remove offshore installations when their production life comes to an end. The estimated fair value of obligations for decommissioning and removal is recorded in the accounts in the period when the liability arises, normally when wells are drilled and installations are built and ready for use. The obligation is capitalised as part of the acquisition cost of wells and installations, and depreciated therewith. Changes to estimated cessation and decommissioning costs are recorded and capitalised in the same manner and depreciated over the remaining economic life of the assets. The discount rate is based on the discount rate for corporate bonds (OMF) as stated in NRS6.

A change in the liability relating to its time value — the effect of the decommissioning date having come one year closer — is recorded as a financial expense.

Inventories

Inventories of spare parts and operating materials are valued at the lower of acquisition cost according to the FIFO principle, or net realisable value. Spare parts of insignificant value for use in connection with operating oil or gas fields are expensed at the time of acquisition. Spare parts of significant value are recorded as inventory at the time of acquisition and expensed when they are used in operations. Petoro uses the operators' assessments in monthly settlements (billings) as basis for which materials should be capitalised and which expensed.

Accounts receivable

Accounts receivable are recognised at face value in the balance sheet less a provision for expected loss. This provision is based on an individual assessment of each debtor.

Bank deposits

Bank deposits include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase. Cash flows from oil and gas sales are transferred to the state on a daily basis. Booked bank deposits thus include the SDFI's share of bank deposits in companies with apportioned liability in which the SDFI has an interest, and in which the proportionate consolidation method is used.

Current liabilities

Current liabilities are recognised at face value.

Taxes

The SDFI is exempt from income tax in Norway. The SDFI is registered for value-added tax (VAT) in Norway. Virtually all the SDFI's sales of oil and gas products from its activity take place outside the geographic scope of Norway's VAT legislation (continental shelf and exports). The SDFI invoices these sales to the buyer free of tax. At the same time, the SDFI can deduct any VAT incurred on invoiced costs relevant to its activity.

Financial instruments

The SDFI is covered by the state's overall risk management. Financial instruments are used as part of Equinor's optimisation of gas sales.

Financial instruments are valued according to the lowest value principle, unless stated criteria have been met. Unrealised losses relating to financial instruments are recorded as expenses. Portfolio valuations are used as a basis where this, based on the financial instruments, is considered to be the most sensible approach, and where the portfolio is balanced in volume and time. Eliminations are carried out where legal rights exist to offset unrealised losses and gains, or where deposits/margins that correspond with the market value of the derivatives have been paid and capitalised. Gains are otherwise recognised upon realisation.

Financial instruments that are not current assets follow the valuation rules for fixed assets.

Contingent liabilities

Probable and quantifiable losses are expensed. Contingent assets are not included unless the asset is reasonably certain to be settled. Liabilities related to legal disputes are reflected when a judgement is pronounced and SDFI is on the losing side, regardless of whether the judgement is appealed and the dispute is still making its way through the legal system.

NOTE 1 Asset transfers and changes

In January 2020, the Ministry of Petroleum and Energy completed its Awards in Predefined Areas (APA 2019), where 14 production licenses were awarded with SDFI participation. Twenty production licences were relinquished in 2020. In January 2021, the Ministry of Petroleum and Energy completed its Awards in Pre-defined Areas (APA 2020), where an additional 10 production licenses were awarded with SDFI participation.

NOTE 2 Specification of fixed assets

All figures in NOK million	Book value at 31 Dec 19	Historical cost at 1 Jan 20	Accumulated depreciation 1 Jan 20	Addition 2020	Impairment 2020	Disposal 2020	Transfers 2020	Depreciation 2020	Book value at 31 Dec 20
Fields under development	22,163	22,163	0	5,900	(3,727)	(59)	0	0	24,278
Fields in operation	168,263	600,488	(432,225)	33,146	(2,009)	0	0	(21,999)	177,401
Pipelines and onshore facilities	26,165	72,440	(46,275)	1,480	0	(53)	0	(2,656)	24,936
Capitalised exploration expenses	4,395	4,395	0	911	0	(511)	0	0	4,795
Total tangible fixed assets	220,986	699,486	(478,500)	41,437	(5,737)	(622)	0	(24,655)	231,410
Intangible fixed assets	61	288	(227)	0	0	0	0	(4)	57
Financial assets	1,464	1,464	0	(175)	0	0	0	0	1,289
Total fixed assets (NGAAP)	222,512	701,239	(478,727)	41,261	(5,737)	(622)	0	(24,659)	232,756
Conversion to cash basis	(27,725)	(70,674)	42,949	(13,661)	0	622	0	2,220	(38,543)
Total fixed assets on cash basis	194,787	630,565	(435,778)	27,601	(5,737)	0	0	(22,439)	194,213

Impairment totalling NOK 5,737 million has been undertaken on fields under development and fields in operation as a result of changes in applied short-term and long-term price development, as well as updated production profiles and cost estimates. The Ekofisk, Martin Linge and Valemon fields have been impaired by NOK 1,583, 3,727 and 427 million, respectively.

Impairment tests are based on Petoro's best estimate of cash flows (market prices, production, costs and exchange rate assumptions). The real discount rate in the calculation of utility value is 7-8 per cent. Inflation is estimated at 2 per cent annually. When the utility value is assessed to be lower than the book value, the assets are written down to their utility value.

The price assumptions used to calculate impairment are generally as follows:

Real prices/year	2021	2022	2025	2030
Oil NOK/bbl	386	395	468	468
Gas price NOK/scm	1.75	1.76	1.93	1.93

The long-term oil price is on par with what the IEA presumes in its Sustainable Development Scenario, which is in line with the Paris Agreement. However, the risk for periods with both somewhat lower and higher prices is still significant, and volatility can be expected.

The long-term gas price reflects an increased likelihood of scenarios with lower demand, increased competition in supply and price pressure in the global gas market. The projected gas price is somewhat higher than the price development the IEA presumes in its Sustainable Development Scenario. However, the gas price expectation is considered to be consistent with achieving the objectives in the Paris Agreement.

Sensitivity analysis

The table below shows what the impairment or reversal of previous impairment would have been in 2020 under various alternative assumptions, presuming that all other assumptions remain constant. The fields affected are Ekofisk, Martin Linge and Valemon.

Assumptions	Change	Alternative calculations of impairment/reversal of impairment for 2020	
		Increased assumptions	Reduced assumptions
Gas and liquids prices	+/- 10%	2,734	(2,733)
Discount rate	+/- 1%	(602)	-

Tangible fixed assets for Snøhvit include a capitalised long-term financial charter for three ships used for LNG transport from the field. These vessels are being depreciated over 20 years, which is the duration of the charter.

Depreciation assessments calculate utility values by discounting future cash flows using a discount rate based on capital costs (WACC).

Intangible fixed assets include investments in further development of Etzel Gas Storage and a lesser amount in Åsgard Transport.

Financial assets totalling NOK 1,289 million include capacity rights for regasification of LNG at the Cove Point terminal in the US with an associated agreement regarding the sale of LNG from Snøhvit to Equinor Natural Gas LLC (ENG) in the US, as well as SDFI's share of Equinor's investment in Danske Commodities (DC). The SDFI participates in ENG under the marketing and sale instruction with regard to activities related to the marketing and sale of the state's LNG from Snøhvit. Cash flows from ENG are settled continuously on a monthly basis in connection with the purchase and sale of LNG. SDFI's share of DC are linked to gas activities under the marketing and sale instruction. These activities are assessed as investments in associated companies and recorded according to the equity method (see also Note 11).

NOTE 3 Specification of operating revenue by area

All figures in NOK million	2020	2019
License	94,316	134,186
Infrastructure and Market	19,185	23,736
Net profit agreements	(228)	193
Elimination internal sales	(4,333)	(4,720)
Total operating revenue (NGAAP)	108,940	153,395
Conversion to cash basis	4,854	1,711
Total cash basis	113,794	155,106

Infrastructure and Market generally consists of revenues from the resale of gas, tariff revenues for transport and processing, unrealised losses and revenues from trading inventory. Trading inventory mainly relates to physical volumes.

NOTE 4 Specification of operating revenue by product

All figures in NOK million	2020	2019
Crude oil, NGL and condensate	47,613	64,937
Gas	47,460	73,883
Transport and processing revenue	12,170	12,562
Other revenue	1,926	1,820
Net profit agreements	(228)	193
Total operating revenue (NGAAP)	108,940	153,395
Conversion to cash basis	4,854	1,711
Total cash basis	113,794	155,106

All oil, NGL and condensate from SDFI is sold to Equinor. All gas is sold by Equinor through the marketing and sale instructions issued to Equinor at SDFI's expense and risk. Virtually all gas is sold to customers in Europe under bilateral contracts, or over the "trading desk". About 38 per cent of annual gas volumes is purchased by the four largest customers.

NOTE 5 Specification of production and other operating expenses by area

All figures in NOK million	2020	2019
PRODUCTION EXPENSES		
License	11,261	10,265
Infrastructure and Market	2,813	3,426
Total production expenses	14,074	13,690
TRANSPORT AND PROCESSING EXPENSES		
License	13,206	14,224
Infrastructure and Market	1,374	182
Elimination internal purchases	(4,333)	(4,720)
Total transport and processing expenses	10,247	9,686
OTHER OPERATING EXPENSES		
Expenses for gas purchases, storage and administration	3,962	5,405
Total other operating expenses	3,962	5,405
Total operating costs	28,282	28,780
Conversion to cash basis	(219)	1,271
Total cash basis	28,063	30,051

Production expenses for License in 2019 include a reduced provision as a result of the NOK 1.3 billion settlement in the case associated with the Troll Unit.

A loss provision is recorded in 2020 under transport and processing expenses associated with a future transport capacity agreement totalling NOK 1.3 billion.

Over / underlift is included in the figure for Infrastructure and Market under production expenses. Gassled and other gas infrastructure is organisationally placed under Infrastructure and Market as regards reporting of production expenses and transport- and processing expenses.

NOTE 6 Inventories

All figures in NOK million	2020	2019
Petroleum products	236	920
Spare parts	1,462	1,432
Total inventories	1,698	2,353

Petroleum products comprise LNG and natural gas. The SDFI does not hold inventories of crude oil, as the difference between produced and sold volumes is included in over/underlift. Not relevant to the accounts on a cash basis.

NOTE 7 Interest included in the SDFI's appropriation accounts

Interest on the state's fixed capital is incorporated in the accounts on a cash basis. Interest amounts are calculated in accordance with the requirements in the 2020 letter of assignment to Petoro from the Ministry of Petroleum and Energy.

Interest on the state's fixed capital is charged to operations in order to take account of capital costs and to provide a more accurate picture of the use of resources. This is a calculated expense without cash effect.

The accounts on a cash basis include an open account with the state which represents the difference between the recorded amount in the chapter/item in the appropriation accounts and ingoing and outgoing payments in the settlement accounts in Norges Bank.

Interest on the open account with the state is calculated in accordance with the 2020 letter of assignment to Petoro from the Ministry of Petroleum and Energy. The interest rate applied is linked to the interest rate on short-term government securities and corresponds to the interest rate applied to short-term loans to the Treasury, calculated on the basis of the average monthly balance in the open account with the government.

Not relevant to the accounts based on the Accounting Act (NGAAP).

NOTE 8 Net financial items

All figures in NOK million	2020	2019
Interest income	1	406
Other financial revenue	1	1
Currency gain	2,940	1,429
Currency loss	(2,535)	(886)
Unrealised currency loss/gain	154	(635)
Interest expenses	(95)	(48)
Other financial expenses	0	115
Interest on decommissioning liability	(1,605)	(1,686)
Net financial items	(1,141)	(1,304)

Not relevant to the accounts on a cash basis.

NOTE 9 Related parties

The state, represented by the Ministry of Petroleum and Energy, owns 67 per cent of Equinor and 100 per cent of Gassco. These companies are classified as related parties of the SDFI. Petoro, as licensee for SDFI, has significant participating interests in pipelines and terminals operated by Gassco.

Equinor is the buyer of the state's oil, condensate and NGL. Sales of oil, condensate and NGL from the SDFI to Equinor totalled NOK 48 billion (corresponding to 135 million boe) for 2020, compared with NOK 65 billion (126 million boe) for 2019.

Equinor markets and sells the state's natural gas at the government's expense and risk, but in Equinor's name and along with its own production. The state receives the market value for these sales. The state sold dry gas directly to Equinor at a value of NOK 167 million in 2020, compared with NOK 270 million in 2019. Equinor is reimbursed by the state for its relative share of costs associated with the transport, storage and processing of dry gas, the purchase of dry gas for resale and administrative expenses relating to gas sales. These reimbursements amounted to NOK 13.2 billion in 2020, compared with NOK 12.6 billion in 2019. Open accounts with Equinor totalled NOK 5.2 billion in favour of the SDFI, converted at the exchange rate on the balance sheet date, compared with NOK 8.3 billion in 2019.

Pursuant to the marketing and sale instruction, the SDFI participates with a financial interest in Equinor Natural Gas LLC (ENG) in the US. Cash flows from ENG are settled continuously on a monthly basis in connection with the purchase and sale of LNG. The SDFI is also a participant in Equinor's investment in Danske Commodities (DC) under the marketing and sale instruction for the part assigned to gas activities. This participating interest entitles Petoro to a share of future results. The investments are addressed in more detail in Note 11.

Open accounts and transactions relating to activities in the production licences are not included in the above-mentioned amounts. Hence, no information has been included with regard to open accounts and transactions relating to licence activities with Equinor or Gassco. The SDFI participates as a partner in production licences on the NCS. These are accounted for in accordance with the proportionate consolidation method.

NOTE 10 Accounts receivable

Accounts receivable and other receivables are recorded at nominal value in NGAAP following deduction for foreseeable losses.

NOTE 11 Investments in associated companies

As of 1 January 2009, the SDFI's participation in Equinor Natural Gas LLC (ENG) in the US has been treated as an investment in an associate, which is recognised in accordance with the equity method. At the time it was established in 2003, the investment was recorded at the original acquisition cost of NOK 798 million.

The company's business office is located in Stamford in the US and it is formally owned 56.5 per cent by Equinor Norsk LNG AS, which reflects the SDFI's ownership interest under the marketing and sale instruction. The remaining 43.5 per cent is owned by Equinor North America Inc. As a result of the merger between former Statoil and Hydro's petroleum activities in 2007, the profit/loss is allocated in accordance with a skewed distribution model which gives 48.4 per cent to the SDFI.

The SDFI participates in ENG under the marketing and sale instruction with regard to activities related to the marketing and sale of the state's LNG from Snøhvit. Cash flows from ENG are settled continuously on a monthly basis in connection with the purchase and sale of LNG.

The SDFI recognised an investment associated with Equinor's acquisition of Danske Commodities (DC) under the marketing and sale instruction in 2019. DC is one of Europe's largest companies within short-term electricity trading. The company's activities also include short-term gas trading. The company is headquartered in Aarhus, Denmark. The company is formally owned by Equinor, but the SDFI participates in the investment through the marketing and sale instruction for the part of the enterprise related to gas activities. The acquisition agreement was finalised on 1 February 2019. The SDFI's participation in DC is assessed as an investment in an associated company and is recorded in accordance with the equity method. After the transaction date, the SDFI is entitled to a share of the result from gas activities that fall under the marketing and sale instruction. At the time of acquisition 2019, the investment was recorded at the original acquisition cost of NOK 1,190 million.

The table below includes the shareholdings in Norpipe Oil AS in addition to ENG and DC.

All figures in NOK million	2020	2019
Financial assets 1 Jan.	1,464	218
Share of profit for the year in associated company	(202)	56
2019 additions	27	1,190
Financial assets 31 Dec	1,289	1,464

NOTE 12 Shut-down/decommissioning

The liability comprises future abandonment and decommissioning of oil and gas installations. Norwegian authority requirements and the Oslo-Paris (OSPAR) Convention for the Protection of the Marine Environment of the North-East Atlantic provide the basis for determining the extent of the decommissioning liability.

The liability is calculated on the basis of estimates from the respective operators. A number of factors underlying the decommissioning estimate are associated with significant uncertainty, including assumptions for decommissioning and estimating

methods, as well as technology and the removal date. The latter is expected largely to occur one or two years after cessation of production. See Note 24.

Interest expense on the liability is classified as a financial expense in the income statement. The discount rate is based on the discount rate for corporate bonds (OMF) as stated in NRS6.

The estimate for decommissioning costs has been raised by NOK 12.2 billion as a result of changes in future estimated costs from operators, alterations to cessation and decommissioning dates, as well as a change in the discount rate.

All figures in NOK million	2020	2019
Liability at 1 Jan	69,883	65,190
New liabilities	146	23
Actual decommissioning	(310)	(409)
Change estimate and discount rate	12,696	3,393
Interest expense	1,605	1,686
Liability at 31 Dec	84,029	69,883

NOK 310 million for cessation and decommissioning accrued in 2020, and is included in the accounts on a cash basis. The SDFI's share of estimated expenses for 2021 associated with shutdown and removal amount to NOK 605 million.

NOTE 13 Other long-term liabilities

Other long-term liabilities pursuant to NGAAP comprise:

- debt related to financial lease agreements for three LNG carriers delivered in 2006
- income not yet earned in anticipated repayment of profit shares in licenses with net profit agreements
- debt to Equinor in connection with acquisition of Danske Commodities

Three financial leasing contracts were entered into in 2006 on the delivery of three ships to transport LNG from Snøhvit. These contracts run for 20 years, with two options for five-year extensions. Future discounted minimum payment for financial leasing totals NOK 896 million as of 31 December 2020. Of this, NOK 211 million will be disbursed in 2021 and 685 million will be paid over the subsequent four years.

Repayment liabilities for previously paid-up profit shares in licences with net profit agreements linked to decommissioning is included in long-term liabilities and amounts to NOK 1,710 million.

Equinor finalised its acquisition of Danske Commodities in 2019. SDFI became a participant in the part of the acquisition associated with gas activities under the marketing and sale instruction. Outstanding debt associated with the investment for the SDFI share came to NOK 1,284 million at year-end.

Other long-term liabilities total NOK 715 million, of which NOK 80 million falls due within five years from the balance sheet date.

Not relevant to the accounts on a cash basis.

NOTE 14 Other current liabilities

Other current liabilities pursuant to NGAAP falling due in 2021 consist mainly of:

- provisions for accrued unpaid costs at December, adjusted for cash calls in December
- other provisions for accrued unpaid costs not included in the accounts received from operators

Licence operator credits have been moved from current liabilities to current assets in the report.

Not relevant to the accounts on a cash basis.

NOTE 15 Financial instruments and risk management

The marketing and sale instruction issued to Equinor utilises derived financial instruments (derivatives) to a certain extent to manage risk in the SDFI portfolio. This is primarily because the SDFI is owned by the Norwegian state and is accordingly included in the state's overall risk management. The SDFI does not have significant interest-bearing debt, and sells primarily oil, gas and NGL at current prices. Instruments used to manage price risk for sales at fixed prices or for deferred gas production relate to forwards and futures.

At 31 December 2020, the market value of the derivatives was NOK 2,557 million in assets and NOK 1,785 million in liabilities. The comparable figures at the end of 2019 were NOK 2,300 million in assets and NOK 2,252 million in liabilities. These figures include the market value of listed futures and unlisted instruments. The market value of built-in derivatives related to end-user customers in continental Europe. This amounted to NOK 187 million in assets and NOK 0 in liabilities in 2020. The comparable figures in 2019 were NOK 145 million and NOK 148 million, respectively. Net unrealised gains on outstanding positions at 31 December 2020 are not recognised as income under the Norwegian Accounting Act and generally accepted accounting principles (NGAAP).

Price risk

The SDFI is exposed to fluctuations in oil and gas prices in the global market. Equinor purchases all oil, NGL and condensate from the SDFI at market-based prices. The SDFI's revenue from gas sales is the price actually obtained. Based on the arrangement relating to the marketing and sale instruction along with the SDFI's participation in the government's overall risk management, limited use is made of financial instruments (derivatives). They are primarily employed to manage price risk for sales at fixed prices or for deferred gas production to counteract fluctuations in profit and loss owing to variations in commodity prices.

Currency risk

The majority of the company's revenue from the sale of oil and gas is invoiced in USD, EUR or GBP. Parts of its operating expenses and investments are also billed in equivalent currencies. When converting to NOK, currency fluctuations will affect the SDFI's income statement and balance sheet. The SDFI does not utilise currency hedging in relation to future sales of the SDFI's petroleum, and its exposure in the balance sheet at 31 December 2020 was largely related to one month's outstanding revenue.

Interest risk

The SDFI is primarily exposed to credit risk through financial leasing contracts. These are recognised in the SDFI accounts in accordance with the Norwegian Accounting Act and generally accepted accounting principles (NGAAP). Together with Equinor, it has a financial liability related to leasing contracts for LNG ships pursuant to the marketing and sale instruction. The SDFI has no other interest-bearing debt exposed to interest rate fluctuations.

Credit risk

The SDFI's sales are made to a limited number of parties, with all oil, NGL and condensate sold to Equinor. In accordance with the marketing and sale instruction, financial instruments for the SDFI's operations are purchased from other parties with sound credit

ratings. Financial instruments are only established with large banks or financial institutions at levels of exposure approved in advance. The SDFI's credit risk in current transactions is accordingly regarded as limited.

Liquidity risk

The SDFI generates a significant positive cash flow from its operations. Internal guidelines on managing the flow of liquidity have been established.

NOTE 16 Leases/contractual liabilities

All figures in NOK million	Leases	Transport capacity and other liabilities
2021	3,897	1,442
2022	2,741	1,471
2023	1,592	1,344
2024	414	1,019
2025	206	796
Beyond	334	1,130

Leases represent operations-related contractual liabilities for the chartering/leasing of rigs, supply ships, production ships, helicopters, standby vessels, bases and so forth as specified by the individual operator. The figures represent cancellation costs.

Transport capacity and other liabilities relate to the sale of gas, and consist mainly of transport and storage liabilities in the UK and continental Europe as well as terminal capacity liabilities relating to the Cove Point terminal in the US. The SDFI's share of installations and pipelines on the NCS is generally higher than or equal to the transport share. Hence, no liabilities are calculated for these systems.

Other liabilities

In connection with the award of licences to explore for and produce petroleum, licensees may be required to commit to drill a certain number of wells. Licensees are also committed to undertake exploration activities through approved budgets and work programmes. The SDFI was committed at year-end to participate in 10 wells with an expected cost to the SDFI in 2021 of NOK 0.8 billion.

The SDFI has also accepted contractual liabilities relating to investments in new and existing fields. Overall, this amounts to NOK 7.7 billion for 2021 and NOK 12 billion for subsequent periods, totalling NOK 19.7 billion. Through approved budgets and work programmes, the SDFI was also committed to operating and investment expenses for 2021. The mentioned liabilities are included in budgets and work programmes for 2021.

In connection with the sale of the SDFI's oil and gas, Equinor has issued guarantees to suppliers and owners of transport infrastructure, as well as in connection with operations in the US, the UK and continental Europe. Guarantees issued in connection with trading activities are provided as security for lack of financial settlement. In total, the guarantees amount to NOK 700 million for the SDFI's share.

The SDFI and Equinor deliver gas to customers under joint gas sale agreements. SDFI gas reserves will be utilised in accordance with the SDFI's share of production from the fields selected to deliver the gas at any given time.

Not relevant to the accounts on a cash basis.

NOTE 17 Other liabilities

The SDFI could be affected by possible ongoing legal actions or unresolved disputes and claims as a participant in production licences, pipelines and onshore facilities, and in the joint sale of the SDFI's gas together with Equinor. The final scope of the SDFI's liabilities or assets associated with such disputes and claims cannot be reliably estimated at this time. The SDFI's financial standing is not expected to be significantly impacted by the outcome of such disputes. Provisions have been made in the accounts for issues where a negative outcome for the SDFI portfolio is thought to be more likely than not, or when a judgement has been pronounced and SDFI is on the losing side, regardless of whether the judgement is appealed and the dispute will advance through the legal system. A loss provision was recorded in 2020 associated with a future transport capacity agreement totalling NOK 1.3 billion.

Some long-term gas sales agreements contain price revision clauses that may lead to claims that become the subject of arbitration. The SDFI's exposure associated with ongoing price revision is not considered to have a significant effect on the SDFI's net income or financial position. Based on the SDFI's assessments, no substantial provisions have been made for price revision in the annual accounts for 2020.

Not relevant to the accounts on a cash basis.

NOTE 18 Significant estimates

The SDFI accounts are presented in accordance with the Norwegian Accounting Act and Norwegian generally accepted accounting principles (NGAAP), which means that the management makes assessments and exercises judgement in a number of areas. Changes in the underlying assumptions could have a significant effect on the accounts. Where the SDFI portfolio is concerned, it is presumed that assessments of the book value of tangible fixed assets, reserves, decommissioning of installations, exploration expenses and financial instruments could have the greatest significance.

Recoverable reserves include volumes of crude oil, NGL (including condensate) and dry gas as reported in resource classes 1-3 in the classification system used by the Norwegian Petroleum Directorate (NPD). Only reserves for which the licensees' PDO has been sanctioned in the management committee and submitted to the authorities are included in the portfolio's expected reserves. A share of the field's remaining reserves in production (resource class 1) provides the basis for depreciation. A share of oil and gas, respectively, is calculated annually for the portfolio to represent the relationship between low and expected reserves. This common share is used to calculate the depreciation basis for each field. The reduced expected reserves which make up the foundation for depreciation expenses are of great significance for the result, and adjustments to the reserve base can cause major changes to the SDFI's profit.

Drilling expenses are capitalised temporarily until an assessment has been made of whether oil or gas reserves have been found. Assessments of the extent to which these expenses should remain capitalised or be written down in the period will affect results for the period.

Substantial investments in tangible fixed assets have been made in the SDFI portfolio. Each time the accounts are prepared, these investments are reviewed for indications of a decline in value. The assessment of whether an asset must be written down is primarily based on judgements and assumptions about future market prices.

Reference is otherwise made to the description of the company's accounting principles and to Notes 12 and 15, which describe the company's treatment of exploration expenses, uncertainties related to decommissioning and financial instruments.

Not relevant to the accounts on a cash basis.

NOTE 19 Equity

All figures in NOK million	2020	2019
Equity at 1 Jan.	162,070	162,607
Net profit	47,754	95,647
Cash transfers to the government	(58,711)	(96,184)
Equity at 31 Dec	151,113	162,070

Not relevant to the accounts on a cash basis.

NOTE 20 Auditors

The SDFI is subject to the Appropriations Regulations, as well as the Regulations and Provisions on Financial Management in Central Government. In accordance with the Act relating to the Office of the Auditor General (OAG) of 7 May 2004, the OAG is the external auditor for the SDFI. The audit takes place during the period from 1 May 2020 – 30 April 2021, and the result of the audit will be reported in the form of an auditor's report by 1 May 2021.

PricewaterhouseCoopers AS (PwC) has also been engaged by Petoro's board of directors to perform a financial audit of the SDFI as part of the internal audit function. PwC submits its audit report to the board in accordance with international auditing standards. PwC's fee is charged to the accounts of Petoro AS.

NOTE 21 Expected remaining oil and gas reserves – unaudited

Oil* in million bbls, gas in billion scm	2020		2019		2018	
	oil	gas	oil	gas	oil	gas
Expected reserves at 1 Jan.	1,533	604	1,572	632	1,615	678
Corrections for earlier years	1	1	3	1	(9)	0
Change in estimates	0	(1)	37	7	(33)	(6)
Extensions and discoveries	62	0	0	0	127	0
Improved recovery	4	1	48	1	7	0
Production	(137)	(36)	(127)	(36)	(136)	(41)
Expected remaining reserves at 31 Dec.	1,463	569	1,533	604	1,572	632

* Oil includes NGL and condensate.

The portfolio's estimated remaining reserves totalled 5,045 million boe at the end of 2020, down by 290 million boe from the year before. Production in 2020 came to 362 million boe. The reserve growth of 72 million boe was primarily the result of the decision to develop Bredablikk. This yields a reserve replacement rate for 2020 of 20 per cent, compared with 40 per cent in 2019.

NOTE 22 Research and development

Petoro contributes to research and development (R&D) through the SDFI meeting its share of the operator's costs for general research and development pursuant to the Accounting Agreement. NOK 499 million was expensed by the SDFI for R&D in 2020 as regards charges from the operators during the accounting year.

NOTE 23 Events after the balance sheet date

There were no significant events after the balance sheet date.

NOTE 24 SDFI overview of interests

Production licence	At 31.12.2020 Participating interest (%)	At 31.12.2019 Participating interest (%)
018	5.00000	5.00000
018 B	5.00000	5.00000
028 C	30.00000	30.00000
034	40.00000	40.00000
036 BS	20.00000	20.00000
036 E	20.00000	20.00000
036 F	20.00000	-
037	30.00000	30.00000
037 B	30.00000	30.00000
037 E	30.00000	30.00000
038 C	30.00000	30.00000
038 D	30.00000	30.00000
040	30.00000	30.00000
043	30.00000	30.00000
043 BS	30.00000	30.00000
043 ES	-	30.00000
050	30.00000	30.00000
050 B	30.00000	30.00000
050 C	30.00000	30.00000
050 D	30.00000	30.00000
050 DS	30.00000	30.00000
050 ES	30.00000	30.00000
050 FS	30.00000	30.00000
050 GS	30.00000	30.00000
050 HS	30.00000	30.00000

Production licence	At 31.12.2020 Participating interest (%)	At 31.12.2019 Participating interest (%)
050 IS	30.00000	30.00000
052	37.00000	37.00000
053	33.60000	33.60000
053 C	33.60000	33.60000
054	40.80000	40.80000
055 C	33.60000	33.60000
057	30.00000	30.00000
062	19.95000	19.95000
064	30.00000	30.00000
074	19.95000	19.95000
074 B	19.95000	19.95000
077	30.00000	30.00000
078	30.00000	30.00000
079	33.60000	33.60000
085	62.91866	62.91866
085 B	62.91866	62.91866
085 C	56.00000	56.00000
089	30.00000	30.00000
093	47.88000	47.88000
093 B	47.88000	47.88000
093 C	47.88000	47.88000
093 D	47.88000	47.88000
093 F	47.88000	-
094	14.95000	14.95000
094 B	35.69000	35.69000
095	59.00000	59.00000
097	30.00000	30.00000
099	30.00000	30.00000
100	30.00000	30.00000
102	30.00000	30.00000
102 C	30.00000	30.00000
102 D	30.00000	30.00000
102 E	30.00000	30.00000
102 F	30.00000	30.00000
102 G	30.00000	30.00000
102 H	30.00000	30.00000
104	33.60000	33.60000
104 B	33.60000	33.60000

Production licence	At 31.12.2020 Participating interest (%)	At 31.12.2019 Participating interest (%)
107 B	7.50000	7.50000
107 D	7.50000	7.50000
110	30.00000	30.00000
110 B	30.00000	30.00000
120	16.93548	16.93548
120 B	16.93548	16.93548
120 CS	16.93548	16.93548
124	27.09000	27.09000
128	24.54546	24.54546
128 B	54.00000	54.00000
128 D	24.54546	24.54546
128 E	24.54546	24.54546
134	13.55000	13.55000
152	30.00000	30.00000
153	30.00000	30.00000
153 B	30.00000	30.00000
153 C	30.00000	30.00000
158	47.88000	47.88000
169	30.00000	30.00000
169 B1	37.50000	37.50000
169 B2	30.00000	30.00000
171 B	33.60000	33.60000
176	47.88000	47.88000
190	40.00000	40.00000
193	30.00000	30.00000
193 B	30.00000	30.00000
193 C	30.00000	30.00000
193 D	30.00000	30.00000
193 E	30.00000	30.00000
193 FS	30.00000	30.00000
193 GS	30.00000	30.00000
195	35.00000	35.00000
195 B	35.00000	35.00000
199	27.00000	27.00000
208	30.00000	30.00000
209	35.00000	35.00000
211	35.00000	35.00000
237	35.69000	35.69000

Production licence	At 31.12.2020 Participating interest (%)	At 31.12.2019 Participating interest (%)
248	40.00000	40.00000
248 B	40.00000	40.00000
248 C	40.00000	40.00000
248 D	40.00000	40.00000
248 E	40.00000	40.00000
248 F	40.00000	40.00000
248 GS	40.00000	40.00000
248 HS	40.00000	40.00000
248 I	40.00000	40.00000
248 J	40.00000	40.00000
250	45.00000	45.00000
255	30.00000	30.00000
255 B	30.00000	30.00000
255 C	30.00000	30.00000
255 D	30.00000	30.00000
263 C	19.95000	19.95000
265	30.00000	30.00000
275	5.00000	5.00000
277	30.00000	30.00000
277 C	30.00000	-
309 C	33.60000	33.60000
318	20.00000	20.00000
318 B	20.00000	20.00000
318 C	20.00000	20.00000
327	20.00000	20.00000
327 B	20.00000	20.00000
393	20.00000	20.00000
435	35.00000	35.00000
448	30.00000	30.00000
473	19.95000	19.95000
475 BS	30.00000	30.00000
475 CS	30.00000	30.00000
479	14.95000	14.95000
489	20.00000	20.00000
502	33.33333	33.33333
516	-	24.54545
532	20.00000	20.00000
537	20.00000	20.00000

Production licence	At 31.12.2020 Participating interest (%)	At 31.12.2019 Participating interest (%)
537 B	20.00000	20.00000
602	20.00000	20.00000
608	20.00000	20.00000
615	-	20.00000
615 B	-	20.00000
685	20.00000	20.00000
695	20.00000	20.00000
749	-	20.00000
762	-	20.00000
777	-	20.00000
777 B	-	20.00000
777 C	-	20.00000
777 D	-	20.00000
815	20.00000	20.00000
829	20.00000	20.00000
830	20.00000	20.00000
832	20.00000	20.00000
832 B	20.00000	20.00000
837	20.00000	20.00000
841	-	20.00000
844	-	20.00000
854	20.00000	20.00000
855	-	20.00000
857	-	20.00000
858	20.00000	20.00000
859	-	20.00000
860	20.00000	20.00000
864	-	20.00000
885	20.00000	20.00000
886	20.00000	20.00000
886 B	20.00000	20.00000
892	20.00000	20.00000
894	20.00000	20.00000
896	20.00000	20.00000
902	20.00000	20.00000
902 B	20.00000	20.00000
904	30.00000	30.00000
907	20.00000	20.00000

Production licence	At 31.12.2020 Participating interest (%)	At 31.12.2019 Participating interest (%)
916	-	20.00000
921	-	20.00000
923	20.00000	20.00000
934	20.00000	20.00000
935	20.00000	20.00000
949	-	20.00000
950	-	20.00000
954	20.00000	20.00000
958	20.00000	20.00000
959	20.00000	20.00000
959 B	20.00000	20.00000
960	20.00000	20.00000
961	20.00000	20.00000
964	25.00000	25.00000
968	20.00000	20.00000
970	20.00000	20.00000
973	20.00000	20.00000
973 B	20.00000	-
976	20.00000	20.00000
983	20.00000	20.00000
985	20.00000	20.00000
986	30.00000	30.00000
993	20.00000	20.00000
1025 S	20.00000	20.00000
1026	30.00000	30.00000
1028	20.00000	20.00000
1031	20.00000	20.00000
1044	20.00000	-
1046	30.00000	-
1049	20.00000	-
1051	20.00000	-
1056	20.00000	-
1071	20.00000	-
1078	20.00000	-
1079	20.00000	-
1080	20.00000	-
1083	30.00000	-

Net profit licences*

027
027 B
027 C
027 FS
027 GS
028
028 B
028 S
029
029 B
029 C
033
033 B

Unitised fields	At 31.12.2020 Participating interest (%)	At 31.12.2019 Participating interest (%)	Remaining production period	License period
Fram H-Nord Unit	11.20000	11.20000	2034	2024
Gimle Unit	24.18630	24.18630	2031	2023
Grane Unit	28.90500	28.90500	2044	2030
Gullfaks Unit	30.00000	30.00000	2034	2036
Haltenbanken Vest Unit (Kristin)	19.57700	19.57700	2034	2027
Heidrun Unit	57.79339	57.79339	2044	2024
Johan Sverdrup Unit	17.36000	17.36000	2058	2036
Martin Linge Unit	30.00000	30.00000	2032	2027
Norne Inside	54.00000	54.00000	2036	2026
Ormen Lange Unit	36.48500	36.48500	2044	2040
Oseberg Area Unit	33.60000	33.60000	2040	2031
Sindre Unit	27.09000	27.09000	2031	2023
Snorre Unit	30.00000	30.00000	2040	2040
Snøhvit Unit	30.00000	30.00000	2051	2035
Statfjord Øst Unit	30.00000	30.00000	2035	2026
Sygna Unit	30.00000	30.00000	2035	2026
Tor Unit	3.68744	3.68744	2049	2028
Troll Unit	56.00000	56.00000	2054	2030
Valemon Unit	30.00000	30.00000	2029	2031
Vega Unit	31.20000	30.00000	2035	2024
Visund Inside	30.00000	30.00000	2038	2034
Åsgard Unit	35.69000	35.69000	2032	2027

Field	At 31.12.2020 Participating interest (%)	At 31.12.2019 Participating interest (%)	Remaining production period	License period
Atla	30.00000	30.00000	2019	2025
Draugen	47.88000	47.88000	2035	2024
Dvalin	35.00000	35.00000	2032	2041
Ekofisk	5.00000	5.00000	2050	2028
Eldfisk	5.00000	5.00000	2049	2028
Embla	5.00000	5.00000	2028	2028
Gjøa	30.00000	30.00000	2027	2028
Heimdal	20.00000	20.00000	2022	2021
Johan Castberg	20.00000	20.00000	2053	2049
Kvitebjørn	30.00000	30.00000	2035	2031
Maria	30.00000	30.00000	2040	2036
Rev	30.00000	30.00000	2022	2023
Skirne	30.00000	30.00000	2021	2025
Skuld	24.54546	24.54546	2036	2026
Statfjord Nord	30.00000	30.00000	2035	2026
Svalin	30.00000	30.00000	2044	2030
Tordis	30.00000	30.00000	2030	2040
Tune	40.00000	40.00000	2032	2025
Urd	24.54546	24.54546	2036	2026
Veslefrikk	37.00000	37.00000	2022	2025
Vigdis	30.00000	30.00000	2040	2040

Fields no longer producing	At 31.12.2020 Participating interest (%)	At 31.12.2019 Participating interest (%)	License period
Jette Unit		-	-
Varg		-	-
Yttergryta		-	-

PIPELINES AND ONSHORE FACILITIES

Oil infrastructure	At 31.12.2019 Participating interest (%)	At 31.12.2018 Participating interest (%)	License period
Oseberg Transport System (OTS)	48.38379	48.38379	2031
Troll Oil Pipeline I + II	55.76808	55.76808	2023
Grane Oil Pipeline	42.06310	42.06310	2030
Kvitebjørn Oil Pipeline	30.00000	30.00000	2031
Norpipe Oil AS (interest)	5.00000	5.00000	2028
Mongstad Terminal DA	35.00000	35.00000	-
Johan Sverdrup Eiendom DA	17.36000	17.36000	-
Gas infrastructure			
Gassled**	46.69700	46.69700	2028
Haltenpipe	57.81250	57.81250	2024
Mongstad Gas Pipeline (EMV)	56.00000	56.00000	2030
Nyhamna	26.13840	26.13840	2041
Polarled	11.94600	11.94600	2041
Valemon Rich Gas Pipeline	30.00000	30.00000	2031
Dunkerque Terminal DA	30.35317	30.35317	2028
Zeepipe Terminal J.V.	22.88161	22.88161	2028
Vestprosess DA	41.00000	41.00000	-
Ormen Lange Eiendom DA	36.48500	36.48500	-

The SDFI also has intangible fixed assets relating to gas storage capacity in the UK and Germany, and financial fixed assets related to an associate in the US (ENG).

* Production licences where the SDFI is not a licensee, but is entitled to a share of possible profit

** Gassled has multiple transport licenses with various licence periods

Resource accounts 2020

The tables below present remaining reserves in resource classes 1 to 3, as well as resources in classes 4 to 8

Resource classes 1-8		Remaining recoverable resources		
		Oil, NGL and condensate mill scm	Gas bn scm	Oil equivalents mill scm
RC 1-3	Reserves	232.6	569.5	802.1
RC 4	In the planning phase	38.0	54.5	92.5
RC 5	Recovery likely but not clarified	13.5	30.7	44.2
RC 6	Development unlikely	5.0	1.5	6.4
RC 7	Resources in new discoveries not evaluated and potential future IOR measures	48.1	53.5	101.6
RC 8	Prospects	20.4	15.3	35.7
Total		357.6	724.9	1082.6

Field	Original reserves			Remaining reserves		
	Oil and NGL* mill scm	Gas mill scm o.e.	Oil equivalent mill scm o.e.	Oil and NGL* mill scm	Gas mill scm o.e.	Oil equivalent mill scm o.e.
Atla	0.12	0.42	0.54	0.00		0.00
Breidablikk	9.17	0.00	9.17	9.17	0.00	9.17
Draugen	74.66	0.80	75.47	3.91		3.91
Dvalin	0.30	6.28	6.58	0.30	6.28	6.58
Ekofisk group ¹⁾	38.20	11.89	50.09	5.34	2.09	7.43
Fram H-Nord	0.08	0.00	0.08	0.01	0.00	0.01
Gimle	0.79	0.22	1.02	0.00	0.00	0.00
Gjøa	10.04	12.04	22.09	1.25	2.27	3.52
Grane	43.58	0.00	43.58	6.56	0.00	6.56
Gullfaks group ²⁾	143.69	35.36	179.05	8.44	7.82	16.26
Heidrun	117.10	26.77	143.88	19.98	13.25	33.22
Heimdal	1.34	9.25	10.58	0.00	0.00	0.00
Johan Castberg	17.78	0.00	17.78	17.78	0.00	17.78
Johan Sverdrup	72.61	1.74	74.35	67.58	1.57	69.15

Haltenbanken Vest	7.28	5.82	13.10	0.52	0.55	1.07
Kvitebjørn	15.75	30.57	46.32	2.27	5.93	8.20
Maria	3.06	0.17	3.23	2.26	0.12	2.37
Martin Linge	4.52	7.96	12.48	4.52	7.96	12.48
Norne	52.78	6.89	59.68	2.18	2.03	4.21
Norne Satellites ³⁾	3.61	0.16	3.76	0.66	0.00	0.66
Nøkken 34/11-2 S	0.02	0.05	0.07	0.02	0.05	0.07
Ormen Lange	6.97	110.05	117.02	1.27	25.53	26.80
Oseberg	176.51	48.68	225.19	10.75	24.89	35.64
Rev	0.28	0.81	1.09	0.01	0.01	0.02
Sindre Unit	0.01	0.01	0.02	0.01	0.01	0.02
Skirne	0.72	3.18	3.90	0.00		0.00
Snorre	95.91	1.99	97.90	25.63	0.00	25.63
Snøhvit	11.82	62.65	74.47	7.36	42.98	50.34
Statfjord Nord	13.70	0.69	14.39	1.40		1.40
Statfjord Øst	13.49	1.58	15.07	1.13	0.25	1.38
Svalin	2.91	0.00	2.91	0.88	0.00	0.88
Sygna	3.48	0.00	3.48	0.23	0.00	0.23
Tor	1.30	0.45	1.75	0.31	0.05	0.36
Tordis/Vigdis	44.61	1.96	46.57	4.74		4.74
Troll	186.26	802.19	988.44	14.41	402.56	416.97
Tune	1.48	7.52	9.00	0.00	0.07	0.07
Valemon	0.76	4.81	5.57	0.20	1.25	1.44
Vega	7.43	7.82	15.25	2.55	3.43	5.98
Veslefrikk	21.76	1.98	23.75	0.06	0.03	0.09
Visund ⁴⁾	18.24	19.69	37.93	4.22	9.57	13.80
Åsgard	71.63	79.05	150.68	4.70	8.93	13.63
Total	1295.76	1311.53	2607.29	232.61	569.47	802.08

1) Ekofisk group consists of Ekofisk, Eldfisk and Embla

2) Gullfaks group: Gullfaks and Gullfaks Sør

3) Norne satellites: Skuld and Urd

4) Visund group: Visund and Visund Sør



Riksrevisjonen

STATENS DIREKTE ØKONOMISKE
ENGASJEMENT SDØE
Org. nr.: 980977269

Riksrevisjonens beretning

Til Statens direkte økonomiske engasjement

Uttalelse om revisjonen av årsregnskapet

Konklusjon

Riksrevisjonen har revidert Statens direkte økonomiske engasjements årsregnskap for 2020. Årsregnskapet består av ledelseskomentarer, oppstilling av bevilgningsrapportering med note A og B, oppstilling av artskontorrapportering og oppstilling av virksomhetsregnskap med resultat, balanse og noter for regnskapsåret avsluttet per 31. desember 2020.

Bevilgnings- og artskontorrapporteringen viser at 56.386.859.828 kroner er rapportert netto til bevilgningsregnskapet. Årsresultatet i virksomhetsregnskapet er 47.754 millioner kroner.

Etter Riksrevisjonens mening gir årsregnskapet til Statens direkte økonomiske engasjement et dekkende bilde av virksomhetens disponible bevilgninger, inntekter og utgifter for 2020 og kapitalposter pr 31. desember 2020, i samsvar med regelverket for økonomistyring i staten. Vi mener videre at virksomhetsregnskapet gir et dekkende bilde av virksomhetens resultat for 2020 og av eiendeler, gjeld og egenkapital per 31. desember 2020, i samsvar med norsk regnskapslov og god regnskapsskikk.

Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med *lov om Riksrevisjonen, instruks om Riksrevisjonens virksomhet* og internasjonale standarder for offentlig finansiell revisjon (ISSAI 2000–2899). Våre oppgaver og plikter i henhold til disse standardene er beskrevet under «Revisors oppgaver og plikter ved revisjonen av årsregnskapet». Vi er uavhengige av virksomheten slik det kreves i lov og instruks om Riksrevisjonen og ISSAI 130 (INTOSAI¹ etikkregler), og har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er revisjonsbevisene vi har innhentet tilstrekkelige og hensiktsmessige som grunnlag for vår konklusjon.

¹ International Organization of Supreme Audit Institutions

Øvrig informasjon i årsrapporten

Ledelsen er ansvarlig for årsrapporten, som består av årsregnskapet (del VI) og øvrig informasjon (del I–V). Riksrevisjonens uttalelse omfatter revisjon av årsregnskapet og virksomhetens etterlevelse av administrative regelverk for økonomistyring, ikke øvrig informasjon i årsrapporten (del I–V). Vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese den øvrige informasjonen i årsrapporten. Formålet er å vurdere om det foreligger vesentlig inkonsistens mellom den øvrige informasjonen, årsregnskapet og kunnskapen vi har opparbeidet oss under revisjonen. Vi vurderer også om den øvrige informasjonen ser ut til å inneholde vesentlig feilinformasjon. Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon, er vi pålagt å rapportere dette i revisjonsberetningen.

Det er ingenting å rapportere i så måte.

Ledelsens, styrets og det overordnede departementets ansvar for årsregnskapet

Ledelsen og styret er ansvarlige for å utarbeide et årsregnskap som gir et dekkende bilde i samsvar med regelverket for økonomistyring i staten. Ledelsen og styret er også ansvarlige for å etablere den interne kontrollen som de mener er nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.

Det overordnede departementet og styret har det overordnede ansvaret for at virksomheten rapporterer relevant og pålitelig resultat- og regnskapsinformasjon og har forsvarlig internkontroll.

Riksrevisjonens oppgaver og plikter ved revisjonen av årsregnskapet

Målet med revisjonen er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som gir uttrykk for Riksrevisjonens konklusjon. Betyggende sikkerhet er et høyt sikkerhetsnivå, men det er ingen garanti for at en revisjon som er utført i samsvar med *lov om Riksrevisjonen, instruks om Riksrevisjonens virksomhet* og internasjonale standarder for offentlig finansiell revisjon, alltid vil avdekke vesentlig feilinformasjon som eksisterer. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon blir ansett som vesentlig dersom den, enkeltvis eller samlet, med rimelighet kan forventes å påvirke de beslutningene brukere treffer på grunnlag av årsregnskapet.

Vi utøver profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen, i samsvar med *lov om Riksrevisjonen, instruks om Riksrevisjonens virksomhet* og internasjonale standarder for offentlig finansiell revisjon.

Vi identifiserer og anslår risikoene for vesentlig feilinformasjon i årsregnskapet, enten den skyldes misligheter eller utilsiktede feil. Videre utformer og gjennomfører vi revisjonshandlinger for å håndtere slike risikoer og innhenter tilstrekkelig og hensiktsmessig revisjonsbevis som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon ikke blir avdekket, er høyere for feilinformasjon som skyldes misligheter, enn for feilinformasjon som skyldes utilsiktede feil. Grunnen til det er at misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, feilpresentasjoner eller overstyring av intern kontroll.

Vi gjør også følgende:

- opparbeider oss en forståelse av den interne kontrollen som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige ut fra omstendighetene, men ikke for å gi uttrykk for en mening om hvor effektiv virksomhetens interne kontroll er
- evaluerer om regnskapsprinsippene som er brukt, er hensiktsmessige, og om tilhørende opplysninger som er utarbeidet av ledelsen, er rimelige
- evaluerer den totale presentasjonen, strukturen og innholdet i årsregnskapet, inkludert tilleggsopplysningene
- evaluerer om årsregnskapet representerer de underliggende transaksjonene og hendelsene på en måte som gir et dekkende bilde i samsvar med regelverket for økonomistyring i staten

Vi kommuniserer med ledelsen, blant annet om det planlagte omfanget av revisjonen og når revisjonsarbeidet skal utføres. Vi vil også ta opp forhold av betydning som er avdekket i løpet av revisjonen, for eksempel svakheter av betydning i den interne kontrollen, og informerer det overordnede departementet om dette.

Når det gjelder forholdene som vi tar opp med ledelsen, og informerer det overordnede departementet om, tar vi standpunkt til hvilke som er av størst betydning ved revisjonen av årsregnskapet, og avgjør om disse skal regnes som sentrale forhold ved revisjonen. De beskrives i så fall i et eget avsnitt i revisjonsberetningen, med mindre lov eller forskrift hindrer offentliggjøring. Forholdene omtales ikke i beretningen hvis Riksrevisjonen beslutter at det er rimelig å forvente at de negative konsekvensene av en slik offentliggjøring vil være større enn offentlighetens interesse av at saken blir omtalt. Dette vil bare være aktuelt i ytterst sjeldne tilfeller.

Dersom vi gjennom revisjonen av årsregnskapet får indikasjoner på vesentlige brudd på administrative regelverk med betydning for økonomistyring i staten, gjennomfører vi utvalgte revisjonshandlinger for å kunne uttale oss om hvorvidt det er vesentlige brudd på slike regelverk.

Uttalelse om øvrige forhold**Konklusjon om etterlevelse av administrative regelverk for økonomistyring**

Vi uttaler oss om hvorvidt vi er kjent med forhold som tilsier at virksomheten har disponert bevilgningene på en måte som i vesentlig grad strider mot administrative regelverk med betydning for økonomistyring i staten. Uttalelsen gis med moderat sikkerhet og bygger på ISSAI 4000 for etterlevelsesrevisjon. Moderat sikkerhet for uttalelsen oppnår vi gjennom revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi finner nødvendige.

Basert på revisjonen av årsregnskapet, er vi ikke kjent med forhold som tilsier at virksomheten har disponert bevilgningene i strid med administrative regelverk med betydning for økonomistyring i staten.

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Etter fullmakt

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Beretningen er godkjent og ekspedert digitalt