



Annual Report 2022

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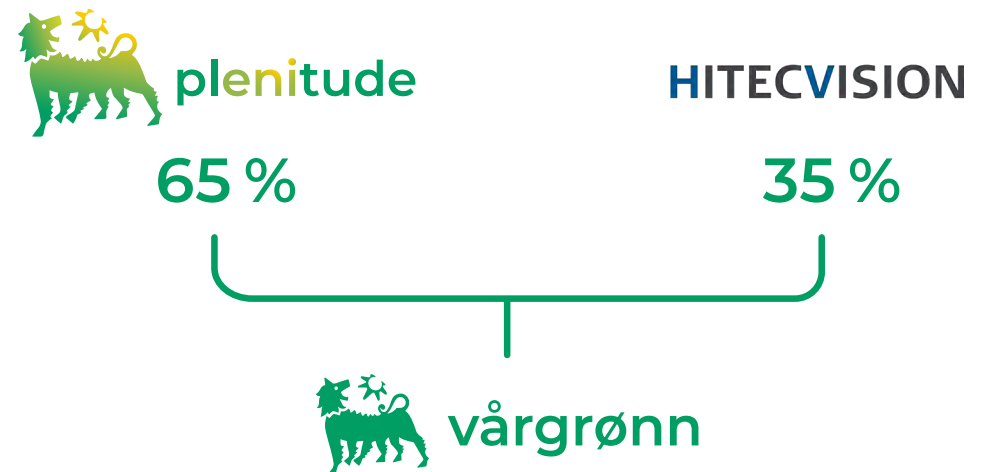
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Vårgrønn in brief

We are a pure-play offshore wind company that develops, constructs, operates and owns offshore wind projects and related infrastructure in Northern Europe.

Vårgrønn is a joint venture of international energy company Eni Plenitude SpA Società Benefit (Plenitude) (65%), the Eni company that integrates retail and energy solutions sales to end-customers, renewables power generation and e-mobility businesses, and the European energy investor and entrepreneur HitecVision (35%).



Our name

/vo:rgronn/ (ø is pronounced like the vowel in “bird”)
In Norwegian, ‘Vår’ means ‘spring’ or ‘our’. ‘Grønn’ means green. Our name represents growth, renewal, togetherness and sustainability.

Our mission

We create value for our owners and society through the sustainable development, construction, operation and ownership of offshore wind projects and related infrastructure.

Our vision

Being an agile company powering the energy transition.

Our values



RESPONSIBLE

We create value for a sustainable future, while caring for people and the impact of our activities. We act with integrity and are accountable for our decisions and actions.



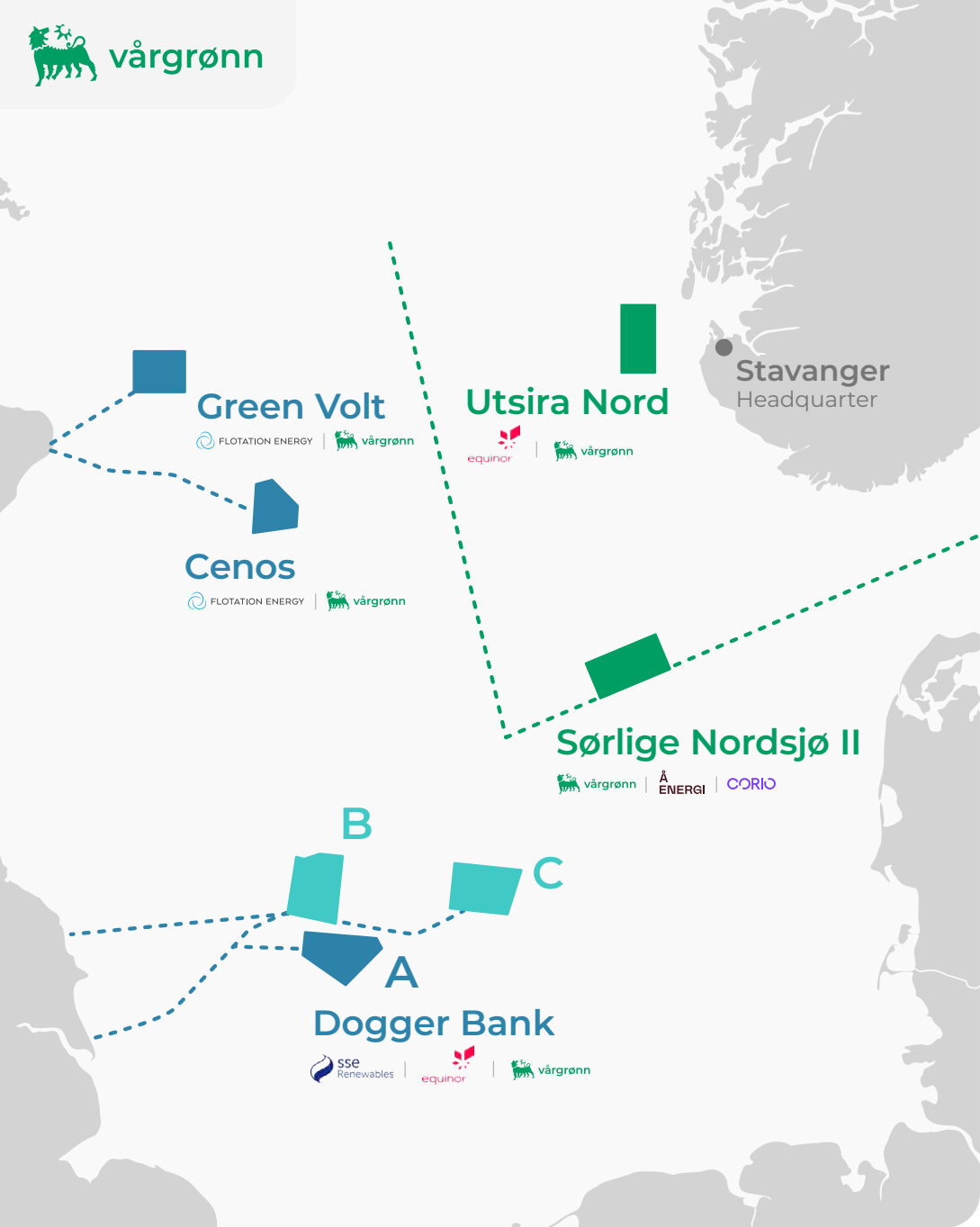
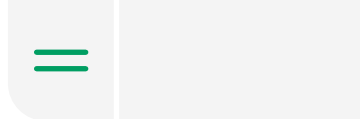
COLLABORATIVE

As a strong and diverse team, we work together to achieve results and reach our goals. We respect each other and share information openly – striving to bring out the best in all of us. We cooperate with our partners in an honest and constructive way to build and maintain strong business relations.



PASSIONATE

We take pride in the ambition of our company and the role we play in improving the global environment through renewable and low carbon solutions. Every one of us is dedicated to our work, and we bring our creativity and courage to solve challenges and see opportunities.



Our projects & offices

Together with our partners, we are developing floating and bottom-fixed offshore wind projects. We are one of the owners of the world's largest offshore wind farm under construction, Dogger Bank in the United Kingdom (UK). The map includes our projects and projects that Vårgrønn and partners are bidding for in ongoing auctions per 2022. In addition, Vårgrønn is involved in several early-stage initiatives across Northern Europe.

We are headquartered in Stavanger, with additional offices in Oslo and London.

Our ambition

5 GW

capacity in operation or sanctioned in Northern Europe by 2030.

Highlights 2022

From start-up to Norway's largest pure-play offshore wind company



Advanced

Collaborative projects

in Norway together with our partners

In 2021, we established partnerships to bid for and develop offshore wind projects in Norway. Throughout 2022, we continued development of the consortia together with our partners.

For Sørlige Nordsjø II, we are Project Manager in a partnership with Å Energi and Corio Generation to develop bottom-fixed offshore wind. For Utsira Nord, we partner with Equinor to develop a floating offshore wind farm.



Expanded our team by

45%

The people at Vårgrønn power the company's growth. In 2022, we grew from 11 to 16 permanent employees, with at least a further doubling of the team planned for 2023.



Increased our growth ambition from

1 GW to 5 GW

in operation or sanctioned by 2030

In June 2022, our owners Plenitude and HitecVision announced an agreement to expand Vårgrønn and increase the company's growth ambition. With the agreement, HitecVision increased its ownership share in Vårgrønn from 30.4 percent to 35 percent, with Plenitude retaining 65 percent ownership. The transaction also included Plenitude's other early-stage initiatives in Vårgrønn's key markets.



Acquired a
20% share

in the world's largest offshore wind farm under construction, Dogger Bank in the UK

In October 2022, we acquired our shareholder Plenitude's stake in Dogger Bank Windfarm, phases A, B and C, transforming us from start-up to a full-cycle European offshore wind developer and Norway's largest pure-play offshore wind company. Dogger Bank A, B and C will have a total capacity of 3.6 GW once completed, with our share giving us 720 MW in our active project portfolio.



Established our
ESG-strategy

In December 2022, we established our strategy for Environmental, Social and Governance (ESG) performance.

Within the offshore wind industry, we aim to be a frontrunner on ESG performance. By participating in collaborative research projects and commissioning our own research, we contributed to improving the knowledge base within the offshore wind industry on the interactions between offshore wind and nature, co-existence with fisheries, competence and building a local supply chain in Norway.



Established a new
floating wind
partnership in the UK

In September 2022, we announced our new partnership with Scottish developer Flotation Energy to develop bids for two floating offshore wind projects in Scotland, Cenos and Green Volt, with a cumulative capacity of up to 1.9 GW. We were awarded exclusivity for area to develop the projects in March 2023.

Letter from the CEO



2022 marked the start of a new chapter of Vårgrønn's story. We entered the year as a start-up and closed it as Norway's largest pure-play offshore wind company.

Acquiring 20 percent of Dogger Bank Windfarm, the world's largest offshore wind farm under construction, marked the turning point for us. This was combined with acquiring Plenitude's other early-stage initiatives in Vårgrønn's key markets and a ramp-up in our ambition for the future, as we increased our target from 1 GW to 5 GW of offshore wind in operation or sanctioned by 2030 and increased our geographical scope from the Nordics and the Baltics to Northern Europe. To power our growth ambitions, we increased our team from 11 to 16 permanent employees and planned further extensive hiring in 2023.


We have been through a year that was exciting for Vårgrønn and the offshore wind industry in Europe, but offshore

wind is also affected by, and is part of, the solution to several of the ongoing crises that Europe and the world faces.

Russia's invasion of Ukraine in February 2022 put European energy security at the top of the political agenda. This put urgency on us as an offshore wind company to develop projects that bolster Europe's energy security and maximise our contribution to the energy transition.

The climate crisis remains pressing. Collectively, the world is already experiencing a global warming of 1.1 degrees Celsius, and we remain far off the path to meet global targets of limiting heating to 2 degrees C, with the ambition of staying under 1.5 degrees C warming.

Our ramped-up ambition of having 5 GW of sustainable offshore wind projects capacity in operation or sanctioned by 2030 therefore exemplifies the level of ambition Europe needs.



We remain steadfast in our commitment to maximise the positive ripple effects of our projects.

Our mission goes beyond simply delivering power to consumers and industry. While we are working to deliver renewable electricity generation capacity at scale and speed, we remain steadfast in our commitment to maximise the positive ripple effects of our projects.

Sustainability is at the core of our business. In addition to energy security and climate, our projects impact on local jobs, other users of the sea, local

communities, and nature. Protecting and restoring nature, including in the ocean, moved up the policy and business agenda last year, culminating in the world's governments adopting the historic Kunming Montreal Global Biodiversity Framework in December.

We work to contribute positively to people and nature. In 2022, we established our Environmental, Social and Governance (ESG) Strategy, where we set out our aim to become an

industry frontrunner on ESG performance, as well as the specific ambitions and how we will deliver.

Our mission is bold. Risks facing the offshore wind industry in Europe include capacity limitations in the supply chain, competency gaps and regulatory risk. In 2023 and beyond, we will continue to navigate these risks and find solutions through close collaboration with our partners, governments, suppliers, local communities, and other users of the sea across all the markets we operate in.

We look forward to writing the next chapter of the offshore wind story together with you.



Olav Hetland

CEO Vårgrønn Group

Executive Management



Olav Hetland

CEO

Olav leads the company, developing the strategy and growth plans for Vårgrønn, while overseeing operations. Olav has been CEO of Vårgrønn since the company's inception in November 2020.

Olav has more than 30 years' experience in the energy industry, including more than 20 years' experience working on renewable energy. Before joining Vårgrønn, Olav was SVP of Wind and Solar Northwest Europe in Statkraft, Europe's leading provider of renewable energy. Previously, Olav was Vice President of Projects at Enviro Energi and a Senior Advisor at ECON. Olav also has almost 10 years' experience from Equinor (then Statoil).



Christian De Santis

Chief Financial Officer

Christian leads Finance, Risk and Legal activities at Vårgrønn, with a specific focus on business and strategic plans, risk and portfolio management, reporting, treasury, fiscal and compliance areas.

Christian has 20 years' international experience in the energy sector, primarily from the oil and gas trading business of Eni Group, including as CFO of Eni Trading and Shipping Inc. Christian has also previously been the CFO of Tecnomare SpA.



Erik Dugstad

SVP Market Analysis & Public Affairs

Erik oversees Vårgrønn's work on Market Analysis, Public Affairs and Communications to strategically position the company for business development and strong stakeholder relations.

Erik has 25 years' experience with international energy markets and renewable energy business development. Before joining Vårgrønn in May 2021, Erik held management positions across DNV, the Norwegian Ministry of Petroleum and Energy, and Equinor.



Christer af Geijerstam

SVP Offshore Wind

Christer leads the Offshore Wind Development team in Vårgrønn and is responsible for project development and construction.

Before joining Vårgrønn in July 2021, Christer spent 14 years at Equinor, where he held various leadership positions within project and business development, as well as asset management, including as President of Equinor US Wind, leading the build-up of Equinor's successful offshore wind business in the us.



Chris Hill

SVP Business Development

Chris is responsible for building a pipeline of projects towards our goal of having 5 cw of offshore wind under construction or operations by 2030.

Chris has spent over 25 years working across a wide range of senior management roles within offshore wind, including most recently as a Director and member of the Executive Management Team at the ORE Catapult and as Chief Operating Officer at Mainstream Renewable Power responsible for the offshore wind team.



Stefano Sartirana

SVP Asset Management

Stefano leads asset management across Vårgrønn's projects, including Dogger Bank Windfarm in the uk.

Stefano has 20 years' experience in offshore oil and gas. Before joining Vårgrønn, Stefano worked across different Eni Group companies, including on the development of fixed and floating offshore platforms through all the different phases from development (feasibility, concept selection, front end engineering design and execution), through to operation and decommissioning.

Stefano Sartirana is formally employed by Eni Group, owner of Vårgrønn's main shareholder, Plenitude.

Board of Directors

The Board of Directors for Vårgrønn AS consists of five members and one observer nominated by our owners, Plenitude and HitecVision. Board members are nominated based on their energy sector expertise and are appointed after ensuring no conflicts of interest.



Alessandro Della Zoppa

Head of Renewables,
Plenitude (Chairman)

Alessandro has 20 years of experience in the energy sector. Before heading up renewables at Plenitude, Alessandro held various positions in natural gas. Alessandro has chaired the Vårgrønn Board since March 2021.



Nicola Giorgi

Chief Financial and Risk
Officer (CFRO), Plenitude

Nicola has 25 years of experience in the energy sector and is on the team responsible for developing Plenitude. Nicola has been a member of the Vårgrønn Board since December 2022.



Claudio Piccinelli

Head of Offshore Wind and
Northern Europe Renewables, Plenitude

Claudio has more than 18 years of experience in the energy sector. He joined Eni Group's renewable energy business, later merged into Plenitude, from its early stages of establishment in 2015. Claudio has been a member of the Vårgrønn Board since December 2022.



Erlend B. Ellingsen

Senior Partner, HitecVision

Erlend has almost 15 years of experience investing in and scaling industrial companies in the energy sector from HitecVision and Equinor. As Senior Partner at HitecVision, Erlend is also Head of the Investment Team at HitecVision and led the development of HitecVision's energy transition strategy. Erlend has been a member of the Vårgrønn Board since November 2020.



Irene Egset

CFO, Posten

Irene has more than 20 years of experience in the energy sector, including as Executive Vice President and Chief Financial Officer of Statkraft. She has held a variety of senior financial roles at J.F. Knudtzen, Nera Satcom and Statoil, now Equinor. Irene has been a member of the Vårgrønn Board since April 2021.



Paul Cowling

Expert Advisor,
HitecVision (Observer)

Paul has more than 36 years of broad experience within the energy and power sector, having held several senior Executive positions, including Director of Wind Energy Offshore and member of the executive management team at Innogy Renewables, and Director of Asset Development and Managing Director at RWE. Paul has been an observer in the Vårgrønn Board since 2022.

Board of Directors' report



Company ambition and strategy

Established in 2020 and headquartered in Norway, Vårgrønn is an offshore wind company powering the energy transition in Northern Europe through development, construction, operation, and ownership of offshore wind energy and related infrastructure.

Vårgrønn has a clear ambition of 5 GW installed and sanctioned offshore wind capacity by 2030 in the Northern European market, which requires a solid and sustainable development of the company. This entails the development of the business position, as well as our organisational capabilities to deliver with high quality and integrity.

Organisation

Establishing an agile and competent organisation led by an experienced team with a proven track record in offshore wind has been a priority for Vårgrønn in its first years of growth.

After appointing the CEO Olav Hetland in 2020, Vårgrønn built its Executive Management team in 2021, successfully recruiting leaders with extensive experience from the energy sector, including Chief Financial Officer, Christian De Santis, SVP for Market Analysis and Public Affairs, Erik Dugstad, and SVP Offshore Wind, Christer af Geijerstam. In 2023, as a result of business activities in 2022, Vårgrønn's Executive Management team expanded further, with the addition of an SVP for Business Development and an SVP for Asset Management.

Beyond the Executive Management team, Vårgrønn successfully recruited team members across the company's functions, from finance, compliance, administration, human resources and IT to business development, project development, market analysis, public affairs, and communications. By the end of 2022, the team counted 16 full-time permanent employees, up from 11 at the beginning of 2022.

Alongside building the company's core team, from its inception Vårgrønn has accessed additional on-demand expertise from Plenitude and HitecVision, to access specialist skills and capacity while remaining a lean organisation and growing the core team at a sustainable pace. While growing its core team in 2020 and 2021, a small number of people were seconded into Vårgrønn from oil and gas company Vår Energi, a joint venture of Eni and HitecVision. In 2022, Vårgrønn accessed specialist competence across business development, mergers and acquisitions (M&A) and asset

management from its shareholders Plenitude (Eni Group) and HitecVision.

Strategy

Vårgrønn's strategic focus in 2022 was to grow the company's project portfolio through international expansion and working across both bottom-fixed and floating offshore wind technologies.

The Norwegian home market remains a priority for Vårgrønn, however since the first areas for large-scale offshore wind in Norway are not scheduled for award by the government until the end of 2023, Vårgrønn expanded its international presence in 2022 – while continuing to develop its Norwegian projects together with partners in preparation for the Norwegian market opening.

Vårgrønn expanded its international presence in 2022 – while continuing to develop its Norwegian projects.

The company focused its international expansion on the UK markets, by entering the Dogger Bank Offshore Windfarm in England and submitting bids for floating offshore wind



projects in Scotland. The UK being the world's largest offshore wind market, and with its geographic position across the North Sea from Norway, made it a natural initial target country for Vårgrønn. Moreover, the UK and Norway has long-standing close collaboration on offshore activities that provides a sound foundation for collaboration also on offshore wind.

Alongside international expansion, working across offshore wind technologies – both bottom-fixed turbines and floating turbines – is a key part of Vårgrønn's strategy. The floating offshore wind market is positioned to grow rapidly with

costs expected to fall as scale of projects and total volume of production increases, leading to industrialisation and economies of scale. With floating offshore wind projects to date being small-scale only, Vårgrønn targets developing some of the first commercial-scale projects together with partners and building leading expertise in this area. Being a pure-play offshore wind company provides a concentrated focus and enables Vårgrønn to develop expertise across different offshore wind technologies.

Vårgrønn works with both bottom-fixed and floating offshore wind technologies.

Collaborating closely with excellent partners is another strand of Vårgrønn's strategy. The large size of offshore wind projects means working in partnership is beneficial, to de-risk the investment and have the required competence within the team. Vårgrønn is selective in which partnerships the company enters into, partnering with expert companies that most effectively complement Vårgrønn's own competence in the relevant markets and projects. With collaboration being a core value for the company, Vårgrønn adopts integrated project teams for each of its projects and takes on different roles in each project, including project manager responsibility.

Collaborating closely with excellent partners is another strand of Vårgrønn's strategy.

Delivering sustainable, high-quality projects while maintaining efficient project timelines is a further strategic priority for the company. Vårgrønn considers delivering on positive local impact, environmental sustainability and co-existence with other users of the sea as critical to its license to operate, as well as a source of competitive advantage in tender rounds and in attracting talent and partners.

The market Vårgrønn operates in

Vårgrønn's current pipeline of projects and prospective projects spans Norway and the UK, as set out in the activities section below, in addition to several early-stage initiatives in the Northern European market. Over the next years of growth, Northern Europe is the company's target market.

Europe is seeing a strong demand for renewable energy, and offshore wind in particular, driven by Europe's targets for cutting greenhouse gas emissions, coupled with energy security needs and demand for cheaper energy.



Meeting Europe's climate targets relies on a significant and rapid expansion of low-carbon energy generation to replace existing high-carbon energy generation capacity while also meeting increased overall energy demand. The transition towards net-zero requires an expansion of energy-intensive green manufacturing industries, like battery production, as well as increased electrification, including a shift to electric vehicles. Governments in Europe have put in place policies to support their offshore wind ambitions. At the level of the European Union (EU), this includes initiatives and strategies such as the Green Deal and RePower EU, which provide a regulatory foundation to support the opportunities in offshore wind, alongside expectations for other renewables, batteries and power to gas solutions.

Europe targets 450 GW of offshore wind by 2050.

In 2022, Russia's invasion of Ukraine and the resulting increased focus on ensuring Europe's energy security led directly to a significant further increase in European ambitions for offshore wind. The overall target for offshore wind in Europe increased to around 450 GW within 2050, a massive expansion from the current 30 GW installed. With offshore wind being one of the few renewable energy sources that can be deployed at large scale in Europe, offshore wind sits at the core of European strategies for the green energy

transition. The push-back in certain markets against other renewable energy technologies, such as onshore wind, further strengthens market demand for offshore wind.

High energy prices for consumers and industry, coupled with rising food prices and generally high inflation, which in 2022 grew more pronounced, further increases political demand for increasing supply of energy to drive prices down for consumers and industry. The demand for offshore wind is bolstered by the sector's potential to create green jobs, which countries like Denmark, Germany and the UK are now showing evidence of. Offshore wind can enable a just transition by offering a competence match for the workforce currently employed in high-carbon sectors, in particular oil and gas.

On the supply-side, offshore wind technologies have developed and become cheaper over the last decade, with further significant cost reductions expected in the coming years and decades as the market scales and technology matures.

Company activities

By end of 2022, Vårgrønn had five projects at various stages of development together with partners. The projects centered on the North Sea, spanning across the United Kingdom (UK) and Norway, and included both bottom-fixed and floating wind projects. In addition, Vårgrønn is working

on greenfield initiatives and has dialogue on potential partnerships for other early-stage offshore wind opportunities in Northern Europe.

Vårgrønn's active participation as an industrial partner in the pioneering Dogger Bank project forms a basis for further growth in the North Sea and beyond.

Most advanced was Dogger Bank Windfarm in **the UK**, the world's largest offshore wind farm under construction, where Vårgrønn's project share represents 720 MW. The project consists of three phases, Dogger Bank A, B and C. The first phase of the project, Dogger Bank A, is set to deliver first power in 2023. All phases A, B and C of the project are expected to be completed in 2026. Vårgrønn's 20% stake in this project is a significant position where Vårgrønn is working closely with partners SSE and Equinor to advance the project through final construction, first power and into the operations and maintenance phase. Vårgrønn's active participation as an industrial partner in the pioneering Dogger Bank project forms a basis for further growth in the North Sea and beyond. The acquisition of a share in Dogger Bank A, B and C marked Vårgrønn's entrance into the UK market.

Vårgrønn's remaining projects in 2022 were early-stage projects, where Vårgrønn's share amounted to a total of approximately 1.7 GW, with 740 MW pending submission of bids in Norway (increased to 827.5 MW in 2023) and 950 MW under pending lease awards in Scotland, where exclusivity was subsequently achieved in early 2023. Additionally, Vårgrønn is actively pursuing further early-stage opportunities across Northern Europe.

In **Norway**, after establishing partnerships in 2021, Vårgrønn continued to prepare for bidding for two projects across both the areas the Norwegian government opened in March 2023, one being a bottom-fixed project at Sørilige Nordsjø II, with capacity of up to 1500 MW, and one being a floating project at Utsira Nord, per 2022 allowed for capacity up to 500 MW, which the government increased to 750 MW in early 2023. For the Sørilige Nordsjø II project, Vårgrønn holds the Project Manager role in a partnership with Norwegian renewable energy company Å Energi, which has a particularly strong presence in the local region closest to the Sørilige Nordsjø II area, and global offshore wind developer Corio Generation. At Utsira Nord, Vårgrønn is partnering with Equinor, a world-leader on floating offshore wind, together forming the only purely Norwegian consortium that has expressed their intention to bid in this area.

In **Scotland**, Vårgrønn submitted bids for two floating wind projects with capacity up to 1.9 GW in the Crown Estate of Scotland's Innovation and Targeted Oil & Gas (INTOG) leasing

round in November 2022, together with local developer and floating wind expert Flotation Energy. The projects Green Volt and Cenos are developed to provide renewable energy to oil and gas platforms in the surrounding areas, replacing power currently generated by gas turbines, while also supplying power to the UK grid. The projects could generate first power from 2027 and 2028 respectively, making them the most advanced projects for electrification and decarbonisation of oil and gas platforms with floating offshore wind in Europe. In March 2023, Vårgrønn and Flotation Energy were awarded exclusivity for both projects.



Corporate Governance

The Board of Directors is committed to exemplary corporate governance.

Since its inception in 2020, Vårgrønn has invested in establishing a framework for responsibilities and processes for managing the organisation. The framework is currently centered on an internal online management system that serves as a process-based platform, aimed at effectively managing the company's operations. It is reviewed regularly to ensure it accurately matches actual processes in the company according to a fit-for-purpose principle.

The Board of Directors is recognised as the key authority responsible for providing guidelines and overseeing the proper governance of the company with the support of the management and the Audit Committee. The Directors also have specific authority with respect to strategic decisions which are taken as result of continuous reports and updates from the Chief Executive Officer supported by the Chief Financial Officer and the management team on key financial and business aspects, including of critical concerns. Vårgrønn has a Directors & Officers Insurance in place. The insurance covers liability for financial loss of third parties due to neglect, error or omissions from any directors, officers or employees of the group companies in their capacity of such position.

Alongside a management system, Vårgrønn established the first iterations of several core governance documents in 2022, including the company's Code of Ethics, Anti-Bribery and Corruption (ABC) & Sanctions Policy and Environmental, Social and Governance (ESG) strategy.

Vårgrønn established the first iterations of several core governance documents in 2022.

Vårgrønn also established a solid process for handling whistleblowing cases, which ensures that all notifications are independently assessed in a secure manner by an external law firm and reported to the Board of Directors according to internal procedures. At the end of 2022, zero cases had been reported.

For more details on Vårgrønn's corporate governance activities and goals, see the [Sustainability Report](#) section of the annual report.

Sustainability

Alongside demonstrating exemplary corporate governance, delivering strong performance on environmental and social sustainability is critical for Vårgrønn's license to operate. Leadership on sustainability also provides a competitive advantage in bidding rounds, as governments in Vårgrønn priority markets, like Norway, include sustainability in their selection criteria. Being an industry leader on sustainability also supports attracting talent to work at the company.

Vårgrønn seeks to maximise its positive impact on people and the environment, while minimising any negative impact.

In 2022, Vårgrønn established its ESG strategy.

Vårgrønn's approach to sustainability centers on the topics most material to the company's core business of developing, constructing, operating and owning offshore wind projects in Europe. For each of the material sustainability areas, Vårgrønn aims to contribute positively to the relevant UN Sustainable Development Goals.

Sustainability has been embedded into Vårgrønn's policies, processes and culture since the company's inception and

was further strengthened in 2022 by identifying the most material sustainability topics and establishing an Environmental, Social and Governance (ESG) strategy.

Within environmental sustainability, Vårgrønn has identified nature, climate and circularity as the focus areas where the company has the largest influencing power and impact through its core business. For social sustainability, Vårgrønn identified the company's largest influencing power and impact on health and safety, human and labour rights, green jobs and industry, co-existence with other industries, as well as diversity, inclusion and equal opportunities. Across the governance theme, Vårgrønn identified the most material topics as ethical conduct, bribery and anti-corruption, risk management, reporting and transparency, and data & IT security.

Vårgrønn's impact across most of these material areas depends on its suppliers' practices and policies. Vårgrønn therefore holds suppliers to the same high Environmental, Social and Governance (ESG) standards as itself adopts and works closely with suppliers to develop sustainable solutions.

For more details, see the [Sustainability section](#) of the annual report.

Innovation, research and development

Vårgrønn aims to optimise its own projects while also contributing positively to the sustainable expansion of the overall offshore wind industry in Europe. The company is actively investing in and supporting innovation, research, and knowledge development that can support these overall aims, both at a corporate level and at a project level.

In 2022, Vårgrønn focused its contribution across areas linked to competence, nature, co-existence, supply chain and area optimisation. The company's efforts focused on Norway as a priority market.

For more details, see the [Sustainability Report](#) section of the annual report.

People, Organisation and Working Environment

The people working at Vårgrønn power the company's growth and are a critical asset for the company. In its current rapid growth phase, attracting talent and retaining employees is particularly critical for the company. At the end of 2022, Vårgrønn had 16 permanent full-time employees and one secondee, with additional capacity and specialist expertise accessed via its owners as required.



Vårgrønn is committed to having a positive impact on team members' well-being by providing an excellent physical and psychological working environment.

Vårgrønn is particularly focused on embedding Health, Safety and Environment (HSE) into the company culture.

The company has a high retention rate and has established a collaborative and passionate work culture. Vårgrønn is particularly focused on embedding Health, Safety and Environment (HSE) into the company culture. As of 2022, the company's HSE risks are mostly related to physical and psychological working environment. Team member's sick leave at Vårgrønn, at 1.49 percent in 2022, is significantly lower than average in the markets it operates in. As the company grows and project work expands, the HSE risk exposure will change and Vårgrønn will establish an HSE management system adapted to its core business of constructing, operating, and owning offshore wind projects.

Vårgrønn is strongly committed to building an ethical and inclusive working environment. In 2022, the company

focused on enhancing diversity in the hiring process and increasing awareness of diversity and inclusion within the team. The gender balance in the company improved, with the share of female team members increasing. Looking ahead, Vårgrønn remains committed to improving the gender balance further, and strives especially to improve the gender balance in leadership positions.

Stakeholder management

Vårgrønn engages with a broad spectrum of stakeholders that are important for the company's business activities, such as government and governmental agencies, local and regional authorities, political parties, owners, investors, suppliers, industry associations, trade unions, non-governmental organisations (NGOs), research institutions and employees.

Vårgrønn prioritises stakeholder engagement on the basis that the company takes better strategic decisions when taking stakeholders' interests into account.



Vårgrønn prioritises stakeholder engagement on the basis that the company takes better strategic decisions when taking stakeholders' interests into account and works systematically to ensure meaningful engagement with stakeholders. Moreover, stakeholder engagement contributes to ensuring predictable framework conditions for the company in the markets Vårgrønn operates in. Vårgrønn engages with stakeholders in formal processes such as public consultations and through established networks, as well as through meetings, conferences and seminars.

Collaboration is a core company value at Vårgrønn, and it is essential to power the energy transition. Vårgrønn is therefore a member of Wind Europe, Renewables Norway, Norwegian Offshore Wind, Norwegian Energy Partners, Stavanger Chamber of Commerce, The British-Norwegian Capitalise Chamber and Commerce and the Swedish Wind Energy Association.

Group financial performance

Vårgrønn presents its consolidated financial statement, as well as the parent company financial statement, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The amounts below refer to the consolidated financial statement unless otherwise stated. The financial statements cover the full year ending 31 December 2022, whilst the comparative period

covers the period from 1 October 2020 to 31 December 2021. Vårgrønn became a group of companies on 14 October 2022 when the acquisition of Eni North Sea Wind Ltd closed, the acquisition that most notably made Vårgrønn a partner in the Dogger Bank projects in United Kingdom.

The profit and loss account for the Capitalise Group shows that the Capitalise Group had an annual loss of NOK 184.5 million in 2022.

Total assets at year-end amounted to NOK 8.0 billion, compared to NOK 67.5 million on 31 December 2021. The increase primarily relates to the acquisition of Eni North Sea Wind Ltd and the shares in Dogger Bank A, B and C. The equity ratio was 77,0% as of 31.12.2022, compared to 67,1% the year before as set out in detail in the statement of changes in equity.

Net cash flow from operating activities was NOK 130.3 million and the operating expenses before depreciation and amortisation constituted NOK 139.7 million. The Group's cash flow used in investment activities amounted to NOK 22.3 million, of which mainly relates to investment in equity accounted investments. Net cash flow from financing activities amounted to NOK 281.6 million, of which NOK 2,270.2 billion derives from capital increase, NOK 1,793.6 billion from new long-term debt and NOK 3,780.3 billion used in repayment of debt.

The Group's cash and cash equivalents as of 31.12.2022 amounted to NOK 182.8 million. A part of the liquidity is intended to finance the activities in 2023 and another part is required to service the group's long-term borrowings as described in note 15. As Vårgrønn does not yet generate income, the Group relies on financial support from its owners. The Group's financial position is sound and adequate to settle short-term debt as of 31.12.2022 with the Group's most liquid assets.

Dogger Bank A is expected to deliver first power during the third quarter of 2023 and commercial operation date is expected in 2024. The Dogger Bank B and C projects commercial operation dates are expected in 2025 and 2026 respectively. With operational assets Vårgrønn will be able to generate revenues through its shareholdings, however it is expected that new investments will require further commitment from the owners.

Parent company results

Vårgrønn AS, the parent company of the Vårgrønn Group, reported NOK 141.7 million in annual loss in 2022 (NOK 42.3 million in 2021). Total assets amounted to NOK 6.23 billion at 31 December 2022 (NOK 67.5 million in 2021), and total equity was 6.17 billion at 31 December 2022 (NOK 45.3 million on 31.12.2021).

Vårgrønn is currently in a growth phase and is not in a position to pay dividends. The Board of Directors proposes the allocation of net loss to Retained loss.

Risk Factors

Vårgrønn operates in a competitive and challenging market with significant exposure to external factors and conditions outside the control of the company; this includes market, political and regulatory, operational, financial, ethical, pandemics, and climate- and nature-related risks.

Vårgrønn's exposure to such risks can affect operations, business performance and financials. The Executive Management oversees those risks, along with any relevant opportunities, with the support of the Board of Directors and Audit Committee, and develops risk management, guidance and relevant policies to mitigate the risks.

Market Risk

Vårgrønn's profitability is linked to successful award or development of projects and their value. The project values are inherently linked to the expected revenues post-tax that are expected from the volume of power generated by the projects, and therefore rely on power prices.

Power prices are linked to the future development in technologies, costs, CO₂ pricing and other energy commodities, but also dependent on weather and other factors that influence the supply and demand balance. The power generated will typically be traded under government contract schemes, such as Contracts for Difference (cfd) or Power Purchase Agreements (PPAs). Low prices in contracts can have a significant negative impact on Vårgrønn's profitability.

Inflation is impacting costs of offshore wind and can counter the effect of innovation that reduces costs of offshore wind. Further development of the European offshore wind supply chain is important to reduce costs of projects, and supply chain imbalances can affect upcoming projects. The offshore wind market was also affected by the negative impacts on the global economy and rising inflation resulting from Russia's invasion of Ukraine and the subsequent sanctions against Russia.

The Executive Management is committed to managing and optimising the market risk, which depends significantly on external factors outside the direct control of the company.

Political and regulatory risks

In several of Vårgrønn's target markets, the offshore wind market is regulatory immature, with regulations newly established or under development. The level of political and regulatory maturity varies significantly between markets that Vårgrønn operates in.

Vårgrønn is reliant on individual countries' governments opening areas for award and faces the risk that governments may postpone developments or change award requirements.

Moreover, government schemes to alleviate risk from developers are used across Europe to support the deployment of offshore wind. Even though offshore wind is increasingly realised on market terms, government schemes and other incentives still play a significant role in many markets. Changes in these schemes can pose both a positive and negative risk to the company.

Compared to other renewable energies, offshore wind has seen less objections, both from politicians and the public, but the widespread local objections to onshore wind and discussion of subsidies levels, as well as concerns related to potential impacts of offshore wind on nature and other users of the sea, may also influence political backing for offshore wind. Political preference towards awarding offshore wind development opportunities to domestically



registered companies can also pose a further risk to Vårgrønn in some markets.

Operational Risk

Vårgrønn's operations currently rely on a relatively small number of employees, and continued growth and operations depend on a further rapid expansion of the team. As a result, Vårgrønn's ability to attract talent in a competitive labour market, as well as the potential leaving of key personnel, pose a significant risk for the company's operations. Vårgrønn is mitigating these risks by maintaining an attractive working environment and work culture, as well as competitive salary and benefits.

To maintain operations, Vårgrønn currently also relies on other third parties that provide access to additional services and resources. This can partially mitigate the above risk of being reliant on a small team, while simultaneously posing a separate operational risk.

Vårgrønn is involved in projects that are both demanding and complex in nature. The company's projects aim to apply the most innovative technology and solutions, sometimes at first industrial deployment. While using and testing new technology is an opportunity for developing a competitive advantage, it also represents a risk for delay and cost overrun.

Other factors that represent operational risks for Vårgrønn include, but are not limited to:

- Partnerships, joint ventures and other types of cooperation that expose the company to risks and uncertainties outside its control
- Delays or quality issues impacting project delivery or performance
- Supply chain disruptions and prices of raw materials, longer lead times, capacity of fabrication years, logistics
- Cybercrime and cyber security issues leading to system downtime or loss of intellectual property

Financial Risks

The financial performance of Vårgrønn is significantly affected by different risks which can also vary across the various jurisdictions the Group is or is willing to operate in.

Currency risk, interest rate risk, price risk, credit risk, liquidity risk, inflation risk and tax risk are typically exposing the economic and financial results of the Group and require an active engagement at Corporate and project level to mitigate the impact of those risks.

At project level, in the Dogger Bank project these risks are mitigated by cash flow hedges related to foreign exchange, interest rates, inflation and commodities.

A description of the financial risks and exposure are described in Note 16 of the Vårgrønn Group Financial Statements.

Ethical Risks

At present, Vårgrønn has limited direct exposure to countries associated with high political, corruption and human rights risks, but the company recognises it may still be exposed to these risks, either directly or through partners or suppliers. Moreover, Vårgrønn may in the future have operations in countries associated with higher ethical risks.

To mitigate ethical risks, and to ensure compliance with applicable standards domestically and internationally, Vårgrønn's Code of Ethics, supporting policies and Governance, Risk and Compliance (GRC) program are critical initiatives. The annual GRC program is reviewed by the Audit Committee and approved by the Board of Directors. Vårgrønn has put in place mandatory awareness training, compliance reviews and solid due diligence processes. As mentioned above, Vårgrønn has established an external Whistleblowing channel, available to internal and external stakeholders.

Following the Norwegian Transparency Act coming into force on 1 July 2022, Vårgrønn reviewed its governing documentation, roles and responsibilities, risk assessment and action plan to meet the Act's requirements.

Pandemics

In the beginning of 2022, COVID-19 and related restrictions were still present in Vårgrønn's key markets. Vårgrønn was able to adopt remote working to limit the adverse effect of the pandemic. Future outbreaks of new pandemics are beyond Vårgrønn's control and could pose a risk to the company through causing supply chain disruptions or limiting the Vårgrønn's team, or the company's partners, ability to work effectively due to illness, travel restrictions, quarantines and social distancing.



Climate- and nature-related risk

Vårgrønn is exposed to climate-related transition risks, in particular policy risk. Policies and targets for cutting greenhouse gas emissions underpin policies and targets for expanding renewable energy capacity, including offshore wind, and any decline in climate policy ambitions could have a negative impact on the offshore wind market and Vårgrønn. With Vårgrønn also producing greenhouse gas emissions through its operations and supply chain, the company could also face reputational risks, if it does not deliver on its stated target to become net zero. The company is also to a lesser degree exposed to physical climate risks, as changes in weather patterns can impact project construction, operation and performance of offshore wind farms.

For nature-related risks, Vårgrønn is primarily exposed to risks linked to its potential nature impacts in the seas where its offshore wind farms are built, as offshore wind farms can impact on fish, birds and the broader ecosystem. Vårgrønn could face reputational risks if projects cause negative impacts on nature. While Vårgrønn has established an aim to move towards nature-positive outcomes across the company's projects, the company is reliant on partners and suppliers, as well as research and innovation, to deliver on this ambition.

Going concern

Vårgrønn is a company in the growth phase with high ambitions that require financing. The financing will consist of both long-term debt and equity. In 2022 Vårgrønn secured private placement notes purchase of GBP 222 million, of which GBP 153 million has been drawn down while GBP 69 million remains to be drawn down in 2023. Aside from debt financing Vårgrønn will rely on its owners to finance activities.

In accordance with §3–3a of the Norwegian Accounting Act, the Board of Directors confirms that the annual financial statements have been prepared on the assumption that the company is a going concern, and that it is appropriate to assume this.

Future challenges

The Board of Directors believes Vårgrønn is progressing with its growth ambitions in a sustainable way. In 2023, the focus will be to further grow the company's business pipeline and expanding its portfolio towards the ambition of having 5 GW of offshore wind capacity in operation or sanctioned by 2030, along with strengthening the organisation through additional hiring across locations and functions.

The market outlook is supportive with increasing offshore wind ambitions and targets in most of the European countries, and Vårgrønn is looking at opportunities across different regulatory regimes and timelines in Northern Europe. The offshore wind market is very competitive, with many developers competing for awards of project areas. The Norwegian government has for the auctions in 2023 opened only two initial areas, and Vårgrønn, with partners, face strong competition for award at Sørlige Norsjø II and Utsira Nord. In 2023 further areas in Norway will be proposed, including further projects at Sørlige Nordsjø II where Vårgrønn can leverage existing strong consortium and knowledge.

The Board would like to thank all highly competent Vårgrønn employees for good progress in 2022 to deliver on our ambitious goals. We look forward to continuing the good collaboration in 2023 and onwards.

Events after the reporting period

On 24 March 2023, Vårgrønn and Flotation Energy were awarded exclusivity by Crown Estate Scotland for areas to develop a total of up to 1.9 GW of floating offshore wind capacity across two projects, Green Volt and Cenos. The awards are made under Crown Estate Scotland's Innovation and Targeted Oil and Gas (INTOG) leasing round for offshore

wind projects that provide low-carbon electricity to oil and gas platforms. Vårgrønn and Flotation Energy now have the opportunity to enter into Exclusivity Agreements for these highly ambitious projects and continue the dialogue with the stakeholders necessary to bring these projects to fruition.

In March 2023, Vårgrønn formally opened its new office in London, UK.



Stavanger, 25 May 2023
Board of Vårgrønn AS



Alessandro Della Zoppa
Chair of the board



Nicola Giorgi
Board member



Irene Egset
Board member



Erlend Basmo Ellingsen
Board member



Claudio Piccinelli
Board member



Olav Hetland
Chief Executive Officer

Sustainability report





Sustainability at Vårgrønn

Sustainability is at the core of our business. Strong sustainability performance is critical for Vårgrønn's license to operate, and prioritising sustainability also provides a competitive advantage, both in bidding rounds and in attracting talent to work at our company.

Our vision, mission and values embed sustainability, and we aim to maximise our positive impact on people and the environment, while minimising any negative impacts.

Vårgrønn's approach to sustainability centers on the topics most material to the company's core business.

Vårgrønn's approach to sustainability centers on the topics most material to the company's core business of developing, constructing, operating and owning offshore wind projects in Europe. By expanding renewable energy capacity, our business is actively contributing to the energy transition and the decarbonisation needed to tackle climate change.

Together with our owners and partners, we are well-positioned and strongly committed to developing a sustainable offshore wind industry and value chain in co-existence with

the marine environment and other users of the sea. We therefore aim to be an industry frontrunner on Environmental, Social and Governance (ESG) performance.

Vårgrønn became a signatory to the UN Global Compact in January 2023, and we are committing to upholding their ten principles on human rights, labour, environment, and anti-corruption in all our business activities and processes.

Vårgrønn's ESG strategy

As a young company, Vårgrønn has taken the first steps to build our sustainability approach. In 2022, we established our first ESG strategy, which was approved by the Board of Directors. The strategy outlines the ESG priorities and ambitions of the company.

In 2022, we established our first ESG strategy.

Our ESG strategy is based on a materiality analysis that identified the actual and potential positive and negative impacts from Vårgrønn's core business on the economy, environment and people, as well as the UN Sustainable Development Goals (SDGs) most relevant for Vårgrønn (see table on next page).

We identified the material topics through a structured, multi-step process. First, we performed a business analysis to map company – and value chain processes with actual or potential impacts on relevant ESG topics. This analysis was supported by a literature review, peer review and a stakeholder analysis with input from employees, owners and other stakeholders. Based on the identified ESG topics with actual or potential impacts, we discussed and prioritised the most material topics for Vårgrønn in a workshop session with the entire Vårgrønn team. As part of the workshop, we also performed a Sustainable Development Goals (SDG) analysis to identify the most important SDGs where Vårgrønn may have an impact.



MATERIAL ESG TOPICS FOR VÅRGRØNN

Environmental	Social	Governance
<ul style="list-style-type: none"> Nature Climate Circularity 	<ul style="list-style-type: none"> Health and safety Creating positive socio-economic external effects Co-existence with other industries Human and labour rights Diversity, inclusion and equal opportunities 	<ul style="list-style-type: none"> Ethical conduct Bribery and anti-corruption Risk management Reporting and transparency Data & IT security
Relevant UN Sustainable Development Goals		
      		

We have set long-term ambitions for each of the material topics.

The ESG landscape is dynamic, with themes constantly evolving as knowledge improves and the importance of specific challenges increases. As our company develops,

we will continue to review and evolve our ESG strategy. Responsibility for developing the ESG strategy and overseeing our ESG performance lies within the Public Affairs team in Vårgrønn, while responsibility for delivering against our ambitions is distributed with relevant functions in the organisation.



Vårgrønn's ESG ambitions

Environment

Protecting the environment is core to what we do at Vårgrønn. By developing, constructing, operating and owning offshore wind projects, we contribute positively to reducing global emissions and limiting global heating through decarbonising the energy system. Furthermore, decarbonisation helps limit nature loss caused by climate change.

We aim to maximise the positive impacts of our business, while minimising any negative impact. Our main environmental footprint as an offshore wind company arises from our supply chain, and we are committed to setting requirements and engaging with our supply chain in order to achieve our environmental ambitions. We also recognise the significant interdependence between our different material environmental topics.

VÅRGRØNN'S ENVIRONMENTAL AMBITIONS

ESG theme	Material topics	Ambition	Corresponding prioritised SDG
E	Nature	Vårgrønn will work to become nature-positive in all our offshore wind projects	 
	Climate	<p>We positively contribute to reducing global emissions through developing renewable energy for decarbonisation and support the global Paris Agreement target of limiting global heating to 1.5 degrees Celsius</p> <p>Vårgrønn will work to become net zero and through our renewable energy production reduce more greenhouse gas emissions than we cause</p>	
	Circularity	Vårgrønn aims to maximise circularity in our value chain by preventing and reducing waste, and optimising, reusing and recycling of materials and products	

Social

Vårgrønn aims to have positive impacts on people, both within our company, supply chain and the societies we operate in. Within our company, we are building an ethical and inclusive work environment. Across our value chain, we ensure that human and labour rights and safety are

our top priority, by extending our social expectations to our supply chain partners. We work closely with our stakeholders to strive for co-existence with other industries and users of the sea.

VÅRGRØNN'S SOCIAL AMBITIONS



ESG theme	Material topics	Ambition	Corresponding prioritised SDG
S	Health and safety	Vårgrønn will strive for zero harm to all our employees and contractors, and ensure the well-being of our employees	
	Creating positive socio-economic external effects	Vårgrønn will create value for a more sustainable future by developing green jobs and industry in all markets we operate in	
	Co-existence with other industries	Vårgrønn will engage in early dialogue and measures to facilitate co-existence with other industries and users of the sea	
	Human and labour rights	Vårgrønn will ensure that we do not cause or contribute to infringement of human and labour rights among employees and our supply chain	
	Diversity, inclusion and equal opportunities	Vårgrønn will build a strong and diverse organisation that secures equality and inclusion throughout our business	

Governance

At Vårgrønn, we are committed to corporate governance that embodies our core value of being responsible. We have established robust processes and are building a corporate culture of ethical behaviour. We make sure that all decisions

and processes are risk-based, compliant and justifiable for employees, shareholders, partners and other stakeholders. We act with integrity and are accountable for our decisions and actions.

VÅRGRØNN'S GOVERNANCE AMBITIONS

ESG theme	Material topics	Ambition	Corresponding prioritised SDG
G	Ethical conduct	Vårgrønn will promote a highly ethical business culture in our organisation and towards our business partners	 
	Bribery and anti-corruption	Vårgrønn has a zero tolerance of corruption in our organisation and throughout our supply chain	
	Risk management	Vårgrønn will ensure fit-for-purpose risk management processes enabling identification of risks and opportunities and risk-based decision making	
	Reporting and transparency	Vårgrønn will provide accurate and timely information to our stakeholders on relevant matters	
	Data & IT security	Vårgrønn will minimise the risks of IT security incidents, poor data handling and breaches that can cause loss of integrity and critical information	

Our ESG achievements in 2022 and next steps

Our ESG achievements below cover Vårgrønn company activities across all markets, except the sustainability performance of Dogger Bank Windfarm, of which Vårgrønn acquired a 20 percent share of phase A, B and C in October 2022 (held by Vårgrønn subsidiary North Sea Wind Ltd). Vårgrønn is already participating actively in governing bodies in the project, including the Sustainability and Health, Safety and Environment (HSE) working groups. For more information about the sustainability performance of the project, explore the [Dogger Bank webpage](#).

Environmental

Climate: establishing initial data collection as a baseline for action

While Vårgrønn positively contributes to reducing global emissions through developing renewable energy for decarbonisation, our core business of developing, constructing and operating offshore wind farms also creates direct and indirect greenhouse gas emissions.

Establishing baseline data on our company's emissions, and the emissions from our projects, is a first step for taking effective action to reduce our emissions going forward. In 2022, in the absence of active projects at the beginning of the year, we focused on improving our data collection on our own greenhouse gas emissions from our offices and business travel (see Annex 2). Going forward, now that we have an active project pipeline, including Dogger Bank Windfarm and the Green Volt and Cenos projects, we aim to implement scope 1-4 greenhouse gas emissions reporting in all projects where data is available, and work with partners and suppliers to improve access to emissions data.

We are also working with partners and suppliers to minimise the greenhouse gas emissions across our projects and supply chain. For the projects we are bidding for in Norway, across Sørliche Nordsjø II and Utsira Nord, we have begun developing climate plans.



Nature: providing regulatory input, contributing to research & development

Constructing and operating our offshore wind farms impacts nature, primarily in the sea where the wind farms are built. Impacts can be positive or negative for the area and species affected, depending on the nature values in the area and what mitigating measures are taken to maximise positive impacts and minimise negative impacts.

Vårgrønn commits to working towards nature-positive outcomes across our projects.

Vårgrønn commits to working towards nature-positive outcomes across our projects. For the projects we are bidding for in Norway, across Sørlige Nordsjø II and Utsira Nord, we are developing nature plans. In Scotland, our Green Volt project is aiming to limit negative biodiversity impacts through the re-use of a brownfield site, a former oil and gas field. Through site selection and project design we have embedded mitigation measures to avoid protected species and habitats. The Cenos project in Scotland overlaps with a Marine Protected Area (MPA), which presents some challenges in managing biodiversity impacts. We have undertaken dialogue, from an early stage, with the Joint

Nature Conservation Committee (JNCC), who provides conservation management advice on the protected area. We will continue to engage with JNCC and other stakeholders as the project develops to ensure that any biodiversity impacts are not significant.

Beyond our own projects, we also work to improve the baseline on nature-related performance across the industry. In 2022, Vårgrønn, as the only offshore wind company, signed a petition for better inclusion of nature into the offshore wind regulatory framework developments in Norway, together with 13 environmental and industry organisations.

Throughout 2022, Vårgrønn has engaged in several research projects that all aim to gain more knowledge about offshore wind's interactions with nature.

To minimise negative impacts on nature and maximise positive impacts, Vårgrønn and the offshore wind industry rely on first establishing an extensive knowledge base on the interactions between offshore wind projects and the surrounding nature. Throughout 2022, Vårgrønn has

engaged in several research projects that all aim to gain more knowledge about offshore wind's interactions with nature, in particular birds:

- Impact Wind aims to enable quicker development of sustainable offshore wind on the Norwegian continental shelf through the strengthening of a common knowledge base and regional research and education relevant for ongoing and coming licensing processes.
- VisAviS focuses on visualising avian migration across Norway, supporting sustainable coastal and offshore wind energy development.
- SKARV is an early-stage innovative research program on reduction of bird collisions with wind turbine blades by actively controlling the turbine rotor speed, with pending support from the Norwegian Research Council.
- SeaTrack aims to map the non-breeding distribution of seabirds breeding in colonies in the North Atlantic.

Vårgrønn also joined the advisory group for a new offshore wind artificial intelligence tool, developed by the Norwegian start-up Vind, in recognition that artificial intelligence could

support Vårgrønn to efficiently optimise project design and delivery from an engineering point of view while also optimising for co-existence with other users of the sea and environmental sustainability.

Going forward, we will continue our work towards becoming nature-positive in our own projects. To support this aim, we will also initiate or engage in industry initiatives to develop and implement a common method for measuring nature-positive offshore wind projects and engage in research on impacts of offshore wind on ecosystems and nature-positive solutions.



Circularity: initiating partnerships

With efforts focused on climate and nature in 2022, our work on circularity will advance more in 2023. We have entered a partnership with DNV to pilot ReWind, a digital tool that aims to help wind farm owners and operators to optimise the costs and environmental impacts of decommissioning at the end of life, and through this increase the circularity of projects. For the projects we are bidding for in Norway, across Sørilige Nordsjø II and Utsira Nord, we are developing circularity plans together with our partners.

As a next step, we aim to identify a suitable framework for circularity assessments of offshore wind projects and plan for implementation. We will work with partners and suppliers to improve circularity in our projects and establish guidelines for circular choices.

Social

Health and safety: creating a positive working environment

As of 2022, Vårgrønn's Health, Safety and Environment (HSE) risks are mostly related to our working environment. Vårgrønn is committed to safeguarding team members' physical and mental health, and to have a positive impact on team members' well-being, by providing an excellent physical and psychological working environment, through initiatives such as a flexible working policy, which was

implemented in 2022. Sick leave at Vårgrønn, at 1.49 percent in 2022, is significantly lower than average in the markets we operate in.

Vårgrønn has an HSE plan where HSE risks and opportunities and mitigating actions are identified, developed and implemented.

Vårgrønn is particularly focused on embedding an HSE culture at the core of all its operations. Vårgrønn has an HSE plan where HSE risks and opportunities and mitigating actions are identified, developed and implemented with support from the company's Occupational Health service provider. In 2022, we appointed a safety representative to each of Vårgrønn's offices.

With the operating environment for Vårgrønn's direct team members being office- or homebased, the team is facing few safety-related risks. No incidents or reporting of work-related accidents resulting in significant material damage or personal injury occurred during the year. Vårgrønn has established a health insurance scheme covering all employees.

We are continuously investing in improving the working environment further. In 2022, Vårgrønn, with support from our Occupational Health service provider, provided awareness training on ergonomic threats, psychosocial awareness and conflict management. The management team completed awareness training on working environment. With collaboration being a core company value, Vårgrønn is particularly focused on establishing a collaborative culture and continuously improving internal information flow, through initiatives like interactive digital townhalls, which were established in 2022. We also invested in organising regular social activities for the team, with one person nominated to lead this initiative in each office.

As our company grows and our project work expands, our HSE risk exposure is changing. During 2023, we will therefore prepare and begin to establish an HSE management system adapted to our core business of constructing, operating, and owning offshore wind projects. Part of our HSE management system is already implemented in Vårgrønn's Management System, and remaining HSE processes will be implemented in 2023. We will also continue to complete internal awareness training and activities according to the yearly HSE plan. To enable collaboration with industry peers on HSE, Vårgrønn plans to join G+, the global offshore wind industry's health and safety organisation. We will also establish regular employee satisfaction surveys covering physical and psychological working environment, with the first survey having taken place in January 2023.

Creating positive socio-economic effects: improving the knowledge base

Development, construction and operating of offshore wind farms creates significant direct and indirect economic impact with high potential for jobs and value creation in the supply chain¹. At Vårgrønn, we are determined to maximise the positive economic impact of our projects, and especially the local economic impact in the project country and the communities close to the project.

In 2022, Vårgrønn focused on competency development for offshore wind in Norway.

Expanding local offshore wind competencies is an important prerequisite for creating positive socio-economic effects in the markets we operate in. A solid knowledge base is critical to develop effective initiatives around competencies and supply chains. In 2022, Vårgrønn focused on competency development for offshore wind in Norway. We commissioned NORCE Research to map the current and future competency needs to build an offshore wind industry in Norway. Vårgrønn and our partners on the Sørilige Nordsjø II project in Norway also commissioned a forthcoming report mapping the supply chain for offshore wind in Norway and its possibility to grow into a globally competitive supply chain.



Co-existence with other industries: engaging with stakeholders and increasing the knowledge base

Harmonious co-existence with other users of the sea is key to our license to operate. Vårgrønn is actively engaging with stakeholders both on a bilateral basis and through the industry organisations and networks we take part in.

In 2022, Vårgrønn had a particular focus on co-existence with fisheries.

In 2022, Vårgrønn had a particular focus on co-existence with fisheries. We participated in an industry working group on fisheries and offshore wind to develop principles for co-existence between the two industries. Together with project partners on the Sørlige Nordsjø II project we also commissioned a report that seeks to increase the project's understanding of co-existence between offshore wind and fisheries.

Going forward, we will continue stakeholder engagement in all markets where Vårgrønn is active and engage in relevant initiatives to address co-existence and positive socio-economic external effects, for the industry overall and for our own projects in particular. Vårgrønn will also work to establish a set of Vårgrønn principles for co-existence with other industries and users of the sea.

The report builds on the Vision 2050 report that Vårgrønn and partners commissioned in 2021 that mapped the potential for offshore wind in Norway by 2050, which found that the Norwegian offshore wind market could create more than 50 000 new jobs by 2050².

In 2023, we will ramp up the supply chain engagement for our projects, including in Norway across Sørlige Nordsjø II and Utsira Nord. We will work closely with potential suppliers for our projects in Scotland, Green Volt and Cenos.

Human and labour rights: ensuring compliance by partners and suppliers

Vårgrønn is committed to respect and support internationally recognised human rights in our own operations, our supply chain and other business relationships, and seeks to avoid complicity in human rights violations, in line with the Norwegian Human Rights Act, the Norwegian Transparency Act, the United Nations Guiding Principles on Business and Human Rights (UNGP) and the Ten Principles of the UN Global Compact on human rights, labour, environment and anti-corruption.

We complete a due diligence assessment before entering any significant business relationship with suppliers or partners.

As an offshore wind developer, we are particularly focused on ensuring that our suppliers and partners uphold human and labour rights. We complete a due diligence assessment before entering any significant business relationship with suppliers or partners, with 29 due diligence processes completed in 2022. As part of our due diligence process,

our due diligence tool identifies if a potential partner or suppliers could have exposure to a broad range of crimes, including human rights violations. Where the due diligence assessment shows a particularly high risk of human rights violations, we have supplier requirements in place to ensure that the supplier has sufficient technical and professional qualifications to safeguard human rights within the activities covered by our contract with them.

To advance our work on human and labour rights further, we will prioritise establishing a Supplier Code of Conduct and continuously reviewing the Vårgrønn Code of Ethics and Company Policies to align with best practice.

Diversity, inclusion and equal opportunities: enhancing awareness and setting targets

Vårgrønn is strongly committed to building an ethical and inclusive working environment free of discrimination and harassment, based on dignified working conditions, integrity, open dialogue, and the enhancement of diversity. In 2022, we placed a particular focus on enhancing diversity in the team across competencies and backgrounds, as well as increasing awareness of diversity and inclusion. To raise awareness, Vårgrønn held a dedicated diversity and inclusion workshop and included awareness training on internal gatherings in 2022.

The overall gender balance across Vårgrønn employees improved in 2022, with the share of female team members increasing from 37.5 percent at the beginning of the year to 41 percent female employees by year-end. In the senior management positions however, we are lacking gender diversity. In 2022, the Executive Management team included no women. While for most of 2022, the Board of Directors included three women (a share of 60 percent), in December 2022 the Board composition changed and now includes one woman (a share of 20 percent).

Vårgrønn remains committed to improving the share of women in the coming years, particularly in leadership positions. Vårgrønn has set a target of maintaining a minimum of 40 percent female employees by year end 2023 and reaching at least 40 percent of each gender in leadership positions by year end 2025. As a fast-growing company, we work continuously for gender balance in our recruitment processes. Vårgrønn compensates equal functions equally regardless of gender.

Regarding age diversity, the Vårgrønn team consisted at the end of 2022 of 12.5 percent under 30, 75 percent between 30–50 and 12.5 percent above 50.

As a next step, we are developing internal guidelines and requirements to meet our ambitions on diversity, inclusion and equal opportunities. Vårgrønn will also establish a training and competency program for employees.



Governance

In 2022, Vårgrønn strengthened its work within governance and compliance. In addition to hiring a full-time Compliance Officer, the company further developed and established fit-for-purpose processes and governing documents. Compliance activities in 2022 build on the activities initiated in 2021, as well as new initiatives that consider the growth of the business and the geographical expansion, with a particular focus on anti-corruption and IT security.

Our governance activities in 2022 focused on anti-corruption and IT security.

Ethical conduct: establishing a Code of Ethics and a whistleblowing channel

Vårgrønn established the first iteration of its Code of Ethics in 2021. Together with company policies, the Vårgrønn Code of Ethics provides ethical behaviour guidelines for employees, to promote ethical excellence in the company culture and prevent any illegal or regulatory violations.

The Vårgrønn Code of Ethics and other company policies sit at the top of our governing documentation hierarchy, defining principles and general rules of conduct applicable

to everything we do. The Board of Directors approves the Code of Ethics and other company policies, which are in turn translated to workflows and procedures by Process Responsible, that are then approved by Process Owners. We will revise our Code of Ethics and policies in 2023 to remain fit-for-purpose for our rapidly growing company. To enable suppliers, partners and other external stakeholders to access the documents, we will publish the Code of Ethics and relevant policies and procedures on our website.

With being responsible being one of Vårgrønn's core values, the company is developing a culture where team members are encouraged to speak up about concerns, including any breaches of the Code of Ethics, policies, procedures or applicable rules. The company equally welcomes concerns raised by external parties.

Vårgrønn has established a solid process for handling whistleblowing cases.

In addition to fostering a speak up culture, Vårgrønn has established a solid process for handling whistleblowing cases where all notifications are independently assessed in a secure manner by an external law firm. The Vårgrønn

whistleblowing channel is easily accessible for all employees, included in the onboarding process, and all existing employees completed awareness training in 2022 on whistleblowing and reporting of misconduct. At the end of 2022, no whistleblowing notifications or reports of incidents of non-compliance or misconduct had been received. In 2023, the whistleblowing channel is being made easily available also to external stakeholders on the company website.

To make reporting and handling of breaches easily accessible, we have also established a separate compliance mailbox monitored by the Compliance Officer and CFO. In 2022 no incoming mails were received through the compliance mailbox. In 2022, a new process was also established with the purpose of ensuring handling of deviations and breaches, including compensation measures. No instances of non-compliance with laws and regulations were noted and no fines were paid during 2022.

Bribery and anti-corruption: establishing policy and completing training

In 2022, we strengthened our focus on anti-bribery and corruption. Vårgrønn established an Anti-Bribery and Corruption (ABC) & Sanctions Policy, which was approved by the Board of Directors and made available to all employees and relevant stakeholders, such as our owners and lawyers. The ABC Policy includes an Integrity Due Diligence (IDD) process aiming at reducing risk in relation to transactions

and business associates, a Gifts & Hospitality process with reference to an online register, and a Compliance declaration.

Vårgrønn established an Anti-Bribery and Corruption (ABC) & Sanctions Policy.

All employees and all members of the Board of Directors completed awareness training on anti-bribery and corruption. We also provided awareness training on the Gifts and Hospitality process to all employees, with a 100 percent attendance. Compliance training is mandatory for all new employees as part of the onboarding process.

Vårgrønn had no incidents of corruption in 2022.

Risk management: applying our fit-for-purpose management system

Vårgrønn has established the Vårgrønn Management System (VMS) as a framework aimed at effectively managing the company's operations. VMS is based on ISO 9001 standards and serves as the foundation for Vårgrønn's Governance, Risk and Compliance (GRC) program, and is under yearly review.

As next steps, we will further develop, establish and implement governing documents and processes to support the ESG strategy and other business goals. Vårgrønn will implement activities according to the Compliance Programme and awareness training programme. We have also planned to further develop company internal controls, establish and implement a solid Risk Management framework and processes, and conduct supply chain risk assessments according to the principles in the Norwegian Transparency Act.

Data and IT security: establishing procedures and completing training

In 2022, we established our IT security procedure, and all employees completed awareness training on IT security. We established an ongoing training programme with regular nano-learning and phishing campaigns.

Vårgrønn had zero cyber security incidents compromising the company.

As next steps, we will further develop, establish and implement governing documents and processes for information management and IT security.

Reporting and transparency: aligning with new regulation

Following the entry into force of the Norwegian Transparency Act in July 2022, we have reviewed Vårgrønn's governing documentation, roles and responsibilities, risk assessment and action plan to meet the Act's requirements.

This 2022 Annual Report marks Vårgrønn's first annual report, and we are reporting with reference to GRI (see GRI table in Annex 1). The Board of Directors has reviewed and approved the reported information in the Annual Report, including the Sustainability Report.

In addition to our annual report, Vårgrønn is reporting on key ESG performance indicators on a quarterly basis to our owner HitecVision.

We are committed to continuing to publish annual reports in forthcoming years. We will work to further develop our sustainability reporting in the next reporting periods. In addition to GRI, we plan to prepare for implementing reporting according to the Corporate Sustainability Reporting Directive (CSRD), the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD) frameworks.

Financial statements

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Vårgrønn Group Financial Statements 2022

Income statement

Consolidated statement for the year ended 31 December 2022

*The comparative period of the statement of profit and loss covers the period from 01.10.2020–31.12.2021

<i>Amounts in NOK thousand</i>	Note	2022	2021*
Purchases, services and other	3, 19	(107 055)	(27 150)
Payroll and related costs	4	(32 608)	(14 385)
Operating expenses		(139 664)	(41 535)
Depreciation and amortisation	7	(2 054)	(674)
Depreciation and amortisation		(2 054)	(674)
Share of profit/(loss) of joint ventures	10	(1 204)	0
Finance income	5	1 116	16
Finance costs	5	(42 721)	(141)
Net financial items		(42 809)	(126)
Loss before income taxes		(184 526)	(42 334)
Income taxes	6	0	0
Net loss for the year		(184 526)	(42 334)
Attributable to: Equity holders of the company		(184 526)	(42 334)

Comprehensive income

Consolidated statement for the year ended 31 December 2022

*The comparative period of the statement of comprehensive income covers the period from 01.10.2020–31.12.2021

<i>Amounts in NOK thousand</i>	Note	2022	2021*
Net loss for the year		(184 526)	(42 334)
Other comprehensive income <i>Items which may be reclassified to profit and loss in subsequent periods</i>			0
Currency translation differences		(23 102)	0
Share of other comprehensive income of equity-accounted investments	8	51 489	0
Total comprehensive income for the year		(156 139)	(42 334)

Balance sheet

Consolidated statement as at 31 December 2022

Amounts in NOK thousand	Note	2022	2021
ASSETS			
Current assets			
Cash and cash equivalents	10	182 803	54 544
Trade and other receivables	11	2 327	485
Other current assets	12, 18	41 118	5 372
Total current assets		226 247	60 401
Non-current assets			
Intangible assets		64	54
Property plants and equipment		791	473
Right-of-use assets	7	6 553	6 587
Equity-accounted investments	8	7 766 404	0
Total non-current assets		7 773 812	7 114
TOTAL ASSETS		8 000 059	67 516

Amounts in NOK thousand	Note	2022	2021
EQUITY AND LIABILITIES			
Equity			
Share capital	17	(400)	(200)
Share premium	17	(6 355 155)	(87 444)
Other reserves	17	(28 386)	0
Retained loss	17	226 860	42 334
Total equity		(6 157 081)	(45 310)
Current liabilities			
Trade and other payables	13	(19 777)	(4 033)
Provision		0	(3 726)
Current lease liabilities	7	(2 122)	(2 178)
Other current liabilities	14, 18	(41 002)	(7 675)
Total current liabilities		(62 901)	(17 612)
Non-current liabilities			
Long term borrowings	15	(1 775 501)	0
Long term lease liabilities	7	(4 577)	(4 593)
Total non-current liabilities		(1 780 077)	(4 593)
Total liabilities		(1 842 978)	(22 206)
TOTAL EQUITY AND LIABILITIES		(8 000 059)	(67 516)

Cash flow statement

Consolidated statement for the year ended 31 December 2022

*The comparative period of the statement of cash flows covers the period from 01.10.2020–31.12.2021

Amounts in NOK thousand	Note	2022	2021*
Cash flow from operating activities			
Profit (loss) for the year from total operations		(184 526)	(42 334)
Depreciation and amortisation	7	2 054	674
Share of profit (loss) of equity-accounted investments	8	(1 204)	0
(Interest income)	5	(554)	0
Interest expense	5	38 594	0
Change in trade and other receivables	11	(1 842)	(5 857)
Change in trade and other payables	13	15 743	15 510
Change in provisions		(3 726)	0
Change in other current assets	12	305	0
Changes in other current liabilities	14	33 327	0
Interest received	5	554	0
Interest paid	5	(28 744)	0
Interest paid on leasing liability	5, 7	(286)	(62)
Net cash flow from operating activities		(130 305)	(32 070)

Amounts in NOK thousand	Note	2022	2021*
Cash flows from investing activities			
Purchase of property, plant and equipment		(483)	(497)
Purchase of intangible assets		(42)	(90)
Investments in equity accounted entities	8	(21 765)	0
Net cash flow used in investing activities		(22 290)	(587)
Cash flows from financing activities			
Proceeds from long term debt	15	1 793 642	5 000
Repayment of long-term debt	15	(3 780 298)	(5 000)
Repayment of lease liabilities	7	(1 901)	(443)
Equity contributions	17	2 270 164	87 620
Net cash flow from financing activities		281 608	87 177
Net cash flow		129 014	54 519
Net currency translation effect		(754)	0
Net increase/(decrease) in cash and cash equivalents		128 259	54 519
Cash and cash equivalents at beginning of period		54 544	24
Cash and cash equivalents at end of period		182 803	54 544

Statement of changes in equity

Consolidated statement for the year ended 31 December 2022

<i>Amounts in NOK thousand</i>	Share capital	Share premium	Other reserves	Retained earnings	Total equity
At 1 October 2020	30	(6)	0	0	24
Profit for the year				(42 334)	(42 334)
Capital increase	200	87 450			87 450
Capital decrease	(30)				(30)
At 31 December 2021	200	87 444	0	(42 334)	45 310
Profit for the year				(184 526)	(184 526)
Capital increase	200	6 267 710			6 267 910
Currency translation differences			(23 102)		(23 102)
Share of other comprehensive income of equity-accounted investments			51 489		51 489
At 31 December 2022	400	6 355 155	28 386	(226 860)	6 157 081

Stavanger, 25 May 2023
Board of Vårgrønn AS



Alessandro Della Zoppa
Chair of the board



Nicola Giorgi
Board member



Irene Egset
Board member



Erlend Basmo Ellingsen
Board member



Claudio Piccinelli
Board member



Olav Hetland
Chief Executive Officer

Notes to the financial statements

NOTE 1 | Reporting entity

Vårgrønn AS is a limited liability company incorporated and domiciled in Norway on 01.10.2020 (the parent “Company”). The Company is headquartered in Jåttåvågveien 7, 4020 Stavanger with a branch in Oslo.

The Company is a joint venture between the renewable energy company Eni Plenitude SpA Società Benefit (“Plenitude”), which is 100% owned by the global energy company Eni S.p.A, and European energy investor and entrepreneur HV Storm Holding AS, which is owned by HitecVision AS. Plenitude owns 65% and HitecVision owns 35% of Vårgrønn AS.

The consolidated financial statements of Vårgrønn AS and its subsidiaries (collectively referred as “the Group”, or “Vårgrønn”) for the year ended 31 December 2022 were approved by the Board of Directors and Chief Executive Officer on 25 May 2023. The consolidated financial statements have been audited by PricewaterhouseCoopers AS.

Vårgrønn is a pure-play offshore wind company that develops, constructs, operates and owns offshore wind projects and related infrastructure in Northern Europe.

Our ambition is 5 GW of offshore wind in operation or sanctioned in Northern Europe by 2030.

Vårgrønn currently holds a 20% stake in the world’s largest offshore windfarm under construction, Dogger Bank in the UK and have been awarded exclusivity to develop up to 1.9 GW of floating offshore wind in Scotland across two projects, Green Volt and Cenos. Vårgrønn is also bidding for floating and bottom-fixed offshore wind projects in Norway. In addition, Vårgrønn is involved in several early-stage initiatives in Vårgrønn’s key markets covering all of Northern Europe.

Information on the Vårgrønn Group’s structure is provided in Note 18 Group Companies.

NOTE 2 | Significant accounting policies, estimates and judgements

The consolidated financial statements of Vårgrønn AS and its subsidiaries have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting

Standards Board (IASB) and adopted by the European Union (EU) pursuant to article 6 of the EC Regulation No. 1606/2002 of the European Parliament and of the Council of July 19, 2002.

The consolidated financial statements have been prepared under the historical cost convention, taking into account, where appropriate, value adjustments, except for certain items that under IFRS must be measured at fair value as described in the accounting policies that follow.

The functional currency of subsidiaries and joint ventures is the currency of the primary economic environment in which they operate. The consolidated financial statements are presented in Norwegian Kroner (“NOK”), which is the presentational currency of the Group and the functional currency of the parent Company. Amounts are rounded to thousands except where otherwise indicated.

The financial statements are prepared under the going concern assumption. The going concern assumption is based on the financial support from the owners of the company as Vårgrønn is currently in a start-up phase. The board of directors and management in Vårgrønn are monitoring the funding requirements on a continuous basis.

The consolidated financial statements comprise the financial statements of Vårgrønn AS and subsidiaries controlled by Vårgrønn AS. The consolidated financial

statements have been prepared as a consolidation of the parent company’s and the individual subsidiaries’ financial statements which have been prepared in accordance with the Group’s accounting policies.

Significant account estimates and judgements

The preparation of the financial statements requires the use of estimates and assumptions that affect assets, liabilities, expenses and information on potential liabilities. Future events may lead to these estimates being changed.

Estimates based on complex judgements, past experience or other assumptions deemed reasonable in consideration of the information available at the time. Estimates and their underlying assumptions are reviewed on a regular basis. Changes in accounting estimates are recognised during the period when the changes take place. If the changes also apply to future periods, the effect is applied among the present and future periods.

Principles of consolidation

Subsidiaries

The consolidated financial statements comprise the financial statements of the parent Company, Vårgrønn AS and those of its subsidiaries, being those entities over which the Company has control, either directly or indirectly, through exposure or rights to their variable returns and the ability to

affect those returns through its power over the investees. To have power over an investee, the investor must have existing rights that give it the current ability to direct the relevant activities of the investee, i.e. the activities that significantly affect the investee's returns.

Subsidiaries are consolidated, on the basis of consistent accounting policies, from the date on which control is obtained until the date that control ceases.

Assets, liabilities, income and expenses of consolidated subsidiaries are fully recognised with those of the parent in the consolidated financial statements, taking into account the appropriate eliminations of intragroup transactions; the parent's investment in each subsidiary is eliminated against the corresponding parent's portion of equity of each subsidiary.

Interests in joint arrangements

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method as described in the accounting policy for "Equity method of accounting".

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have enforceable

rights to the assets, and enforceable obligations for the liabilities, relating to the arrangement; Vårgrønn recognises its share of the assets/liabilities and revenues/expenses of joint operations on the basis of its rights and obligations relating to the contractual arrangements.

Equity method of accounting

Investments in joint ventures are accounted for using the equity method. Under the equity method, investments are initially recognised at cost, allocating it, similarly to business combinations procedures, to the investee's identifiable assets/liabilities; any excess of the cost of the investment over the share of the net fair value of the investee's identifiable assets and liabilities is accounted for as goodwill, not separately recognised but included in the carrying amount of the investment. Acquisition-related costs are capitalised as part of the net investment. If the purchase price allocation is provisionally recognised at initial recognition, it can be retrospectively adjusted within one year from the acquisition date, to reflect new information obtained about facts and circumstances that existed at the acquisition date. Subsequently, the carrying amount is adjusted to reflect: (i) the investor's share of the profit or loss of the investee after the date of acquisition, adjusted to account for depreciation, amortisation, and any impairment losses of the equity accounted entity's assets based on their fair values at the date of acquisition; and (ii) the investor's share of the investee's other comprehensive income. Distributions received

from an equity-accounted investee reduce the carrying amount of the investment. In applying the equity method, consolidation adjustments are considered (see also the accounting policy for “Subsidiaries”). Losses arising from the application of the equity method in excess of the carrying amount of the investment are recognised in the profit and loss account and reduce the carrying amount. The investor’s share of any losses of an equity-accounted investee that exceeds the carrying amount of the investment and any long-term interests (the so-called net investment), is recognised in a specific provision only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the investee. Whenever there is objective evidence of impairment, the carrying amount of the net investment, resulting from the application of the abovementioned measurement criteria, is tested for impairment by comparing it with the related recoverable amount. When an impairment loss no longer exists or has decreased, any reversal of the impairment loss is recognised in the profit and loss account. The impairment reversal of the net investment shall not exceed the previously recognised impairment losses. Vårgrønn recognise their share of OCI from equity-accounted investees to their statement of comprehensive income as a separate item.

Exchange differences

As at the reporting date, the assets and liabilities of subsidiaries are translated into Norwegian Kroner at the rate of exchange applicable at the reporting date and their consolidated income statements are translated at the average exchange rates for the period. The exchange differences arising from the translation of foreign operations are taken directly to a separate component of equity. Costs associated with transactions in foreign currencies are translated into the functional currency by applying the exchange rate on the day of the transaction.

Income taxes

Current income taxes are determined on the basis of estimated taxable income. Current income tax assets and liabilities are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are recognised for temporary differences arising between the carrying amounts of the assets and liabilities and their tax bases, based on tax rates and tax laws that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised when their recoverability is considered probable, i.e. when it is probable that sufficient taxable profit will be available in the same year as the reversal of the deductible temporary difference.

Similarly, deferred tax assets for the carry-forward of unused tax credits and unused tax losses are recognised to the extent that their recoverability is probable. The carrying amount of the deferred tax assets is reviewed, at least, on an annual basis.

Costs

Costs are recognised when the related goods and services are sold or consumed during the year, when they are allocated on a systematic basis or when their future economic benefits cannot be identified. The costs related to the identification and exploration of business opportunities, including feasibility and technical studies, are included in the profit and loss until the point that capitalisation occurs.

Leases

At the inception of a contract, the Group 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.

The Group recognises the lease payments associated with leases as an expense on a straight-line basis over the lease term. The Group recognises a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation, which is recorded using the straight-line method from the commencement date to the end of the lease term, and impairment losses and adjustments of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Cash and cash equivalents

Cash includes cash in hand and at bank. Cash equivalents are short-term liquid investments that can be immediately converted into a known amount of cash and have a maximum term to maturity of three months.

Financial liabilities

Financial liabilities are recognised initially at fair value, net of transaction costs incurred. They are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit and loss over the period of the liability using the effective interest method.

Financial income and expenses

Finance cost or income is recognised using the effective interest method. The 'effective interest rate' is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset, or the amortised cost of the financial liability.

Provisions

A provision is recognised when the Group has an obligation (legal or self-imposed) as a result of a previous event, it is probable (more likely than not) that a financial settlement will take place as a result of this obligation and the size of the amount can be measured reliably. If the effect is considerable, the provision is calculated by discounting estimated future cash flows using a discount rate before tax that reflects the market's pricing of the time value of money and, if relevant, risks specifically linked to the obligation.

Events after the reporting period

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

NOTE 3 | Purchases, services and other

<i>Amounts in NOK thousand</i>	2022	2021
Development expenditures	83 193	15 454
Consultancies, professional services and market studies	11 621	6 216
Other expenses	4 878	4 185
Legal fees	4 587	786
Audit and accounting services	2 776	509
<i>Of which</i>		
– Statutory audit fees	497	193
– Audit consultancy and attestation services	453	122
Total	107 055	27 150

Development expenditures primarily relate to costs for entering into a partnership with Flotation Energy on Cenos and Green Volt projects, as well as development expenditures incurred as part of the Sørilige Nordsjø II and Utsira Nord joint operations. Please refer to Note 20 for transactions with related parties.

NOTE 4 | Payroll and related costs

<i>Amounts in NOK thousand</i>	2022	2021
Wages and salaries	26 401	12 384
Social security contribution	3 707	1 079
Other expenses	4 878	4 185
Pension	2 079	527
Other costs	422	396
Total	107 055	27 150

The average number of employees in 2022 was 15,8. The average number of employees in the prior period was 5,1. All employees are employed within Vårgrønn AS in 2022; there are no employees in any subsidiaries.

Pension plans

Vårgrønn has a defined contribution pension plan that satisfies the statutory requirements in the Norwegian law on required occupational pension (“lov om obligatorisk tjenestepensjon”). Contributions are paid to pension insurance plans and charged to the income statement in the period to which the contributions relate. Once the contributions have been paid, there are no further payment obligations.

Compensation of key management personnel

Total remuneration to key management personnel consists of a fixed salary, employee benefits and variable pay programs. Key management personnel participate in the standard pension and insurance schemes applicable to all employees. No loans or pledged collaterals have been granted to the CEO or key management personnel. Key management personnel include 3 employees in 2022 in addition to the CEO.

<i>Amounts in NOK thousand</i>	2022	2021
Wages and salaries	11 780	6 772
Pension	671	478
Other costs	332	17
Total	12 783	7 267

Compensation of the Board

The Board has not received any compensation in 2022, nor have any loans or pledged collateral have been granted to members of the Board of Directors.

NOTE 5 | Financial income and financial expenses

<i>Amounts in NOK thousand</i>	2022	2021
Net exchange gain	563	0
Interest from banks	554	16
Financial income	1 116	16

<i>Amounts in NOK thousand</i>	2022	2021
Interest on long-term borrowings	38 308	0
Other financial charges	2 414	0
Net exchange loss	1 713	9
Lease interest expenses	286	133
Financial expenses	42 721	141

Interest on long term borrowings is specified in Note 15.

NOTE 6 | Income tax

Income tax expense

<i>Amounts in NOK thousand</i>	2022	2021
Current tax	0	0
Deferred tax:	0	0
– Changes in temporary differences	875	(833)
– Tax loss carry forward	47 822	9 313
– Amount not recognised as deferred tax asset	(48 697)	(8 481)
Tax expense	0	0

Reconciliation of tax expense

<i>Amounts in NOK thousand</i>	2022	2021
Profit (loss) before income taxes	(184 526)	(42 334)
Statutory tax charge (22%)	40 596	9 314
Increase (decrease) resulting from:		
– Permanent differences	-2% (2 590)	0% (1)
– Temporary differences	0% 875	0% (24)
– Changes in unrecognised deferred tax asset	-20% (37 384)	-22% (9 289)
– Effect of other tax rates in subsidiaries	0% (1 497)	
Tax expense	0% 0	0% 0

Deferred tax assets and liabilities

Deferred tax assets

Amounts in NOK thousand	2022		2021	
	Gross amount	Tax effect	Gross amount	Tax effect
Tax losses carried forward	211 590	45 823	42 337	9 314
Acquired tax loss carry forward	56 441	13 144	0	0
Deferred tax assets - gross	268 031	58 967	42 337	9 314

The acquired tax loss carry forward relates to the acquisition of North Sea Wind Ltd in October 2022.

Deferred tax liabilities

Amounts in NOK thousand	2022		2021	
	Gross amount	Tax effect	Gross amount	Tax effect
Property, plant and equipment	210	46	125	27
Leasing contracts	(17)	(4)	(184)	(40)
Other	0	0	(3 726)	(820)
Deferred tax liabilities - gross	193	42	(3 785)	(833)

Amounts in NOK thousand	2022	2021
Net deferred tax asset	59 009	8 482
Not recognised deferred tax asset	(59 009)	(8 482)

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The tax loss carried forward does not expire in accordance with Norwegian and UK law.

Amounts in NOK thousand	2022	2021
Accumulated tax loss carried forward		
No expiry date	(58 967)	(9 314)
Total tax loss carried forward	(58 967)	(9 314)

NOTE 7 | Right-of-use assets

<i>Amounts in NOK thousand</i>	2022	2021
Historical cost		
Balance brought forward	7 200	0
Additions	1 759	7 200
Changes in lease liability estimate	64	0
Total	9 024	7 200
Accumulated depreciation		
Balance brought forward	(613)	
Depreciation charge	(1 858)	(613)
Total	(2 471)	(613)
Book value at 31 December	6 553	6 587

The right-of-use asset relates to the lease of the Company's offices in Stavanger and Oslo for a period of 3 and 5 years respectively. An incremental borrowing rate of 4,58% has been applied to estimate the leasing liability. The total cash outflow for leases amounts to 7 205 thousand NOK and consists of the following: (i) cash payments for the principal portion of the lease liabilities of 6 347 thousand NOK; (ii) cash payments for the interest portion of the lease liabilities of 859 thousand NOK.

The amounts recognised on the profit and loss account consist of the following:

	Depreciation	Interest	Total
Lease office	1 858	286	2 143

<i>Undiscounted lease liabilities</i>	2022	2021
Less than 1 year	2 163	2 207
1–3 years	3 752	4 665
3–5 years	1 291	965
More than 5 years	0	0
Total	7 205	7 838

<i>Lease liabilities</i>	2022	2021
Short-term lease obligations	2 122	2 178
Long-term lease obligations	4 577	4 593
Total	6 699	6 771

<i>Change in lease liability</i>	2022	2021
Lease liability brought forward	6 771	0
New lease liability recognised	1 759	7 200
Change in lease liability estimate	69	0
Payment of lease liability	(1 901)	(443)
Payment of interest	(286)	(62)
Interest expense	286	75
Total lease liability at year end	6 699	6 771

NOTE 8 | Equity-accounted investments

The Group has the following equity-accounted investments in the form of joint ventures.

All businesses are organised as companies with limited liability corresponding to Norwegian corporations. Guidelines for the operation of companies are based on shareholder agreements. According to the shareholder agreements, unanimity is required between the parties for making decisions about relevant activities. Accordingly, participants in the companies have joint control over the activities. The Group's responsibility as a participant in Dogger Bank A, B and C is limited to the capital contribution, and the return equals the Group's share of profit. Thus, the Group as a participant is entitled to the arrangements' net assets.

The investments in joint ventures are accounted for according to the equity method.

Entity name	Principle place of business	Activities	Acquisition date	Ownership interest
Doggerbank Offshore Wind Farm Project 1 Holdco Limited	United Kingdom	Offshore wind – Dogger Bank A		20%
Doggerbank Offshore Wind Farm Project 2 Holdco Limited	United Kingdom	Offshore wind – Dogger Bank B	October 14th 2022	20%
Doggerbank Offshore Wind Farm Project 3 Holdco Limited	United Kingdom	Offshore wind – Dogger Bank C		20%

Based on an overall assessment where the size and complexity are taken into consideration, Dogger Bank A, B and C are considered to be significant joint ventures. Further information regarding these companies is disclosed below.

Description of business in significant joint ventures

On October 14th 2022, Vårgrønn AS acquired North Sea Wind Ltd (“NSW”) and thus became a partner in Dogger Bank A, B and C as part of the transaction. The shares in NSW were contributed as a capital contribution from Eni Energy Solutions B.V. and they were measured at fair value at the date of the transaction. HV Storm Holding AS contributed in cash to increase their holding in Vårgrønn AS to 35%. After the transaction, Vårgrønn AS holds a 20% ownership in 3 joint ventures reflected as Dogger Bank A, B and C through the holding company NSW. A, B and C represent 3 projects to produce capacity of 1,2 GW each. The project partners are SSE Renewables (40%) and Equinor (40%).

The Group has applied IAS 28 when determining the carrying amount of the joint ventures, where fair values have been allocated identifiable assets and liabilities.

The below table details the movement in the carrying amount of the Group’s joint ventures.

<i>Amounts in NOK thousand</i>	Dogger Bank A	Dogger Bank B	Dogger Bank C	Total
Carrying value at 01.01.2022	0	0	0	0
Additions	2 607 486	2 940 363	2 260 951	7 808 800
Net comprehensive income from joint venture companies	8 535	20 456	22 497	51 489
Foreign currency translations	(31 607)	(34 635)	(27 643)	(93 885)
Carrying value at 31.12.2022	2 584 415	2 926 184	2 255 805	7 766 404

None of the companies have observable market values in form of market price or similar.

The table below shows the condensed financial information of the Group's joint ventures, based on 100%. There were no joint ventures recognised in 2021.

All Dogger Bank projects are still in the developing phase with all material costs being capitalised. Furthermore, no depreciation of excess values or other assets has started. The income statement of the projects are therefore presented on a single line.

<i>Amounts in NOK thousand</i>	Dogger Bank A	Dogger Bank B	Dogger Bank C	Total
14.10.2022 – 31.12.2022				
Profit (loss) after tax	0	6 021	0	6 021
Total comprehensive income	42 677	102 281	112 486	257 444
Vårgrønn Group share of profit (loss) after tax (20%)	0	(1 204)	0	(1 204)
Vårgrønn Group share of total comprehensive income after tax (20%)	8 535	20 456	22 497	51 489
31.12.2022				
Non-current assets	27 371 628	23 832 163	16 011 740	67 215 530
Current assets	774 702	497 515	299 694	1 571 911
Of which are cash and cash equivalents	540 159	197 822	177 684	915 665
Long term liabilities	23 866 515	19 572 485	12 709 747	56 148 747
Current liabilities	576 881	530 683	276 002	1 383 566
Equity	3 702 935	4 226 510	3 325 684	11 255 129
Vårgrønn Group share of equity	740 587	845 302	665 137	2 251 026
+ Net non-current assets	1 843 837	2 080 882	1 590 668	5 515 387
Carrying value at 31.12.2022	2 584 415	2 926 184	2 255 805	7 766 404

NOTE 9 | Joint operations

The table below shows the Group's investments in joint operations. Vårgrønn AS has entered into collaboration agreements for application of concession to develop offshore wind power in Norway and the United Kingdom.

The Group recognise their share of assets, liabilities, income and expenses according to their relative share of assets, liabilities, income and expenses in joint operations.

Joint operation	Country	Business	Equity share
Utsira Nord 1)	Norway	Offshore wind	35%
Sørlige Nordsjø II 2)	Norway	Offshore wind	37.5%
Cenos 3)	United Kingdom	Offshore wind	50%
Green Volt 3)	United Kingdom	Offshore wind	50%

- 1) Vårgrønn AS has entered into a collaboration agreement with Equinor to apply for a concession of the development and operation of offshore wind at Utsira Nord. As the collaboration is not an established legal entity and the participants have a right to the assets, liabilities, income and expenses in this connection the collaboration is considered to be a joint operation.
- 2) Vårgrønn AS has entered into a collaboration agreement with Corio and Å Energi to apply for a concession of the development

and operation of offshore wind at Sørlige Nordsjø II. As the collaboration is not an established legal entity and the participants have a right to the assets, liabilities, income and expenses in this connection the collaboration is considered to be a joint operation.

- 3) Vårgrønn AS has signed two Joint Bidding Agreements with Flotation Energy to jointly participate in the competitive tender launched by the Crown Estate Scotland for the award of seabed rights to provide low carbon wind generated electricity to power oil and gas installations and help decarbonizing the oil and gas sector (Green Volt and Cenog projects). As the collaboration is not an established legal entity and the participants have a right to the assets, liabilities, income and expenses, in this connection, the collaboration is considered to be a joint operation.

NOTE 10 | Cash and cash equivalent

Cash and cash equivalent of 182 803 thousand NOK includes short-term deposits. Expected credit losses on deposits with banks and other financial institutions, measured at amortised cost, are immaterial. The total restricted bank deposits amount to 87 409 thousand NOK.

NOTE 11 | Trade and other receivables

Trade and other receivables as at 31.12.2022 consist of the following:

<i>Amounts in NOK thousand</i>	2022	2021
Trade receivables	2 327	485
Total trade and other receivables	2 327	485

Trade receivables are non-interest bearing and are generally on terms of 30 days. The carrying amount of trade receivables approximates their fair value. Refer to Note 16 regarding credit risk.

NOTE 12 | Other current assets

Other current assets as at 31.12.2022 consist of the following:

<i>Amounts in NOK thousand</i>	2022	2021
Shareholder receivable	36 050	0
Other accruals	3 416	3 492
Prepayments	1 642	444
VAT	0	1 436
Total other current assets	41 118	5 372

Other accruals consists of costs recharged to partners related to ongoing projects activities. Note 9 discloses the joint operations which Vårgrønn is part of. The shareholder receivable relates to a capital increase not registered.

NOTE 13 | Trade and other payables

<i>Amounts in NOK thousand</i>	2022	2021
Trade and other payables	19 777	4 033
Total trade and other payables	19 777	4 033

Trade payables are non-interest bearing and are normally settled on 30-day terms. Interest payable is normally settled quarterly.

NOTE 14 | Other current liabilities

<i>Amounts in NOK thousand</i>	2022	2021
Accruals for incurred costs	28 819	6 024
VAT	7 373	0
Salary and vacation payable	2 557	764
Payroll tax and social security	2 253	887
Total other current assets	41 002	7 675

Accruals for incurred costs consist of accruals for costs re-charged from partners related to existing projects activities which have not yet been invoiced, as well as other accruals.

NOTE 15 | Long term borrowings

On 14 October 2022, the Group issued loan notes of GBP 153 million, comprising of fixed and variable interest. The terms and conditions are presented in the table below. At the same date the Group repaid a loan to Eni Finance International amounting to GBP 315 million.

The loan is accounted for in the Group's UK subsidiary, North Sea Wind Ltd, using the amortised cost. The carrying value is considered a measurement of fair value for the loan.

<i>In GBP</i>	Nominal amount	Maturity
Fixed interest element (Fixed rate + margin)	25 500	14.10.2029
Variable interest element (SONIA + margin)	127 500	
	153 000	

The nominal and carrying amounts are presented as follows:

<i>Amounts in NOK thousand</i>	Rate	GBP	NOK
Nominal amount 31.12.2022		153 000	1 812 377
– Amortised borrowing costs over life of loan		(3 953)	(46 826)
– Net accrued effective interest rate expense		840	9 950
Carrying amount 31.12.2022	11.846	149 887	1 775 501

The loan is shown net of amortised borrowing costs of GBP 4 million and net accrued effective interest of GBP 840 thousand. The carrying amounts of the loan approximates its fair value. The Group's borrowings at 31 December 2022

were denominated in pound sterling amounting to 150 million as specified above.

The maturity profile of the Group's borrowings, consisting entirely of drawdowns of the above loan for the year ended 31 December 2022, was as follows:

<i>In GBP</i>	0-6 months	7-12 months	1-3 years	4-5 years	Over 5 years
Variable interest element	6 286	8 803	34 299	29 601	25 274
Fixed interest element	1 345	1 618	6 427	6 488	6 400
Principal	(69 000)				222 000
Total	(61 369)	10 421	40 726	36 089	253 674
In NOK	(726 951)	123 439	482 427	427 501	3 004 919

Negative numbers are draws committed as part of the loan agreement.

Covenants

Vårgrønn is, through its wholly owned subsidiaries and associated companies, subject to covenants including financial and information covenants. As part of the Group's overall objectives, the Group's capital management, amongst other things, aims to ensure that it remains compliant with all covenants. Breaches of covenants may entail material adverse effects including significant changes to the Company and its wholly owned subsidiaries and associated companies' capital structures.

For the loan disclosed above, Vårgrønn is required to comply with financial covenants related to ratio between operational financial cash flows and debt. These requirements are however not relevant until 6 months after the first construction period end date, which is expected to be mid-2024 for Dogger Bank A.

Reconciliation of liabilities arising from financing activities

<i>Amounts in NOK thousand</i>	Borrowings	Lease liabilities	Total
As at 01.01.2022	0	(6 771)	(6 771)
Cash changes			
Repayment of loan	3 780 298		3 780 298
New loan	(1 793 642)		(1 793 642)
Loan interest paid	28 744		28 744
Lease payment		1 901	1 901
Lease interest payment		286	286
Non-cash changes			
Acquisition of loan	(3 780 298)		(3 780 298)
Exchange rate differences on loan	(19 120)		(19 120)
Amortisation of loan transaction costs	46 826		46 826
Loan interest expense	(38 308)		(38 308)
Changes in lease liabilities		(1 829)	(1 829)
Lease interest expense		(286)	(286)
As at 31.12.2022	(1 775 501)	(6 699)	(1 782 199)

NOTE 16 | Financial instruments

Financial risk management

The objective of financial risk management is to manage and control primary risks to minimise impacts to the Group's performance. Vårgrønn is exposed to currency risk, credit risk, interest rate risk and liquidity risk. The Group's senior management oversees the management of these risks under the supervision of the Board of Directors which reviews and agrees relevant policies.

The Group's principal financial liabilities comprise loans and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, investment in joint ventures, and cash and cash equivalents that derive directly from its operations.

Currency risk

The Group operates internationally and is exposed to the fluctuation of exchange rates for commercial transactions, assets, liabilities and investments.

Commercial transactions and recognised assets and liabilities are subject to currency risk when payments are denominated in a currency other than the respective functional currency of the parent company.

The Group is exposed to currency risk through the ownership of the UK subsidiary North Sea Wind Ltd which holds a loan denominated in GBP, please refer to Note 15 on long term borrowings.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relate primarily to the Group's long-term debt obligations with floating rates. For further information regarding the Group's long-term borrowings, refer to Note 15.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to fulfil its financial obligations as they fall due. The Group relies on financial support from its owners. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is not exposed to material credit risk from its operating activities and from its financing activities, including deposits with banks and financial institutions and accounts receivable.

NOTE 17 | Equity

Share capital and share premium

The total number of outstanding shares is 1 000 (1 000 in 2021) at par value of NOK 400,0 per share. All issued shares are fully paid. Vårgrønn AS has one class of shares, ordinary shares. Vårgrønn AS is a joint venture between Eni Energy Solutions B.V. and HV Storm Holding AS.

Other reserves

Other reserves consist of translation differences that arise on the translation into NOK of the net assets of the Group's foreign operations and share of other comprehensive income of joint ventures.

Ownership structure

Shareholders in % at year-end:

<i>Amounts in NOK thousand</i>	Ordinary	Owner interest	Share of voting rights
Eni Energy Solutions B.V.	650	65,0	65,0
HV Storm Holding AS	350	35,0	35,0
Total number of shares	1 000	100,0	100,0

As part of the joint venture acquisition of Dogger Bank, ENI Energy Solutions B.V reduced their interest to 65,0% in 2022 (from 69,6% in October 2021), whereas HV Storm Holding AS increased their interest to 35,0% in 2022 (from 30,4% in October 2021).

NOTE 18 | Group companies

The Group's companies at 31 December 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business. North Sea Wind Ltd was previously named Eni North Sea Wind Ltd.

Entity name	Country of incorporation	Principle activities	Share capital	Number of shares held	Ownership interest
Vårgrønn North Sea Wind AS	Norway	Holding company for North Sea Wind Ltd	120,0	3 000	100%
North Sea Wind Ltd	United Kingdom	Holding investments in the Dogger Bank joint ventures	118,5	10 000	100%

NOTE 19 | Related party transactions

Investments in subsidiaries and joint arrangements as at 31 December 2022 are presented separately in Note 18 Group Companies. Remuneration of directors and executive

officers are summarised in Note 4 Payroll and related costs. Related-party transactions are reported in the statement of profit and loss and balance sheet as follows:

<i>Transactions with associated companies</i>		2022	2021
Income statement			
Vår Energi AS	Associated company as Vår Energi AS shareholders are Hitecvision and Eni	11 500	6 904
Eni UK Ltd	Associated company as the Company is owned by Eni	2 774	0
HitecVision Advisory AS	Associated company as the Company is owned by Hitecvision	258	144
Havfram AS	Associated company as the Company is owned by Hitecvision	0	3 788
Total		14 532	10 835
Balance sheet			
Eni Energy Solutions B.V.	Largest shareholder in Vårgrønn joint venture	3 962 000	0
HitecVision Advisory AS	Associated company as the Company is owned by Hitecvision	783	0
Total		3 962 783	0

The Group purchases services from a related party, Vår Energi AS, which provides Vårgrønn AS with seconded personnel, expatriate and other additional services for ongoing projects. Havfram AS expenses in 2021 related to the recruitment process for initial employees. Expenses to Eni UK Ltd relates to business support services for North Sea Wind Ltd in the UK. Hitecvision Advisory AS expenses in 2022 relate to the office lease in Stavanger.

The transaction with Eni Energy Solutions B.V. relates to the capital contribution of shares in North Sea Wind Ltd. North Sea Wind Ltd repaid an intercompany loan to Eni Finance International B.V. of GBP 315 million as part of the transaction when acquiring North Sea Wind Ltd.

NOTE 20 | Subsequent events

After the balance sheet date, Vårgrønn was awarded the exclusivity of both Cenoss and Green Volt projects. The exclusivity agreement is expected to be formalized during the first half of 2023. The award is considered a non-adjusting event and does not impact the financial position as of 31 December 2022. No further significant events were reported after 31 December 2022 apart from what is already included in the notes to these Financial Statements.

Vårgrønn AS Parent Company Financial Statements 2022

Income statement

Statement for the year ended 31 December 2022

*The comparative period of the statement of profit and loss covers the period from 01.10.2020–31.12.2021

Amounts in NOK thousand	Note	2022	2021*
Purchases, services and other	3, 11	(106 175)	(27 150)
Payroll and related costs		(32 608)	(14 385)
Operating expenses		(138 784)	(41 535)
Depreciation and amortisation		(2 054)	(674)
Depreciation and amortisation		(2 054)	(674)
Finance income	4	1 116	16
Finance expense	4	(1 999)	(141)
Financial expense		(883)	(126)
Loss before income taxes		(141 721)	(42 334)
Income taxes	5	0	0
Net loss		(141 721)	(42 334)
Attributable to: Equity holders of the company	10	(141 721)	(42 334)
		(141 721)	(42 334)

Comprehensive income

Statement for the year ended 31 December 2022

*The comparative period of the statement of comprehensive income covers the period from 01.10.2020–31.12.2021

<i>Amounts in NOK thousand</i>	Note	2022	2021*
Net loss		(141 721)	(42 334)
Other comprehensive income		0	0
Total comprehensive income		(141 721)	(42 334)

Balance sheet

Statement for the year ended 31 December 2022

Amounts in NOK thousand	Note	2022	2021
ASSETS			
Current assets			
Cash and cash equivalents	7	95 962	54 544
Trade and other receivables		2 327	485
Other current assets		41 118	5 372
Total current assets		139 407	60 401
Non-current assets			
Intangible assets		64	54
Property plants and equipment		791	473
Right-of-use assets		6 553	6 587
Investments in subsidiaries	6	6 082 381	0
Total non-current assets		6 089 789	7 114
TOTAL ASSETS		6 229 196	67 516

Amounts in NOK thousand	Note	2022	2021
EQUITY AND LIABILITIES			
Equity			
Share capital	10	(400)	(200)
Share premium	10	(6 355 155)	(87 444)
Retained earnings	10	184 055	42 334
Total equity		(6 171 500)	(45 310)
Current liabilities			
Trade and other payables	8	(16 032)	(4 033)
Provision		0	(3 726)
Current lease liabilities		(2 122)	(2 177)
Other current liabilities	9	(34 966)	(7 675)
Total current liabilities		(53 120)	(17 612)
Non-current liabilities			
Long term lease liabilities		(4 577)	(4 593)
Total non-current liabilities		(4 577)	(4 593)
Total liabilities		(57 696)	(22 206)
TOTAL EQUITY AND LIABILITIES		(6 229 196)	(67 516)

Cash flow statement

Statement for the year ended 31 December 2022

*The comparative period of the statement of cash flows covers the period from 01.10.2020–31.12.2021

Amounts in NOK thousand	Note	2022	2021*
Cash flow from operating activities			
Profit (loss) for the year from total operations		(141 721)	(42 334)
Depreciation and amortisation		2 054	674
(Interest income)	4	(553)	0
Interest expense	4	286	0
Change in trade and other receivables		(1 842)	(5 857)
Change in trade and other payables	8	11 999	15 510
Change in other current assets		(1 122)	0
Change in other current liabilities	9	24 973	0
Interest received	4	553	0
Interest paid	4	0	0
Interest paid on leasing liability		(286)	(62)
Net cash flow from operating activities		(105 659)	(32 070)


Amounts in NOK thousand	Note	2022	2021*
Cash flows from investing activities			
<i>Acquisitions</i>			
Property, plant and equipment		(483)	(497)
Intangible assets		(42)	(90)
Investments in subsidiaries	6	(2 120 565)	0
Net cash flow used in investing activities		(2 121 090)	(587)
Cash flows from financing activities			
Proceeds from long-term debt		0	5 000
Repayment of long-term debt		18	(5 000)
Repayment of lease liabilities		(1 901)	(443)
Equity contributions	10	2 270 050	87 620
Net cash flow from financing activities		2 268 167	87 177
Net cash flow		41 419	54 519
Net currency translation effect		0	0
Net increase/(decrease) in cash and cash equivalents		41 419	54 519
Cash and cash equivalents at beginning of period		54 544	24
Cash and cash equivalents at end of period		95 962	54 544

Statement of changes in equity

Statement for the year ended 31 December 2022

<i>Amounts in NOK thousand</i>	Share capital	Share premium	Retained earnings	Total equity
At 1 October 2020	30	(6)	0	24
Profit for the year			(42 334)	(42 334)
Capital increase	(30)			(30)
Capital decrease	200	87 450		87 650
At 31 December 2021	200	87 444	(42 334)	45 310
Profit for the year			(141 721)	(141 721)
Capital increase	200	6 267 710		6 267 910
At 31 December 2022	400	6 355 155	(184 055)	6 171 500

Stavanger, 25 May 2023
Board of Vårgrønn AS



Alessandro Della Zoppa
Chair of the board



Nicola Giorgi
Board member



Irene Egset
Board member



Erlend Basmo Ellingsen
Board member



Claudio Piccinelli
Board member



Olav Hetland
Chief Executive Officer

Notes to the financial statements

NOTE 1 | Company information

Vårgrønn AS is a limited liability company incorporated in Norway on 01.10.2020 (“Vårgrønn” or “the Company”). The Company is headquartered in Jåttåvågveien 7, 4020 Stavanger with an office in Oslo.

NOTE 2 | Significant accounting policies, estimates and judgment

Please refer to equivalent Note 2 in the Consolidated Financial Statements.

The separate financials statements of the parent have been prepared under the historical cost convention and in accordance with IFRS.

Subsidiaries are entities that are directly or indirectly controlled by the Company. Control exists where the Company has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. The investment in the Company’s subsidiaries is recorded at cost less provisions for impairment.

NOTE 3 | Purchases, services and other

Amounts in NOK thousand	2022	2021
Development expenditure	83 193	15 454
Consultancies, professional services and market studies	11 337	6 216
Other expenses	4 877	4 185
Legal fees	4 516	786
Audit and accounting services	2 252	509
<i>Of which</i>		
– Statutory audit fees	437	193
– Audit consultancy and attestation services	245	122
Total	106 175	27 150

NOTE 4 | Financial income and financial expenses

<i>Amounts in NOK thousand</i>	2022	2021
Net exchange gain	563	0
Interest from banks	553	15
Financial income	1 116	16

<i>Amounts in NOK thousand</i>	2022	2021
Net exchange loss	1 713	9
Interest expenses	286	133
Financial expense	1 999	141

NOTE 5 | Income tax

Income tax expense:

<i>Amounts in NOK thousand</i>	2022	2021
Current tax	0	0
Deferred tax	0	0
– Changes in temporary differences	875	(833)
– Tax loss carry forward	29 841	9 314
– Amount not recognised as deferred tax asset	(30 716)	(8 481)
Tax expense	0	0

Reconciliation of tax expense

Amounts in NOK thousand	2022		2021	
Profit (loss) before income taxes	0%	(141 721)	0%	(42 334)
Statutory tax charge	-22%	31 179	-22%	9 314
Increase (decrease) resulting from:				0
– Permanent differences	1%	(1 337)	0%	1
– Temporary differences	-1%	875	2%	(833)
– Changes in unrecognised deferred tax asset	22%	(30 716)	20%	(8 481)
– Effect of other tax rates in subsidiaries	0%	0	0%	0
– Effect of change in tax rate	0%	0	0%	0
Tax expense	0%	0	0%	0

Deferred tax assets and liabilities

Deferred tax assets	2022		2021	
	Gross amount	Tax effect	Gross amount	Tax effect
Tax loss carried forward	177 979	39 155	42 337	9 314
Other	0	0	0	0
Deferred tax assets - gross	177 979	39 155	42 337	9 314

Deferred tax liabilities	2022		2021	
	Gross amount	Tax effect	Gross amount	Tax effect
Property, plant and equipment	210	46	125	27
Leasing contracts	(17)	(4)	(184)	(40)
Other	0	0	(3 726)	(820)
Deferred tax liabilities - gross	193	42	(3 785)	(833)

<i>Amounts in NOK thousand</i>	2022	2021
Net deferred tax asset	(39 198)	8 482
Not recognised deferred tax asset	(39 198)	(8 482)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The tax loss carried forward does not expire in accordance with Norwegian law.

<i>Accumulated tax loss carried forward</i>	2022	2021
No due date	(39 155)	(9 314)
Total tax loss carried forward	(39 155)	(9 314)

NOTE 6 | Investments in subsidiaries

The Company's subsidiaries at 31 December 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by Vårgrønn AS, and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business.

Legal Name	Country of incorporation	Share capital	Number of shares held	Ownership interest	Book value
Vårgrønn North Sea Wind AS	Stavanger, Norway	120 000	3 000	100%	6 082 381

NOTE 7 | Cash and cash equivalent

Cash and cash equivalent of 95 962 thousand NOK includes short-term deposits. Expected credit losses on deposits with banks and other financial institutions, measured at amortised cost, are immaterial. The total restricted bank deposits amount to 1 284 thousand NOK.

NOTE 8 | Trade and other payables

<i>Amounts in NOK thousand</i>	2022	2021
Trade and other payables	16 032	4 033
Total trade and other payables	16 032	4 033

Trade payables are non-interest bearing and are normally settled on 30-day terms. Interest payable is normally settled quarterly.

NOTE 9 | Other current liabilities

<i>Amounts in NOK thousand</i>	2022	2021
Other accruals for incurred costs	22 552	6 024
VAT	7 603	0
Salary and vacation payable	2 557	764
Payroll tax and social security	2 253	887
Total other current liabilities	34 966	7 675

Other accruals for incurred costs consist of accruals for costs recharged from partners related to existing projects activities which have not yet been invoiced, as well as other supplier accruals.

NOTE 10 | Equity

Share capital and share premium

The total number of outstanding shares is 1 000 (1 000 in 2021) at par value of NOK 400,0 per share. All issued shares are fully paid. Vårgrønn AS has one class of shares, ordinary shares. Vårgrønn AS is a joint venture between Eni Energy Solutions B.V. and HV Storm Holding AS.

Ownership structure

Shareholders in % at year-end:

<i>Amounts in NOK thousand</i>	Ordinary	Owner interest	Share of votes
Eni Energy Solutions B.V.	650	65,0	65,0
HV Storm Holding AS	350	35,0	35,0
Total number of shares	1 000	100,0	100,0

As part of the joint venture acquisition of Dogger Bank, ENI Energy Solutions B.V reduced their interest to 65,0% in 2022 (from 69,6% in October 2021), whereas HV Storm Holding AS increased their interest to 35,0% in 2022 (from 30,4% in October 2021).

NOTE 11 | Related party transactions

All transactions with related parties to Vårgrønn AS have been based on arm's length terms. Transactions with related parties have been described in Note 20 of the consolidated financial statements.

Audit report



To the General Meeting of Vårgrønn AS

Independent Auditor's Report

Opinion

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

- the financial statements of the parent company Vårgrønn AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement, 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, and
- the consolidated financial statements of Vårgrønn AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the income statement, 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,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

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

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. 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 nor the other information accompanying the financial statements.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. 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 statutory 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 and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Stavanger, 25 May 2023
PricewaterhouseCoopers AS



Gunnar Slettebø
State Authorised Public Accountant

Annexes

Annex 1 – GRI content index

Statement of use	Vårgrønn has reported the information cited in this GRI content index for the period 01.01.2022–31.12.2022 with reference to the GRI	
GRI 1 used	GRI 1: Foundation 2021	
Applicable GRI Sector Standard(s)	NA	
GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organisational details	Vårgrønn in brief, pgs. 3-5
	2-2 Entities included in the organisation's sustainability reporting	Sustainability Report pg. 41
	2-3 Reporting period, frequency and contact point	Sustainability Report pg. 51; Board of Directors' Report pgs. 25–26
	2-4 Restatements of information	<i>N/A (2022 is the first annual report of Vårgrønn)</i>
	2-5 External assurance	The Sustainability Report 2022 has not been subject to external assurance
	2-6 Activities, value chain and other business relationships	Vårgrønn in brief, pgs. 3–5; Board of Directors' Report pgs. 15–20
	2-7 Employees	Board of Directors' Report pg. 23; Our ESG achievements in 2022 and next steps – Social, pgs. 47–48
	2-9 Governance structure and composition	Executive Management pgs. 10–11; Board of Directors pgs. 12–13; Board of Directors' Report – Corporate Governance, pg. 21

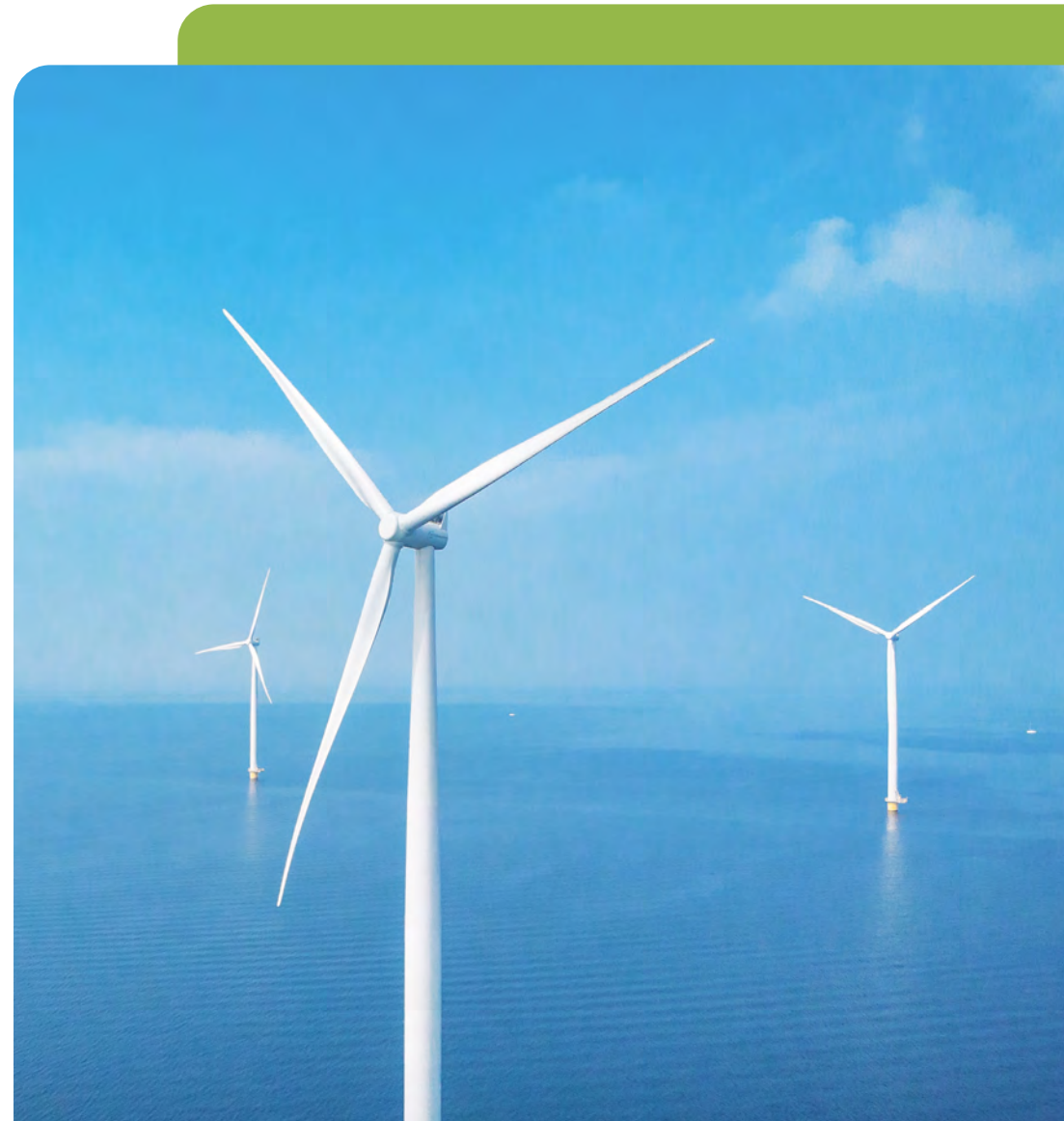
GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-10 Nomination and selection of the highest governance body	Board of Directors, pg. 12
	2-11 Chair of the highest governance body	Board of Directors, pg. 12
	2-12 Role of the highest governance body in overseeing the management of impacts	Board of Directors' Report – Corporate Governance, pg. 21; Sustainability Report – Vårgrønn's ESG strategy, pg. 36
	2-13 Delegation of responsibility for managing impacts	Sustainability Report – Vårgrønn's ESG strategy, pg. 37
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Report - Our ESG achievements in 2022 and next steps – Governance, pg. 51
	2-16 Communication of critical concerns	Board of Directors' Report – Corporate Governance, pg. 21
	2-17 Collective knowledge of the highest governance body	Sustainability Report - Our ESG achievements in 2022 and next steps – Governance, pg. 50
	2-22 Statement on sustainable development strategy	Board of Directors' Report – Sustainability, pg. 22
	2-23 Policy commitments	Sustainability Report – Our ESG achievements in 2022 and next steps – Governance, pg. 49
	2-24 Embedding policy commitments	Sustainability Report – Our ESG achievements in 2022 and next steps – Governance, pgs. 50–51
	2-26 Mechanisms for seeking advice and raising concerns	Sustainability Report – Our ESG achievements in 2022 and next steps – Governance, pgs. 49–50
	2-27 Compliance with laws and regulations	Sustainability Report - Our ESG achievements in 2022 and next steps – Governance, pg. 50
	2-28 Membership associations	Board of Directors' Report – Stakeholder management, pg.24–25
2-29 Approach to stakeholder engagement	Board of Directors' Report – Stakeholder management, pg.24–25	

GRI Standard	Disclosure	Location
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Report – Vårgrønn's ESG strategy, pgs. 36–37
	3-2 List of material topics	Sustainability Report – Vårgrønn's ESG strategy, pg. 37
	3-3 Management of material topics	Sustainability Report, pgs. 35–51
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	Sustainability Report – Our ESG achievements in 2022 and next steps – Social, pgs. 45–46
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Board of Directors' Report – Risk Factors pgs. 27–32; Sustainability Report – Our ESG achievements in 2022 and next steps – Governance, pgs. 47; 50–51
	205-2 Communication and training about anti-corruption policies and procedures	Sustainability Report – Our ESG achievements in 2022 and next steps – Governance, pgs. 50–51
	205-3 Confirmed incidents of corruption and actions taken	Sustainability Report – Our ESG achievements in 2022 and next steps – Governance, pg. 50
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Annex 2 – Vårgrønn energy consumption and CO ₂ emissions 2022
GRI 304: Biodiversity 2016	Disclosure 304-2 Significant impacts of activities, products and services on biodiversity	Board of Directors' Report – Risk Factors, pg 31; Sustainability Report – Our ESG achievements in 2022 and next steps, pgs. 42–43
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Annex 2 – Vårgrønn energy consumption and CO ₂ emissions 2022
	305-2 Energy indirect (Scope 2) GHG emissions	Annex 2 – Vårgrønn energy consumption and CO ₂ emissions 2022
	305-3 Other indirect (Scope 3) GHG emissions	Annex 2 – Vårgrønn energy consumption and CO ₂ emissions 2022
GRI 306: Waste 2020	306-2 Management of significant waste related impacts	Sustainability Report – Our ESG achievements in 2022 and next steps – Environmental, pg. 44; Annex 2

GRI Standard	Disclosure	Location
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	Sustainability Report – Our ESG achievements in 2022 and next steps – Social, pgs. 44–45
	403-5 Worker training on occupational health and safety	Sustainability Report – Our ESG achievements in 2022 and next steps – Social, pgs. 44–45
	403-6 Promotion of worker health	Sustainability Report – Our ESG achievements in 2022 and next steps – Social, pgs. 44–45
	403-9 Work-related injuries	Sustainability Report – Our ESG achievements in 2022 and next steps – Social, pg. 44
GRI 405: Diversity and Equal Opportunity 2016	Disclosure 405-1 Diversity of governance bodies and employees	Sustainability Report – Our ESG achievements in 2022 and next steps – Social, pg. 48
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Sustainability Report – Our ESG achievements in 2022 and next steps – Governance, pg. 50

Annex 2 – Vårgrønn energy consumption and CO₂ emissions 2022

The following tables gives an overview of Vårgrønn's energy and carbon footprint based on the total energy consumption related to corporate operations. The CO₂ emissions are calculated using the Cemasis CO₂ emissions accounting tool. The carbon footprint gives a general overview of the company's greenhouse gas emissions, converted into CO₂ equivalents and it is based on reported data from internal and external systems. The analysis is based on the international standard, the Greenhouse Gas Protocol Initiative (GHG protocol), which is the most important standard for measuring greenhouse gas emissions, developed by World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). The GHG protocol founds its carbon inventory and reporting on three main scopes of direct and indirect emissions. The key external sources used as a basis for the calculations in this report are; World Resource Institute (WRI/US), International Energy Agency (IEA/OECD), Intergovernmental Panel on Climate Change (IPCC), Department of Energy and Climate Change (DECC/UK), EcoInvent LCI Database.



Key Figures GHG Emissions			
	Category	Unit	Total
Scope 1		tCO ₂ e	0
Scope 2	District heating location		
	District heating NO/Stavanger /Sandnes	tCO ₂ e	-
	District cooling NO/Stavanger /Sandnes	tCO ₂ e	-
	District heating NO/Oslo	tCO ₂ e	0,1
	District heating location Total	tCO ₂ e	0,2
	Electricity location-based		
	Electricity Nordic mix	tCO ₂ e	1,4
Electricity location-based Total	tCO ₂ e	1,4	
	Scope 2 emission	tCO₂e	1,6

Key Figures GHG Emissions				
	Category	Unit	Total	
Scope 3	Business travel			
	Air travel, domestic	tCO ₂ e	5,8	
	Hotel nights, Nordic	tCO ₂ e	0,3	
	Air travel, continental	tCO ₂ e	8,9	
	Mileage all. car (NO)	tCO ₂ e	0,2	
	Hotel nights, Europe	tCO ₂ e	0,2	
	Business travel Total	tCO ₂ e	15,4	
		Scope 3 emission	tCO₂e	15,4
		Total (Scope 1 + 2)	tCO₂e	1,6
		Total emissions (Scope 1 + 2 + 3)	tCO₂e	17

Annual Market-Based GHG Emissions		
Category	Unit	Total
Electricity Total (Scope 2) with Market-based calculations	tCO ₂ e	7,7
Scope 2 Total with Market-based electricity calculations	tCO ₂ e	7,8
Scope 1+2+3 Total with Market-based electricity calculations	tCO₂e	23,3

Key Figures Energy			
	Category	Unit	Total
Scope 1			0
Scope 2	Electricity		
	Electricity Nordic mix	MWh	54,3
	Electricity Total	MWh	54,3
	District heating location		
	District heating NO/Stavanger/Sandnes	MWh	25,2
	District cooling NO/Stavanger/Sandnes	MWh	2,9
	District heating NO/Oslo	MWh	13,8
	District heating location Total	MWh	41,9
	Scope 2 total	MWh	96,2
	Total energy	MWh	96,2
	Total renewable energy	MWh	47,1
	Total renewable energy share	%	49%

Key Figures Consumption			
	Category	Unit	Total
Scope 2	Electricity		
	Electricity Nordic mix	kWh	54266,3
	District heating location		
	District heating NO/Stavanger/ Sandnes	kWh	25219,6
	District cooling NO/Stavanger/ Sandnes	kWh	2877,6
	District heating NO/Oslo	kWh	13828,3
Scope 3	Business travel		
	Air travel, domestic	flight trip	49
	Air travel, domestic	kgCO ₂ e	2854
	Hotel nights, Nordic	nights	65
	Air travel, continental	flight trip	29
	Air travel, continental	kgCO ₂ e	6267
	Mileage all. car (NO)	km	3239,1
	Hotel nights, Europe	nights	15

Waste data were only available for the Oslo office. Waste were assessed not to be material, and the data are therefore not included in the scope 3 CO₂ emissions reporting for 2022.

Powering the energy transition