2024

Equinor Energy AS

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Board of directors' report

Equinor Energy AS, a wholly owned subsidiary of Equinor ASA, is the largest contributor to Equinor Groups (Group) total production of oil and gas. Its production from the Norwegian Continental Shelf (NCS) accounted for approximately 67% of total Group production in 2024, making it a key contributor to Norway's energy sector.

Principal activities
Equinor Energy AS ("the company", "Equinor", "we", "our") established in 2007 and domiciled in Norway, primarily engages in the exploration, production, and transportation of petroleum and petroleum-derived products. The company operates across a broad portfolio of licences, holding licences on the NCS, and maintaining a significant presence in the region.

The company also owns international licences in oil and gas fields through its subsidiaries and other equity-accounted companies, in addition to owning oil and gas processing and transportation facilities in Norway. The NCS remains a critical region where extensive expertise is leveraged and new technologies are deployed to sustain production and contribute to the energy transition.

Strategy
Equinor's strategy focuses on delivering strong operational performance and long-term value creation while transitioning toward a lower-carbon future. This is achieved through enhanced production efficiency, optimised asset management, improved safety, a competitive oil and gas portfolio, and strategic investments in renewables, low-carbon solutions and innovation, all while maintaining financial resilience.

Focusing on near-field exploration is part of the strategy to optimise asset management by extending the lifetime of infrastructures through tie-ins. The project pipeline currently includes more than 20 sanctioned projects.

Business review
During 2024, global energy markets experienced fluctuations but remained relatively stable overall , influenced by geopolitical uncertainties, rising energy demand, inflationary pressures, and the ongoing energy transition. Oil prices fluctuated in response to supply-demand imbalances, production adjustments by key producers, and geopolitical tensions, while gas prices were impacted by mild winter weather in Europe, high gas storage levels from 2023, increased renewable energy generation, and the impact of geopolitical risks affecting supply chains.

Equinor maintained a strong operational performance in 2024 with increased NCS volumes, including record production from both the Johan Sverdrup and Troll fields. Johan Sverdrup reached 1 billion barrels of produced oil, along with the Troll field delivering the highest-ever annual gas production.The year ended with total equity production of 1,386 thousand barrels of oil equivalent per day (mboe/day), an increase of 1% from 2023.

The increase in full-year production for 2024 was driven by strong contributions from Johan Sverdrup and Troll, in addition to the ramp-up of new fields, including Breidablikk, which came on stream in the fourth quarter of 2023. A good operational performance combined with a lower level of unplanned losses also contributed to the increase. Operational challenges impacted key gas producing fields in the prior year, impacting the relative increase in production for the year and a change in production mix. Liquids production decreased by 3%, while gas production increased by 4%. Higher turnaround activity and natural decline partially offset the production increased for the year.

In the year, exploration activity resulted in six commercial discoveries on the NCS. Additionally, 39 new licences were awarded, further strengthening the potential of increasing the company's resource base and long-term production outlook.

Net operating income for Equinor amounted to USD 27,410 million in 2024, compared to USD 32,348 million in 2023. The decline was primarily driven by lower commodity prices, which resulted in reduced revenues.

Strategic progress
Equinor made strategic advancements in 2024 strengthening its long-term asset base and sustainability commitments. Key early-phase projects, including Linnorm, Peon, Wisting, Ringvei Vest, and Atlantis, made substantial progress, and Troll Phase 3 – Stage 2 reached an investment decision in May 2024. Several new field developments and tie-ins were completed in 2024, further strengthening the NCS production base. Additionally, over 50 improved recovery wells were sanctioned, and multiple new discoveries enhanced the company's position on the NCS. Equinor is investing in portfolio optimisation and cost efficiency initiatives to mitigate the impacts of market fluctuations.

The company continues to progress toward its goal of a 50% emissions reduction in Norway by 2030, with key initiatives in electrification. In 2024, partial electrification was initiated for Sleipner and Gudrun, and Troll B and Troll C platforms were partially electrified, marking a major milestone in reducing operational emissions. Future plans include the electrification of Halten, Tampen, and Grane areas, further reinforcing Equinor's commitment to decarbonisation.

Our business

Equinor, delivering energy from the Norwegian Continental Shelf.

Equinor owns certain assets and liabilities, including exploration and production assets and liabilities on the Norwegian Continental Shelf (NCS), as well as related transportation systems, processing plants, and terminals. Equinor is also a co-obligor or guarantor of certain parent company liabilities.

While Equinor has no direct employees, it procures services from its parent company and other Equinor group entities.

The company is committed to transparency and compliance with due diligence requirements under the Transparency Act. The Company's account of due diligence pursuant to the Transparency Act is available at the Company's office and can be accessed upon request to the Company.

Information regarding Equinor's payments to the authorities can also be found in the Equinor ASA's Payments to governments 2024 report, on **equinor.com/reports**.

Equinor's financial statements are prepared in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act and regulations regarding simplified application of international accounting standards issued by the Norwegian Ministry of Finance on 7 February 2022. The presentation currency is US dollar (USD), consistent with the presentation currency for the Group financial statements. Functional currency of the company is Norwegian Krone (NOK), based on an evaluation of the company's primary environment and related cash-flows. Translation currency rates (NOK/USD) applicable for the period are as follows: 10.17 (31 Dec 2023), 11.35 (31 Dec 2024) and 10.74 (year-average).

In accordance with §2-2 of the Norwegian Accounting Act, the board of directors confirms that the financial statements have been prepared based on the going concern assumption.

As per the Norwegian Accounting Act §3-7, the company does not prepare consolidated financial statements; further details can be found in the notes to the financial statements and Equinor ASA's consolidated financial statements for 2024.

Profit and loss analysis

Net operating income was USD 27,410 million in 2024 compared to USD 32,348 million in 2023. The decrease was primarily attributable to lower revenues due to lower commodity prices.

Condensed financial statements	Full year		
(in USD million)	2024	2023	Change
Revenues	**36,631**	41,867	(13)%
Net income/(loss) from subsidiaries and other equity accounted investments	**981**	1,307	(25)%
Other income	**265**	216	23 %
Total revenues and other income	**37,877**	43,390	(13)%
Purchases [net of inventory variation]	**(531)**	(645)	(18)%
Operating, selling, general and administrative expenses	**(4,462)**	(4,751)	(6)%
Depreciation, amortisation and net impairment losses	**(4,961)**	(5,170)	(4)%
Exploration expenses	**(513)**	(476)	8 %
Total operating expenses	**(10,467)**	(11,042)	(5)%
Net operating income/(loss)	**27,410**	32,348	(15)%
Net financial items	**517**	765	(32)%
Income/(loss) before tax	**27,927**	33,113	(16)%
Income tax	**(20,229)**	(24,029)	(16)%
Net income/(loss)	**7,698**	9,083	(15)%

Revenues amounted to USD 36,631 million in 2024, compared to USD 41,867 million in 2023. The decline was primarily driven by lower realized commodity prices, particularly for natural gas. Gas prices remained elevated at the beginning of 2023 but declined sharply throughout the year and into early 2024. Although prices began rising gradually from the first quarter of 2024, the full-year average remained lower than in 2023, resulting in a notable reduction in revenues.

Net income from subsidiaries and other equity-accounted investments amounted to USD 981 million in 2024, compared to USD 1,307 million in 2023. The decrease was mainly attributed to lower commodity prices impacting overall earnings.

Other income was USD 265 million in 2024, primarily related to divestment gains on the Norwegian Continental Shelf, including Equinor´s sale of interests in gas infrastructure to the Norwegian State. In 2023, Other income was USD 216 million, positively impacted by gain from sale of ownership shares in the Statfjord area with USD 222 million.

Equinor purchases natural gas and pipeline transport, operating on a back-to-back basis from Equinor ASA. Equinor carries all the risks related to these purchases, which are therefore presented as purchases. Purchases amounted to USD 531 million in 2024 compared to USD 645 million in 2023. The decrease was primarily driven by lower prices on third-party gas.

Operating expenses include field production and transport systems costs related to the company's oil and natural gas production share. Selling, general and administrative expenses include expenses associated with selling and marketing our products. Operating expenses and selling, general and administrative expenses in 2024 were USD 4,462 million compared to USD 4,751 million in 2023.

Lower costs in 2024 were driven by the Statfjord area divestment, lower CO_2 quota prices and a favourable NOK/USD exchange rate, which helped reduce cost pressures. However, these savings were partially offset by increased operational and maintenance activities across several fields.

Depreciation, amortisation, and net impairment losses for 2024 totalled USD 4,961 million, compared to USD 5,170 million in 2023. The decrease was mainly due to lower impairment losses recorded in 2024 compared to the USD 588 million impairment in 2023. This decline was partially offset by higher depreciation cost from new field ramp-ups and field-specific investments.

Exploration expenditures are capitalised when exploration efforts are considered successful or pending such assessment. Otherwise, they are expensed. Exploration expenses for 2024 amounted to USD 513 million, compared to USD 476 million in 2023. Higher exploration activity in

2024 drove an increase in exploration expenses, with 30 wells drilled and 26 completed, compared to 28 wells drilled and 26 completed in 2023. Additionally, higher average well costs and a lower capitalization rate further contributed to the rise in expenses. The rise in expenses was partially offset by reduced seismic activity.

Net operating income was USD 27,410 million in 2024 compared to USD 32,348 million in 2023, mainly due to lower gas and liquid prices.

Net financial items amounted to USD 517 million in 2024, compared to USD 765 million in 2023. The decrease compared to the last year was mainly due to lower net foreign exchange gains in 2024, partially offset by higher interest income.

Income taxes were USD 20,229 million in 2024 compared to USD 24,029 million in 2023, equivalent to an effective tax rate of 72.4%% in 2024 and 72.6% in 2023. Decrease in the tax rate was mainly driven by effect of permanent differences related to equity accounted investments.

Net income amounted to USD 7,698 million in 2024. Considering the dividends paid in the year and group contributions of USD 9,374 million, USD 1,676 million will be deducted from retained earnings.

Cash flows

Cash flows provided by operating activities contributed USD 11,636 million , cash flows used in investing activities amounted to USD 6,692 million , and cash flows used in financing activities amounted to USD 4,918 million in 2024.

Cash flows provided by operating activities decreased by USD 2,162 million in 2024 compared to the full year 2023. The decrease was mainly due to lower liquids and gas prices.

Cash flows used in investing activities increased by USD 1,526 million in 2024 compared to the full year 2023. The increase was mainly due to lower capital contributions received from group companies, mainly offset by an increase in capital expenditures and investments.

Cash flows used in financing activities decreased by USD 3,771 million in 2024 compared to the full year 2023. The decrease was mainly contributed by a reduction of financial receivables to/from Equinor group companies (USD 16,274 million), partially offset by a decrease in dividends and group contributions (USD 19,983 million).

Liquidity and capital resources

Equinor has maintained a solid financial position through 2024.

Equinor maintained a solid financial position in 2024, supported by disciplined capital management and the Group´s integrated liquidity strategy. The company´s liquidity and debt position are managed at the Equinor Group level, ensuring efficient capital allocation and financial flexibility. As part of Equinor's cash pooling arrangement, surplus liquidity on certain accounts are centralised within the Group to optimise cash management and funding needs.

The financial results of operations and annual cash flow from operations remained strong during 2024, primarily influenced by oil and gas prices, production levels, and foreign exchange fluctuations. The impact of seasonality and maintenance turnarounds remained small.

Research and development

Equinor is a technology intensive group of companies and research, and development are an integral part of its strategy.

Improved oil and gas recovery and improved drilling and well solutions are important to successfully fight declining production from mature fields. The research and development work is managed at the Equinor group level, and closely cooperates with universities and research institutions. Equinor has achieved some of the petroleum industry's highest recovery factors on the Norwegian continental shelf by combining scientific and engineering capabilities and boldly introducing new technology. As a part of the Equinor group, we contribute to the group's intention to further advance the most critical technologies to meet forthcoming improved oil recovery ambitions.

Research and development expenditures were USD 263 million in 2024, compared to USD 226 million in 2023.

Outlook and market view

Equinor aims to ensure safe and efficient operations, maximising the value potential from the Norwegian continental shelf (NCS).

In 2024, Equinor continued to navigate a volatile energy market, influenced by geopolitical uncertainty, inflationary pressures, and structural shifts in energy demand. The global gas market saw declining prices, with the average realised piped gas price in Europe dropping to USD 9.47 per MMBtu, down from USD 12.2 per MMBtu in 2023. This decline was mainly attributed to high storage levels and reduced demand.

Oil prices remained relatively stable in 2024. The price for Dated Brent crude averaged USD 77.1 per barrel, compared to USD 78.6 per barrel in 2023. The oil market saw a peak of USD 93 in early April and a low of USD 70 in early September, with non-OPEC+ supply growth counterbalancing OPEC+ production cuts.

Equinor's income remains highly sensitive to commodity price fluctuations, even with stable production levels. Seasonal variations also impact volumes, with higher gas demand during winter and increased maintenance activity during the second and third quarters due to more favourable weather conditions.

Any forward-looking statement reflects current expectations about future developments and remains subject to significant risks and uncertainties, including geopolitical dynamics, resource replenishment challenges, and the ongoing transition towards low-carbon energy solutions.

Safety, security and sustainability[1]

Equinor is exempted from reporting a separate sustainability report according to the Norwegian Accounting Act § 2-3 (4) as Equinor ASA prepares a consolidated sustainability statement for the Group, for which the company is included. The consolidated sustainability statement for the Equinor Group is included in Equinor Group's Annual Report which can be downloaded from Equinor's website (https://www.equinor.com/investors). Equinor ASA has its business office in Forusbeen 50, 4035 Stavanger, Norway.

Health, safety and security

Equinor and its subsidiaries face a diverse range of safety and security risks in our operations. While much of the work is intrinsically hazardous and presents major accident risks, our aspiration is for zero harm.

We aim to embed a proactive safety culture where we continuously learn from our own experiences and those of our peers, and where safety and security are factored into everything we do. We align our requirements and guidance with international standards and best practices, and we comply with relevant legislation and regulations.

A framework for major accident prevention was developed in the Equinor group, based on learning from incidents, and recognised industry practices for high-risk industries. The framework is built on three pillars: Safety barriers, Safe practices and design, and Leadership, culture and organisational frame conditions. Human and organisational performance principles are embedded in the framework.

Since the launch of the Framework for Major Accident Prevention in July 2022, employees in the Equinor group have been trained and assets assessed for compliance. An updated version released in August 2024 combined safety and security into one framework with a holistic approach.

In Equinor, we aim for continuous improvement of our safety culture and practices, and the "I Am Safety" roadmap sets the direction. The main pillars in the "I am safety" roadmap are safety visibility, leadership & behaviour, learning & follow up and safety indicators.

A large portion of our activities are undertaken by contractors. Therefore, as a part of the Equinor group, we are fully committed to strong collaboration with our contractors to safeguard people, the environment, assets, and the societies in which we operate. Key tools include Life-saving Rules and the Annual Safety Wheel.

In 2024, we, as part of the Equinor group, maintained a heightened level of security awareness and preparedness, both within Norway and across our international operations. This included increased State of Alert levels, enhanced technical and operational barriers, testing and assurance, as well as security training of personnel, conducting security awareness campaigns, updating physical security governing documents and enhancing the monitoring of security, crisis management and business continuity plans.

We maintain appropriate emergency response capabilities to limit the consequences of incidents, should they occur. For example, our oil spill response capabilities are in line with good international practice, and, through membership of local and international oil spill response organisations, we are able to call on the expertise and resources of the wider industry.

[1] All data in this section are reported based on an operational control boundary.

Systematic and proactive risk management of the working environment is an integral part of our efforts to safeguard our people and create a health promoting workplace. We monitor, report and follow up work related illnesses from physical and psychosocial factors.

In 2024, we did not experience any event classified as an actual major accident. However, we lost the life of a colleague in a serious helicopter accident on February 28th. Our serious incident frequency (SIF), which includes near misses, ended at 0.7 incidents per million work hours, compared to 0.5 in 2023. The total recordable injury frequency (TRIF) ended at 5.6, compared to 4.9 in 2023.

As in 2023, five serious oil and gas leakages were recorded in 2024 (with a leakage rate ≥ 0.1 kg per second). No well control incident classified internally as serious was recorded. For accidental oil spills, the total oil spill volume was 96m3 in 2024, compared to 13m3 in 2023.

Based on our 2024 performance, we recognise the need to continue to improve our safety performance. Given the measures reinforced in 2024, we consider our approach as adequate to improve our performance. These objectives remain a top priority for Equinor's management.

Climate and energy transition

The world is still a long way from meeting the goals of the Paris Agreement. While many national climate targets have continued to strengthen in recent years, policies and incentives have not been sufficiently enhanced. The gap between ambition and action has widened. Assumptions about the pace of the transition have proved to be overly optimistic, with a growing realisation of the need to recalibrate. Oil and gas demand continue to rise, and consumer behaviour and willingness to pay for alternatives are not changing fast enough to bend the global emissions curve towards a 1.5-degree trajectory.

Equinor's business has both direct and indirect impacts on the climate. The emissions associated with the use of the products we sell are several times higher than those within our operational control. We also have an impact via the broader supply chain, including transportation of our products and the capital goods embedded in the projects we develop.

Scope 1 greenhouse gas (GHG) emissions include carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O). In 2024, scope 1 GHG emissions were 8.3 million tonnes CO_2e, representing a 6% reduction compared to 2023.

CO_2 constitutes the largest share of GHG emission with 8.1 million tonnes of CO_2 in 2024, a 6% decrease compared to the 2023. The positive development is largely attributed to the implementation of electrification projects on the NCS and permanent shutdown of the amine plant at Åsgard B. Furthermore, decommissioning of Heimdal in 2023, along with turnaround, maintenance and energy efficiency measures at several fields and plants in 2024, contributed to the decrease in GHG emissions.

CH_4 emissions were 7.3 thousand tonnes, a 9% decrease from 8.1 thousand tonnes in 2023. The decrease was mainly due to reduced emission from Gullfaks A following the "No leak" campaign in 2024 and the decommissioning of Heimdal.

In 2024, the N_2O emissions were 82 tonnes, a slight reduction from last year. Reduced rig activity at several fields and the decommissioning of Heimdal in 2023 are the main contributors to the decrease.

Upstream CO_2 intensity was 5.4 kg CO_2 per boe in 2024, a decrease from 6.4 kg CO_2 per boe in 2023. The positive development is driven by increased gas export at Troll and Oseberg, the ramp-up of production from the Breidablikk field and emissions reductions from electrification projects on the NCS. The upstream CO_2 intensity for our Norwegian offshore portfolio is significantly lower than the global industry average of 16 kg CO_2 per boe.

Environment

As part of the Equinor group, management of our activities and their potential impacts on the marine environment continues to be a priority for us. Our operations have actual or potential impacts on nature through pollution, including both regular and uncontrolled discharges to sea or ground and emissions to air.

Our use of land and sea areas, related disturbances and potential introduction of alien invasive species, may also negatively impact biodiversity and ecosystems. This is particularly important if our activities are in or near protected areas or areas of high biodiversity value.

For decades, our zero-harm ambition has guided our work. In line with the mitigation hierarchy, we will continue to prioritise avoiding or minimising adverse impacts. To manage our impacts on nature, and comply with applicable laws and regulations, we aim to apply recognised environmental management practices, such as the mitigation hierarchy, the waste hierarchy, the precautionary approach, best available techniques, and the ISO 14001 environmental management principles.

In the planning phases of all our assets, we carry out environmental and social risk and impact assessments. In addition to stakeholder engagement, these processes include baseline studies, surveys, monitoring programs, and collaborative research projects.

In 2024, we continued our focus on environmental regulatory compliance and established our Environmental Policy, committing to mitigating potentially negative impacts from our business activities and contributing to positive nature impacts. The policy covers all Equinor-operated assets and Equinor-controlled companies.

Additionally, we aim to go beyond the "do-no-harm" principle and are evaluating how to implement additional measures contributing to positive impacts on biodiversity for new projects in areas of high biodiversity value. In 2023, we started to implement a novel site-specific inventory and net-positive impact (NPI) plans and during 2024 we gained a comprehensive understanding of the current condition of nature at our sites. This work also included the identification of potential positive measures to support our goal to have a positive contribution to biodiversity.

The total volume of oil discharged to sea increased by 5% in 2024 compared to last year, from 963 tonnes to 1,016 tonnes. This increase is primarily due to changes in activity level, with fewer planned shutdowns at assets that contribute significantly to produced water.

NOx emissions decreased by 3% to 25.2 thousand tonnes, mainly due to planned shutdowns and maintenance at Oseberg field centre, reduced rig activity at several fields, and emissions reductions from electrification projects on the NCS.

SOx emission decreased by 13% to 261 tonnes, largely driven by the permanent shutdown of the amine plant at Åsgard B and reduced rig activity at several fields.

The nmVOC emissions decreased by 9% compared to 2023. The decrease is mainly due to the decommissioning of Heimdal in 2023, change in emission factor for loading and the "No leak" campaign at Gullfaks in 2024.

In 2024, the total volume of generated waste decreased to 209 thousand tonnes from 217 thousand tonnes in 2023, mainly due to reduced drilling activity at several fields. Hazardous waste decreased by 3%, from 195 thousand tonnes in 2023 to 190 tonnes in 2024. Non-hazardous waste decreased by 13%, from 22 thousand tonnes to 19.5 thousand tonnes, mainly due to deposition of concrete from the Snøhvit Future project at Hammerfest LNG in 2023.

Working with suppliers

The suppliers of Equinor and its subsidiaries generate significant value to us, our partners and customers, and we believe in strong relationships with high-quality suppliers. They help us maintain safe and efficient operation at our facilities, realise new projects and create local supplier and employment opportunities. We aim to cooperate with the best performing suppliers that operate in accordance with our values and who maintain high standards for health, safety, sustainability and business conduct.

We expect that our suppliers adhere to relevant provisions to supplier and business partners within the Code of Conduct and meet our expectations related to climate and human rights as outlined in our Climate Expectations to Supplier and Human Rights Expectations of Suppliers.

Human rights

Our commitment to continuously strive to conduct our business consistently with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and to respect the rights of people affected by our business activities stands firm and is fundamental to a just and responsible energy transition.

Identifying, understanding and managing the risk of adverse human rights impacts related to our activities are at the core of our human rights commitment. We recognise that our activities can cause, contribute, or be linked to adverse human rights impacts, especially in jurisdictions with weak regulatory frameworks, insufficient enforcement, and where our activities face inherent risks.

The Human Rights Policy and the Code of Conduct for the Equinor group apply to all our activities. Further internal requirements and work processes for conducting human rights due diligence are part of our management system. In accordance with our risk management system, we work to identify adverse human rights risks and impacts, and seek to prevent, mitigate or remediate such, as relevant in each situation.

To understand risks related to our new activities at large, we perform environmental and social impact assessments. Carrying out such assessments to inform decision-making and enable more effective mitigation is an essential part of our project planning and development process. Assessments of this kind include consultation with potentially affected stakeholders. What we learn through these consultations is used to inform our understanding of and address potential impacts on local stakeholders and communities, including indigenous peoples.

Integrity and anti-corruption

Our Code of Conduct, applicable for the Equinor group, sets out our commitment and requirements for how we do business. It applies to our employees, board members and hired personnel who, each year, are required to confirm that they understand and will comply with the Code of Conduct. In the Equinor group, we expect our suppliers to act in a way that is consistent with our Code of Conduct, and we engage with them to help them understand our ethical requirements and how we do business. If our expectations are not met, we take appropriate action. In 2024, the Code of Conduct was reviewed and updated to reflect our continuous focus on ethical behaviour. The update included clarifications to the conflict-of-interest provisions including the routines related to registration of directorships, secondary employment and ownership interests.

Our Code of Conduct explicitly prohibits engaging in bribery and corruption in any form. The anti-corruption compliance programme for the Equinor group summarises the standards, requirements and procedures implemented to comply with applicable laws and regulations and maintain our high ethical standards. The programme lays down the foundation for ensuring that anti-bribery and corruption risks are identified, concerns are reported, and measures are taken to mitigate risks in all parts of the organisation.

The Code of Conduct also addresses the requirement to comply with applicable competition and antitrust laws. Our competition and antitrust programme consists of governing documents and manuals, and training of employees in high-risk positions, as well as regular risk assessments and assurance activities.

According to the Code of Conduct, all employees have a duty to report suspected violations of the Code or other unethical conduct. We require that our leaders work systematically and proactively to prevent, detect and respond to possible breaches of the Code and other ethical issues. Employees are encouraged to report/discuss concerns with their line manager or the line manager's superior, or to use available internal channels established to provide support. Concerns can also be reported through Equinor's Ethics Helpline which allows for anonymous reporting and is open for employees, business partners and the general public. In 2024 Equinor was working to develop a specific training programme for staff receiving reports of concern, with the ambition to launch the training programme in 2025.

People and organisation

Equinor has no employees, and relies on the services provided by other companies in the Equinor group and the Equinor group's principles and practices pertaining to people and organisation.

Risk management

Enterprise risk management (ERM) relates to managing uncertainties so that we can deliver Equinor's purpose in line with our core values. Risk, which refers to both threats and opportunities, is considered through strategy selection and managed through execution in order to deliver the strategic pillars and objectives throughout the company. Through the Board Audit Committee, The Board of Directors of Equinor ASA oversees and reviews the effectiveness of the corporate ERM framework.

Our standardised approach

Equinor's ERM framework is integrated across all our activities with a focus on creating value whilst avoiding unwanted incidents. We assess risks in short-, medium- and long-term perspectives, including strategic and emerging risks that can impact achievement of our corporate objectives. Consideration of all types of risks is integral to strategy and planning choices at Equinor ASA Executive and Board of Directors levels, and risks are managed across the company in line with business objectives. Flexibility in our strategy combined with effective risk management practices enables us to adapt to the changing context and emerging transition pathways. Our current most material enterprise risks and risk factors are described in the section Risk Factors below.

Equinor's risk management process is based on ISO 31000: Risk Management and seeks to ensure that risks are identified, analysed, evaluated, and appropriately managed. Our standardised approach enables consistent risk-informed decisions and risk response that supports delivering value in a sustainable frame. We consider the overall value upside or downside of risks for Equinor whilst ensuring that we live up to our principles through safeguarding safety, security, sustainability, human rights and business integrity related to our activities. Risks from across the company are integrated into Equinor's management information system at Equinor group level, where they are linked with Equinor's strategic, objectives and KPIs. This information tool is used to capture risks, to follow up risk- adjusting actions and related assurance activities, and supports a risk-based approach in the context of a three line model, as further described in the Equinor Book.

Everyone has a role related to risk management, whether at executive level, line managers, employees or in collaboration with stakeholders and suppliers. As a general principle, risks are managed in the business line as an integral part of employee and manager tasks at all levels. A holistic corporate risk perspective is integrated in strategy and portfolio prioritisation processes. The business areas and corporate functions regularly identify and evaluate performance and risk using established procedures, and assess the need for risk-adjusting actions. Some risks, such as oil and natural gas price risks and interest and currency risks, are assessed and managed at the portfolio level to provide optimal solutions. Risks are reviewed by both the first line and second line with regards to risk management and the Corporate Risk Committee of Equinor ASA regularly discusses and reviews enterprise risks. Risk management practices across the company are also subject to assurance including internal audits,

The CEO and Board Audit Committee of Equinor ASA maintain oversight of the risk management framework, risk processes, top enterprise risks and the development of corporate risk picture throughout the year. Top enterprise risks cover strategic, operational and financial perspectives and have executive ownership for follow-up, including implementation and effectiveness of risk response. Areas of particular risk oversight currently relate to progress on net-zero emissions, renewable and low-carbon value creation, political and regulatory frameworks, human rights, major accidents, IT and cyber security, and cost inflation.

Equinor ASA has purchased and maintains a Directors and Officers Liability Insurance on behalf of the members of the board of directors and the CEO. The insurance also covers any employee acting in a managerial capacity and includes controlled subsidiaries. The insurance policy is issued by a reputable insurer with an appropriate rating.

As part of continuous improvement through 2024, Equinor has progressed activities to strengthen our ERM practices, including increased focus on follow-up and assurance of risk response effectiveness, and progressing the corporate risk appetite framework. Through 2025, we will also continue to refine our approach to sustainability-related financial risks and use of dual materiality good practices.

Risk factors

Equinor Energy AS is exposed to risks that, separately or in combination, could affect its operational and financial performance. In this section, some of the key risks are addressed.

Equinor below means Equinor group, Equinor Energy AS and its subsidiaries.

STRATEGIC AND COMMERCIAL RISKS

Prices and markets

Fluctuating prices of oil and natural gas as well as exchange rates and general macroeconomic conditions, impact our financial performance. Generally, Equinor does not have control over the factors that affect market developments and prices.

Uncertainty in global and regional energy supply and demand means that Equinor's strategy and planning process includes consideration of different outcomes related to how global energy markets may develop. Examples of factors that can affect supply and demand balances, and consequently the prices of oil, natural gas, electricity and other energy products include: global and regional economic conditions, political and regulatory developments, geopolitical tensions, actions of OPEC+ and other large energy suppliers, the social and health situation in countries or regions, technological advances, availability of energy resources or access to energy-related acreages and development of supply chains and consumer preferences, including those related to climate issues.

Examples of recent developments that have triggered or contributed to volatility in energy prices are the Covid-19 pandemic, the European energy crisis following Russia's invasion of Ukraine, and the escalating tension in the Middle East.

Energy prices and predominantly oil and natural gas prices are the primary drivers of Equinor's financial results, liquidity, and its ability to finance planned capital expenditures. A significant or prolonged period of low prices could lead to changes in production, impairment of assets or reassessment of the viability of projects and future business opportunities. Increases in prices can lead to increased taxes, cost inflation or higher access costs for Equinor.

Fluctuating foreign exchange rates, especially between USD, EUR, GBP and NOK, can have a significant impact on Equinor's operational and financial results. A large percentage of Equinor's revenues and cash receipts are denominated in or driven by USD, sales of gas and refined products are mainly denominated in EUR and GBP, while a large portion of operating expenses, capital expenditures, capital distributions and income taxes payable accrue in NOK. The majority of Equinor's long-term debt has USD exposure.

Such risks could have a material adverse effect on Equinor's business, financial condition, and results of operations.

Hydrocarbon resource base, renewables and low carbon opportunities

Changes to Equinor's hydrocarbon resource base estimates and the ability to access renewable and low-carbon opportunities can impact future production, revenues, and expenditures as well as delivery of our strategy.

Our estimates relating to current and future energy-related resources depend on many factors, variables and assumptions that are beyond Equinor's control, and which may prove to be incorrect over time. The reliability of resource estimates depends on the quality and quantity of Equinor's geological, technical and economic data together with extensive engineering judgements. Substantial upward or downward revisions in Equinor's resources outlook may be required should additional information become available after the initial estimates were prepared. A substantial downward revision could potentially lead to impairments.

Equinor's future oil and gas resource base depends on Equinor's timely success in accessing, acquiring, and developing attractive opportunities. If unsuccessful, future production will decline and future revenue will be reduced. Equinor's access to resources is impacted by the choices of governments and, in some cases, national oil and gas companies. Changes in fiscal terms and fluctuations in oil and gas prices will have a direct impact on Equinor's resource base. Proved oil and gas reserves are estimated based on the US Securities and Exchange Commission (SEC) requirements and may differ substantially from Equinor's view on expected reserves and contingent resources.

Equinor's ability to build material renewable and low-carbon business portfolios depends on access to attractive opportunities where the right commercial terms are key. Future conditions, along with risks and uncertainties in power, commodities and carbon markets as well as internal factors, will influence our ability to achieve our ambitions relating to renewable energy resources and low-carbon business.

Such risks could have a material adverse effect on Equinor's business, financial condition and results of operations.

Climate change and transition to a lower carbon economy

Policy, legal, regulatory, market and technology developments, including stakeholder sentiment, related to the issue of climate change, can affect our business plans and financial performance.

Shifts in stakeholder focus between energy security, affordability and sustainability add uncertainty to delivery and outcomes associated with Equinor's strategy.

Stricter climate laws, regulations, and policies as well as adverse litigation outcomes could adversely impact Equinor's financial results and outlook, including the value of its assets. This might be directly (through regulatory changes towards energy systems free of unabated fossil fuels, changes in taxation, increased costs or access to opportunities) or indirectly (through changes in consumer behaviour or technology developments).

Equinor expects greenhouse gas emission costs to increase from current levels and to have a wider geographical range than today. Equinor applies a default minimum carbon price in investment analysis starting at USD 92 per tonne in 2025, increasing towards USD 118 per tonne by 2030. In countries where the actual or predicted carbon price is higher than our default at any point in time, Equinor applies the actual or expected cost, such as in Norway where both a CO_2 tax and the EU Emission Trading System (EU ETS) apply. A higher carbon price provides an incentive to reduce emissions and increase investment in new low-carbon solutions and technology.

Changing demand for renewable energy and low-carbon technologies, and innovation and technology changes supporting their cost-competitive development, represent both threats and opportunities for Equinor.

Market development and our ability to reduce costs and capitalise on technology improvements are important but unpredictable risk factors. Multiple factors in the energy transition contribute to uncertainty in future energy price assumptions, and changes in investor and societal sentiment can affect our access to capital markets, attractiveness for investors, and potentially restrict access to finance or increase financing costs.

Strong competition for assets, changing levels of policy support, and different commercial/contractual models may lead to diminishing returns within the renewable and low-carbon industries and hinder Equinor ambitions. These investments may be exposed to interest rate risk and inflation risk.

Equinor's net-zero strategy and climate related ambitions are responses to challenges and opportunities in the energy transition. There is no assurance that these ambitions will be achieved or that all stakeholders will accept our approach or methods to set, measure or reach our ambitions. Successful strategy execution depends on development of new technologies, new value chains, societal shifts in consumer demand, as well as firm leadership from policy makers. Should societal demands, technological innovation and policy support from governments not shift in parallel with Equinor's pursuit of significant greenhouse gas emission reductions and energy transition investments, our business plans and financial performance may be adversely affected and Equinor may be unable to fulfil its net-zero strategy and/or meet its climate related ambitions.

International politics and geopolitical change

Political, economic, and social developments or instability in regions where Equinor has interests and may seek future opportunities could adversely affect Equinor's business causing financial loss.

Political instability, civil strife, strikes, insurrections, acts of terrorism, acts of war, sanctions, geopolitical competition and trade disputes, responses to economic stress and public health situations (including pandemics), hostile actions against Equinor's staff, facilities, infrastructures (such as transportation systems or digital infrastructure) may directly or indirectly disrupt, curtail or otherwise effect Equinor's operations, projects and business opportunities. These may, in turn, lead to a decline in production and otherwise adversely affect Equinor's business, operations, results and financial condition. Similarly, Equinor's response to such situations could lead to claims from partners and relevant stakeholders and others, litigation, and litigation-related costs.

Examples of current relevant factors that impact Equinor's operations, projects and facilities include the European and Middle East security situations, political instability around supply corridors and worsening trade relations (e.g. sanctions and tariffs) between major political powers.

Digital and cyber security

Increasing digitalisation and reliance on information technology (IT) and operational technology (OT) means that digital and cyber disruption could materially impact Equinor's operations and financial condition.

Damage, disruption or shutdown of digital IT and OT systems can occur due to failures during the operation and maintenance of software and hardware, databases or components, power or network outages, hardware or software failures, negligence, user error, or breaches of cyber security.

Risks from cyber disruption are interconnected, company-wide, and may be linked to third party personnel, practices, hardware, software and infrastructure. Cyber disruption and cyber attacks may arise from factors such as unauthorised access, usage or attacks, computer viruses, errors or wrongdoing by employees or others who have gained access to Equinor's or any connected networks and systems. Disruption may also be related to threats to our assets from insiders who exploit, or intend to exploit, their legitimate access to Equinor's facilities or networks for unauthorised purposes. Risks related to cyber disruption may also be impacted by increasing artificial intelligence capabilities.

Digital and cyber-disruption, whether in respect of Equinor's systems and networks or those of third parties on which Equinor relies, could result in delayed activities, loss of production, loss of sensitive or personal information, misuse of information or systems, as well as safety and environmental losses as a result of damage to our physical assets caused by such disruption, and Equinor could face associated regulatory actions, legal liability, reputational damage and loss of revenue. Equinor could be required to spend significant financial and other resources to avoid, limit or remedy the damage caused by a security breach or to repair or replace networks and information systems, which in turn could affect our financial performance.

Project delivery and operations

Uncertainties in development projects and production operations in the Equinor portfolio could prevent Equinor from realising expected profits and cause substantial losses.

Oil and gas, renewable, low-carbon and other projects or assets may be curtailed, delayed, cancelled or suspended for many reasons. Situations such as equipment shortages or failures, natural hazards (including physical effects of climate change), unexpected drilling conditions or reservoir characteristics, irregularities in geological formations, challenging soil conditions, accidents, mechanical and technical difficulties, power cost and availability, protestor actions, health issues (including pandemics), new technology implementation and quality issues might have significant impact. The risk is potentially higher in new and challenging areas such as deep waters or harsh environments, and in new value chains. Cost inflation in capital and operational expenditures can negatively affect project deliveries, results from operations and longer-term financial outcomes.

Equinor's portfolio of development projects includes a high number of major development-projects as well as "first-off" projects (i.e. involving new development concepts, operating regions, execution models, partners/contractors, value chains and markets) that increase portfolio complexity and potentially execution risk.

Equinor's ability to commercially exploit energy resources and carbon products depends, among other factors, on the availability of adequate capacity of infrastructure to markets at a commercially viable price. Equinor may be unsuccessful in its efforts to secure commercially viable transportation, transmission, and markets for all its potential production in a cost-efficient manner, which in turn could affect our operational and financial performance.

Joint arrangement and contractors

The actions of our partners, contractors and sub-contractors could result in legal liability and financial loss for Equinor.

Many of Equinor's activities are conducted through joint arrangements or with contractors and sub-contractors which may limit Equinor's influence and control over the performance of such operations. If operators, partners, and contractors fail to fulfil their responsibilities, Equinor can be exposed to financial, operational, safety, security, sustainability and compliance, ethics and integrity risks, including reputational effects.

Equinor is also exposed to enforcement actions by regulators or claimants in the event of an incident in an operation where it does not exercise operational control. Operators, partners, and contractors may be unable or unwilling to compensate Equinor for costs incurred on their behalf or on behalf of the relevant arrangement.

Such risks could impact Equinor's operational and financial performance, the implementation of its strategy, our reputation and the value of our securities.

Competition and technological innovation

If competitors move faster or in other directions related to the development and deployment of new technologies and products, Equinor's financial performance and ability to deliver on our strategy may be adversely affected.

Equinor could be adversely affected if we do not remain commercially and technologically competitive to efficiently develop and operate an attractive portfolio of assets, to obtain access to new opportunities, and to keep pace with deployment of new technologies and products that can impact our transition to a broad energy company.

Equinor's financial performance may be negatively impacted by competition from players with stronger financial resources or with increased agility and flexibility, and from an increasing number of companies applying new business models.

Ownership and actions by the Norwegian state

The interests of Equinor ASA's majority shareholder, the Norwegian state, may not always be aligned with the interests of Equinor ASA's other shareholders. A change in the Norwegian state's ownership policy or in the manner in which the Norwegian state exercises its ownership can impact Equinor's ability to execute its strategy and deliver on its ambitions or impact Equinor's financial performance.

The Norwegian state, as our majority shareholder with 67% ownership as of 31 December 2024, has the power to influence the outcome of any vote of shareholders, including amendments to Equinor's articles of association (which require the support of two-thirds of the votes cast at the general meeting) and the election of all non-employee members of the corporate assembly (which requires a majority of the votes cast). Factors influencing the voting of the Norwegian state could be different from the interests of the other shareholders.

The Norwegian state has resolved that its shares in Equinor and the State's Direct Financial Interests in NCS licences must be managed in accordance with a coordinated ownership strategy for the Norwegian state's oil and gas interests. Under this strategy, the Norwegian state has required Equinor to market the Norwegian state's oil and gas together with Equinor's own oil and gas as a single economic unit and to take account of the Norwegian state's interests in all decisions that may affect the marketing of these resources. If the Norwegian state's coordinated ownership strategy is not adequately implemented, then Equinor's mandate to sell the Norwegian state's oil and gas together with its own oil and gas is likely to be prejudiced which could have an adverse effect on Equinor's position in the markets in which it operates.

Any change to the manner in which the Norwegian state exercises its ownership of Equinor could influence Equinor's ability to execute its strategy and deliver on its ambitions and could therefore have an adverse effect on Equinor's financial performance.

Policies and legislation

Equinor's operations in various countries are subject to dynamic legal and regulatory factors that could impact our business plans and financial performance.

Equinor operates in certain countries which lack well-functioning and reliable legal systems, where the enforcement of contractual rights is uncertain, and where the governmental, fiscal, and regulatory regimes can change over time or can be subject to unexpected or rapid change. Such changes could constrain our plans, cause operational delays, increase costs of regulatory compliance, increase litigation risk, impact the sale of our products, require us to divest or curtail operations, limit access to new opportunities, and affect provisions for pension, tax, and legal liabilities.

Moreover, if a country in which Equinor operates changes its laws, regulations, policies, or practices relating to energy or the oil and gas industry, including in response to environmental, social or governance concerns, Equinor's national and/or international exploration, development and production activities, and the results of its operations, could be affected. In addition, changes in the tax laws of the countries in which Equinor operates could have a material adverse effect on liquidity and the results of operations.

Equinor's exploration and production activities undertaken together with national oil companies are subject to a significant degree of state control. In recent years, governments and national oil companies have in some regions exercised greater authority and imposed more stringent conditions on energy companies. Intervention by governments could take a variety of forms, such as nationalisation, expropriation, cancellation, non-renewal, restriction or renegotiation of our interests, assets, and related rights. Equinor could be subject to the imposition of new contractual obligations, price and exchange controls, tax or royalty increases, payment delays, and currency and capital transfer restrictions.

Equinor's US operations use hydraulic fracturing, which is subject to a range of federal, state, and local laws. Various US states and local governments have implemented, or are considering, changes to regulations or increased regulatory oversight of hydraulic fracturing that could adversely affect Equinor's US onshore business and the demand for its fracturing services. The ongoing maturation of the regulatory framework and permitting requirements for low-carbon value chains in various countries can also impact financial outcomes from Equinor's investment in related technologies, opportunities, and projects. Equinor incurs, and expects to continue to incur, substantial capital, operating, maintenance and remediation costs relating to compliance with increasingly complex laws, regulations and obligations related to the protection of the environment and human health and safety, as well as in response to concerns relating to climate change. Such occurrences could have a materially adverse effect on Equinor's operations and opportunities, liquidity, and financial performance.

Financial risks, liquidity and capital management

Equinor's business is exposed to liquidity, interest rate, foreign exchange, equity and credit risks that could adversely affect the results of Equinor's operations, our financial position and ability to operate, as described in note 4 to the Consolidated Financial Statements for Equinor. See also Note 4 to the financial statements for Equinor Energy AS where financial risks for Equinor Energy AS are described.

Equinor Energy AS is exposed to financial risk as a co-obligor and guarantor for debt issued by Equinor ASA.

Trading and commercial supply activities

Equinor's trading and commercial supply activities in the commodity markets can lead to financial losses.

Equinor uses financial instruments such as futures, options, over-the-counter (OTC) forward contracts, market swaps and contracts for differences related to crude oil, petroleum products, natural gas and electricity to manage price differences and volatility. Trading activities involve elements of forecasting, and Equinor bears the risk of market movements, the risk of losses if prices develop contrary to expectations, and the risk of default by counterparties.

Workforce capabilities and organisational change

Equinor may not be able to secure the right level of workforce competence and capacity, or to leverage efficient organisational operating models, to execute strategy and operations effectively, which could have an adverse effect on Equinor's current and future business and performance.

Equinor depends on workforce capacity and competence to deliver on its strategy, including transition to a broad energy company. Uncertainties related to the future of the oil and gas industry and the rate of growth of new value chains, the need for new capabilities, and increased competition for talent, pose a risk to securing the right level of workforce competence and capacity through industry cycles.

Further, we may implement internal restructuring and changes to our operating model to meet the needs of the oil and gas, renewable, low-carbon and other domains, but such changes may not deliver on expectations.

Any such failure to secure the right level of workforce competence and capacity and/or to leverage efficient organisational operating models could have an adverse effect on Equinor's current and future business.

Crisis management, business continuity and insurance coverage

Equinor's crisis management and business continuity systems may prove inadequate to limit disruption to our business causing losses. Equinor's insurance coverage may not provide adequate protection from losses, with a potential material adverse effect on Equinor's financial position.

Our business could be severely affected if Equinor does not respond or is perceived not to have prepared, prevented, responded, or recovered in an effective and appropriate manner to a crisis or major incident. A crisis or disruption might occur as a result of a security or cybersecurity incident or if a risk described under Security, safety and environmental risks materialises.

Equinor maintains insurance coverage that includes physical damage to its properties, third-party liability, workers' compensation and employers' liability, general liability, sudden pollution, and other cover. Equinor's insurance coverage includes deductibles that must be met prior to recovery and is subject to caps, exclusions, and limitations. There is no assurance that such cover will adequately protect Equinor against liability from all potential consequences and damages as illustrated by the financial loss for the group related to the fire at Hammerfest LNG in 2020.

The Equinor group retains parts of its insurable risks in a wholly owned captive insurance company, so insurance recovery outside of the Equinor group may be limited.

HEALTH. SAFETY, SECURITY AND ENVIRONMENTAL RISKS

Health, safety and environmental factors

Equinor is exposed to a wide range of risk factors that could result in harm to people, the environment, and our assets, as well as cause significant losses through business interruption, increased costs, regulatory action, legal liability, and damage our reputation and social licence to operate.

Risk factors that could lead to impacts on health, safety and the environment include human performance, operational failures, breach of digital security, detrimental substances, subsurface conditions (including conditions related to hydraulic fracturing), technical integrity failures, vessel collisions, natural disasters, adverse weather or climatic conditions, physical effects of climate change, epidemics or pandemics, breach of human rights, structural and organisational changes and other occurrences. Continuation, resurgence or emergence of a pandemic, could precipitate or aggravate the other risk factors identified in this report and materially impact Equinor's operations and financial condition.

These risk factors could result in disruptions of our operations and could, among other things, lead to blowouts, structural collapses, loss of containment of hydrocarbons or other hazardous materials, fires, explosions and water contamination that cause harm to people, loss of life or environmental damage. All modes of transportation of hydrocarbons are susceptible to a loss of containment of hydrocarbons and other hazardous materials and represent a significant risk to people and the environment. Equinor could also be subject to civil and/or criminal liability and the possibility of incurring substantial costs, including cost related to remediation if any such health, safety or environmental risk materialises.

It is not possible to guarantee that the management system or other policies and procedures will be able to identify or mitigate all aspects of health, safety and environmental risks or that all activities will be carried out in accordance with these systems.

Security breaches

Equinor's personnel, assets, infrastructure, and operations may be subject to hostile or malicious acts that disrupt our operations, cause loss of data, harm to people or the environment, and affect Equinor's financial performance.

Security threats may arise from terrorism, crime, acts of sabotage, armed conflict, civil unrest, maritime crime, insiders and social engineering and illegal or unsafe activism. A changing geopolitical, political, technological and social context makes these factors increasingly unpredictable.

Management of security risks, and the application of national security laws or policies, can incur significant costs, restrict our ability to do business in a particular jurisdiction and limit operations, including our supply chains and the supply of our products. Failure to avoid security breaches can disrupt Equinor operations, cause loss, misuse or manipulation of data, harm to our people, assets, or the environment, result in fines or liabilities and impact our reputation and future business, all of which may affect Equinor's financial performance. Equinor could be required to spend significant financial and other resources to avoid, limit or remedy the damage caused by a security breach, which in turn may adversely affect Equinor's operational and financial performance.

COMPLIANCE AND CONTROL RISKS

Supervisions, regulatory reviews, and reporting

Supervision, review and sanctions for violations of laws and regulations at the supranational, national and local level may lead to legal liability, substantial fines, claims for damages, criminal sanctions and other sanctions for noncompliance, and reputational damage.

Applicable laws and regulations include, among others, those relating to financial reporting, taxation, bribery and corruption, securities and commodities trading, fraud, competition and antitrust, safety and the environment, labour and employment practices and data privacy rules. The enactment of, or changes to, such laws and regulations could create compliance challenges and increase the likelihood of a violation occurring.

Equinor is subject to supervision by the Norwegian Ocean Industry Authority (Havtil), whose regulatory authority covers the whole NCS including offshore-wind as well as petroleum-related plants onshore in Norway. Equinor may become subject to supervision or be required to report to other regulators internationally, and such supervision could result in audit reports, orders, and investigations.

Equinor Energy AS' parent company, Equinor ASA's equity securities are listed on Oslo Børs (OSE) and the New York Stock Exchange (NYSE) and its EMTN programme for debt securities is listed on the London Stock Exchange. Equinor ASA is a reporting company under the rules and regulations of the US Securities and Exchange Commission (the SEC). Equinor is required to comply with the continuing obligations of relevant regulatory authorities, and violation of these obligations may result in legal liability, the imposition of fines and other sanctions.

Equinor ASA is also subject to financial review from financial supervisory authorities such as the Norwegian Financial Supervisory Authority (FSA) and the SEC. Reviews performed by financial supervisory authorities could result in changes to previously published financial statements and future accounting practices. In addition, failure of external reporting to report data accurately and in compliance with applicable standards could result in regulatory action, legal liability, and damage to Equinor's reputation.

Trading activities are subject to regulation and actual or perceived non-compliance with such regulations may adversely affect Equinor's financial results and performance. Individuals or groups of traders acting for or on behalf of Equinor have in the past, and may in the future, act outside of their respective mandates or in speculative manners which are perceived as inappropriate by regulatory authorities which could result in financial loss, fines, reputational damage or loss of licence to operate, including permissions to trade. Assurance of financials or sustainability statements could identify deficiencies in Equinor's internal control processes over reporting, which may result in remediation costs and loss of investor confidence that can potentially impact the share price. Errors, inconsistencies, misinterpretation, misuse or lack of information in our external reporting can similarly cause loss of investor confidence and expose us to risks associated with accusations of greenwashing.

Business integrity and ethical conduct

Non-compliance with anti-corruption and bribery laws, anti-money laundering laws, competition and antitrust laws, sanctions and trade restrictions or other applicable laws, or failure to meet Equinor's ethical requirements, could expose Equinor to legal liability, lead to a loss of business, loss of access to capital and damage our reputation and social licence to operate.

Equinor is subject to anti-corruption and bribery laws and anti-money laundering laws in multiple jurisdictions, including the Norwegian Penal code, the US Foreign Corrupt Practices Act and the UK Bribery Act. A violation of such applicable laws could expose Equinor to investigations from multiple authorities and may lead to criminal and/or civil liability with substantial fines. Incidents of noncompliance with applicable anti-corruption and bribery laws and regulations and the Equinor Code of Conduct could be damaging to Equinor's reputation, competitive position, and shareholder value. Similarly, a breach of human rights due diligence and reporting obligations or a failure to uphold our human rights policy may lead to economic sanctions or damage our reputation and social licence to operate.

Equinor has a diverse portfolio of projects worldwide and operates in markets and sectors impacted by sanctions and international trade restrictions. Sanctions and trade restrictions are complex, unpredictable and are often implemented at short notice. While Equinor remains committed to comply with sanctions and trade restrictions and takes steps to ensure, to the extent possible, compliance therewith, there can be no assurance that an Equinor entity, officer, director, employee, or agent is not in violation of such sanctions and trade restrictions. Any such violation, even if minor in monetary terms, could result in substantial civil and/or criminal penalties and could materially adversely affect Equinor's business and results of operations or financial condition.

Equinor is subject to competition and antitrust laws in multiple jurisdictions, including the Norwegian Competition Act, the Treaty of the Functioning of the European Union and the Unites States' Sherman Act, Clayton Act, HSR Act and Federal Trade Commission Act. A violation of such laws could expose Equinor to investigations from multiple authorities and may lead to criminal and/or civil liability with substantial fines. Incidents of noncompliance with applicable competition and antitrust laws and the Equinor Code of Conduct could be damaging to Equinor's reputation, competitive position, and shareholder value.

Board of directors

At present, Equinor Energy AS' board of directors consists of five members.

The board held four ordinary meetings and seven extraordinary meetings in 2024. The average meeting attendance at these board meetings was 93%.

STAVANGER, March 28, 2025

THE BOARD OF DIRECTORS OF EQUINOR ENERGY AS

/s/ TORGRIM REITAN

CHAIR

/s/ ASLEIV BRANDSØY

MANAGING DIRECTOR

/s/ ANNETTE FRYDENBERG

/s/ FINN LEXOW

/s/ SIV HELEN RYGH TORSTENSEN

Financial statements

STATEMENT OF INCOME EQUINOR ENERGY AS

		Full year	
(in USD million)	**Note**	**2024**	**2023**
Revenues	5	**36,631**	41,867
Net income/(loss) from subsidiaries and other equity accounted investments	13	**981**	1,307
Other income		**265**	216
Total revenues and other income		**37,877**	43,390
Purchases [net of inventory variation]		**(531)**	(645)
Operating expenses		**(4,371)**	(4,653)
Selling, general and administrative expenses		**(91)**	(98)
Depreciation, amortisation and net impairment	11, 12	**(4,961)**	(5,170)
Exploration expenses	12	**(513)**	(476)
Total operating expenses		**(10,467)**	(11,042)
Net operating income/(loss)		**27,410**	32,348
Interest income and other financial income	9	**564**	721
Interest expenses and other financial expenses	9	**(255)**	(310)
Other financial items	9	**207**	354
Net financial items		**517**	765
Income/(loss) before tax		**27,927**	33,113
Income tax	10	**(20,229)**	(24,029)
Net income/(loss)		**7,698**	9,083

STATEMENT OF COMPREHENSIVE INCOME EQUINOR ENERGY AS

		Full year	
(in USD million)	**Note**	**2024**	**2023**
Net income/(loss)		**7,698**	9,083
Foreign currency translation effects		**(625)**	(1,397)
Items that may subsequently be reclassified to the Statement of Income		**(625)**	(1,397)
Other comprehensive income/(loss)		**(625)**	(1,397)
Total comprehensive income/(loss)		**7,073**	7,686
Attributable to the equity holders of the company		**7,073**	7,686

BALANCE SHEET EQUINOR ENERGY AS

(in USD million)	Note	At 31 December 2024	2023
ASSETS			
Property, plant and equipment	11	**25,304**	28,356
Intangible assets	12	**1,724**	1,607
Investments in subsidiaries and other equity accounted investments	13	**25,157**	23,585
Derivative financial instruments	4	**247**	274
Prepayments and financial receivables		**167**	135
Receivables from group companies		**3**	389
Total non-current assets		**52,602**	54,346
Inventories		**120**	139
Trade and other receivables[1)]	15	**608**	713
Prepayments and financial receivables[1)]	15	**336**	341
Receivables from group companies	14	**12,439**	14,775
Derivative financial instruments	4	**61**	62
Cash and cash equivalents[1)]		**25**	–
Total current assets		**13,590**	16,030
Assets classified as held for sale		**384**	–
Total assets		**66,576**	70,376
EQUITY AND LIABILITIES			
Share capital		**5,530**	5,530
Additional paid-in capital		**9,505**	9,505
Reserves for unrealized gains		**90**	110
Retained earnings		**15,116**	16,773
Other reserves		**(7,103)**	(6,478)
Total equity	16	**23,137**	25,438
Lease liabilities	19	**526**	517
Deferred tax liabilities	10	**12,498**	13,204
Liabilities to group companies	14	**3,557**	6,424
Provisions and other liabilities	17	**7,911**	8,742
Total non-current liabilities		**24,492**	28,887
Trade and other payables[2)]	18	**1,354**	1,627
Provisions and other liabilities[2)]	18	**354**	322
Current tax payable	10	**9,626**	11,372
Lease liabilities	19	**330**	315
Liabilities to group companies	14	**7,000**	2,414
Total current liabilities		**18,665**	16,050
Liabilities directly associated with the assets classified as held for sale	10	**283**	–
Total liabilities		**43,440**	44,937
Total equity and liabilities		**66,576**	70,376

1) Disaggregated from the previously reported line-item Trade and other receivables.

2) Disaggregated from the previously reported line-item Trade, other payables and provisions.

STATEMENT OF CASH FLOWS EQUINOR ENERGY AS

		Full year	
(in USD million)	Note	2024	2023
Income/(loss) before tax		**27,927**	33,113
Depreciation, amortisation and net impairments, including exploration write-offs	11, 12	**4,989**	5,237
(Gains)/losses on foreign currency transactions and balances		**(207)**	(354)
(Gains)/losses on sale of assets and businesses	3	**(145)**	(221)
(Income)/loss from equity accounted subsidiaries and investments		**(728)**	(41)
(Increase)/decrease in other items related to operating activities		**(481)**	(443)
(Increase)/decrease in net derivative financial instruments		**(413)**	(554)
Interest received		**576**	807
Interest paid		**(45)**	(18)
Cash flows provided by operating activities before taxes paid and working capital items		**31,473**	37,527
Taxes paid		**(19,151)**	(27,047)
(Increase)/decrease in working capital		**(686)**	3,319
Cash flows provided by operating activities		**11,636**	13,798
Capital expenditures and investments	11, 12, 13	**(6,990)**	(5,425)
(Increase)/decrease in other interest-bearing items		**7**	32
(Increase)/decrease in financial receivables from group companies		**(1)**	(1)
Proceeds from sale of assets and businesses and capital contribution received		**292**	228
Cash flows provided by/(used in) investing activities		**(6,692)**	(5,165)
Repayment of lease liabilities	19	**(377)**	(440)
Dividend and group contribution		**(6,643)**	(26,626)
Increase/(decrease) in financial receivables and liabilities to/from Equinor group companies[1)]	14	**2,102**	18,377
Cash flows provided by/(used in) financing activities		**(4,918)**	(8,689)
Net increase/(decrease) in cash and cash equivalents		**27**	(56)
Foreign currency translation effects		**(2)**	(1)
Cash and cash equivalents at the beginning of the period		**0**	57
Cash and cash equivalents at the end of the period[2)]		**25**	0

1) Mainly deposits in Equinor group´s internal bank arrangement.
2) Equinor Energy AS is taking part in an internal cash pool arrangement with Equinor ASA.

Notes to the Financial statements Equinor Energy AS

1 Organisation

Equinor Energy AS is incorporated and domiciled in Norway. The address of its registered office is Forusbeen 50, NO-4035 Stavanger, Norway.

Equinor Energy AS' business consists of the exploration, production, transportation, refining and marketing of petroleum and petroleum-derived products, as well as financial support to other Equinor group entities. The group internal financial support includes the issuance of guarantees and to serve as co-obligor for certain finance debt entered into by Equinor ASA. The Equinor group's net assets on the Norwegian continental shelf are owned by Equinor Energy AS.

Equinor Energy AS is consolidated into Equinor ASA's Consolidated financial statements, cf. Equinor ASA's annual report. In accordance with the Norwegian Accounting Act §3-7, Equinor Energy AS does not prepare consolidated financial statements. For more information see Equinor ASA's Annual report 2024. The Consolidated financial statements can be obtained by contacting Equinor ASA, Forusbeen 50, 4035 Stavanger or from the website, www.equinor.com.

The financial statements of Equinor Energy AS for the full year of 2024 were authorised for issue in accordance with a resolution of the board of directors on 28 March 2025.

2 Material accounting policies

Statement of compliance
The financial statements of Equinor Energy AS ("the company" or "Equinor") are prepared in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act and regulations regarding simplified application of international accounting standards issued by the Norwegian Ministry of Finance on 7 February 2022.

Basis of preparation
The financial statements are prepared on the historical cost basis with some exceptions where fair value measurement is applied. These exceptions are specifically disclosed in the accounting policies set out below. These material accounting policies have been applied consistently to all periods presented in these financial statements, except as otherwise noted. Certain amounts in the comparable years have been reclassified or re-presented to conform to current year presentation. Due to rounding, the subtotals and totals in some of the tables in the notes may not equal the sum of the amounts shown in the primary financial statements due to rounding.

The statement of cash flows has been prepared in accordance with the indirect method.

Subsidiaries, associated companies and joint arrangements
Shareholdings and interests in subsidiaries and associated companies (companies in which Equinor Energy AS does not have control, or joint control, but has the ability to exercise significant influence over operating and financial policies, generally when the ownership share is between 20% and 50%), as well as Equinor's participation in joint arrangements that are joint ventures, are accounted for using the equity method. Under the equity method, the investment is carried on the Balance sheet at cost adjusted for post-acquisition changes in Equinor Energy AS' share of net assets of the entity, less impairments and distribution received. Goodwill is included and tested for impairment as part of the related investment in the subsidiary or associated company. The Statement of income reflects Equinor's share of the results after tax of an equity-accounted entity, adjusted to account for depreciation, amortisation and any impairment of the equity-accounted entity's assets based on their fair values at the date of acquisition in situations where Equinor Energy AS has not been the owner since the establishment of the entity. Equinor also reflects its share of the investment's other comprehensive income (OCI) arisen after the acquisition. Net income/loss from equity accounted investments is presented as part of Total revenues and other income, as these investments in other companies engaged in energy-related business activities are considered part of Equinor's main operating activities.

Within Equinor Energy AS' equity, a reserve for valuation variances has been established. All positive differences between the equity accounted investments' carrying value and the acquisition cost are allocated to this reserve.

Interests in joint operations (arrangements in which Equinor and other participants have joint control and each of the parties have rights to the assets and obligations for the liabilities, relating to their respective share of the arrangement) and similar arrangements (licences) outside the scope of IFRS 11 are recognised on a line-by-line basis, reflecting Equinor Energy AS' share of assets, liabilities, income and expenses.

Indirect operating expenses, such as personnel expenses from Equinor ASA, are accumulated in cost pools. These costs are allocated on an hour incurred basis to business areas and to Equinor-operated joint operations under IFRS 11 and to similar arrangements (licences) outside the scope of IFRS 11. Costs allocated to the other partners' share of operated joint operations and similar arrangements reduce the costs in the Statement of income.

Asset transfers between Equinor Energy AS and its subsidiaries
Transfers of assets and liabilities between Equinor Energy AS and entities directly or indirectly controlled by Equinor Energy AS are accounted for at the carrying amounts of the assets and liabilities transferred, when the transfer is part of a reorganisation within the Equinor group.

Functional currency and foreign currency translations
Equinor Energy AS´ functional currency is Norwegian Krone (NOK), based on an evaluation of the company´s primary environment and related cash-flows. Transactions in foreign currencies are translated to NOK, at the foreign exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to NOK at the foreign exchange rate at the balance sheet date. Foreign exchange differences arising on translation are recognised in the Statement of income. Non-monetary assets that are measured at historical cost in a foreign currency are translated using the exchange rate at the dates of the transactions.

Presentation currency
Equinor Energy AS´ presentation currency is US Dollar (USD). The Statement of income, the Balance sheet and the Statement of cash flows of Equinor Energy AS are translated from NOK into USD. Assets and liabilities are translated into USD at the foreign exchange rate at the balance sheet date. Revenues and expenses are translated using the foreign exchange rates on the dates of the transactions. Foreign exchange differences arising on translation from functional currency to presentation currency are recognised separately within Other comprehensive income (OCI).

Revenues
Revenue from contracts with customers is recognised upon satisfaction of the performance obligations for the transfer of goods and services in each such contract. The revenue amounts that are recognised reflect the consideration to which Equinor expects to be entitled in exchange for those goods and services. Revenue from the sale of crude oil, natural gas, petroleum products and other merchandise is recognised when a customer obtains control of those products, which normally is when title passes at point of delivery, based on the contractual terms of the agreements. Each such sale normally represents a single performance obligation. In the case of natural gas, which is delivered on a continuous basis through pipelines, sales are completed over time in line with the delivery of the actual physical quantities.

Revenues from the production of oil and gas in which Equinor shares an interest with other companies are recognised on basis of volumes lifted and sold to customers during the period (the sales method). Where Equinor has lifted and sold more than the ownership interest, an accrual is recognised for the cost of the overlift. Where Equinor has lifted and sold less than the ownership interest, costs are deferred for the underlift.

Research and development
The company undertakes research and development both on a funded basis for licence holders, and on an unfunded basis for projects at its own risk. The company's own share of the licence holders' funding and the total costs of the unfunded projects are considered for capitalisation under the applicable requirements. All other research and development expenditures are expensed as incurred. Subsequent to initial recognition, any capitalised development costs are reported at cost less accumulated amortisation and accumulated impairment.

Cost of CO2 Quotas
Purchased CO_2 quotas under the EU Emissions Trading System (EU ETS) are reflected at cost in Operating expenses as incurred in line with emissions. Accruals for CO_2 quotas required to cover emissions to date are valued at market price and reflected as current liabilities within Trade and other payables. Quotas owned, but exceeding the emissions incurred to date, are carried in the balance sheet at cost price, classified as Other current receivables, as long as such purchased quotas are acquired in order to cover own emissions and may be kept to cover subsequent years´ emissions.

Obligations resulting from current year emissions and the corresponding amounts for quotas that have been bought, paid, and expensed, but which have not yet been surrendered to the relevant authorities, are reflected net in the balance sheet..

Income tax
Income tax in the Statement of income for the year comprises current income tax and effects of changes in deferred tax positions. Income tax is recognised in the Statement of income except when it relates to items recognised in other comprehensive income (OCI), in which case it is recognised in OCI.

Current tax consists of the expected tax payable on the taxable income for the year and any adjustment to tax payable for previous years. Uncertain tax positions and potential tax exposures are analysed individually. The outcomes of tax disputes are mostly binary in nature, and in each case the most likely amount for probable liabilities to be paid (including penalties) or assets to be received (disputed tax positions for which payment has already been made) is recognised within current tax or deferred tax as appropriate.

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities and their respective tax bases, subject to the initial recognition exemption. A deferred tax asset is recognised only to the extent that it is probable that future taxable income will be available against which the asset can be utilised. For a deferred tax asset to be recognised based on future taxable income, convincing evidence is required, considering the existence of contracts, production of oil or gas in the near future based on volumes of proved reserves, observable prices in active markets, expected volatility of trading profits and similar facts and circumstances. When an asset retirement obligation or a lease contract is initially reflected in the accounts, a deferred tax liability and a corresponding deferred tax asset are recognised simultaneously and accounted for in line with other deferred tax items.

Oil and gas exploration, evaluation and development expenditures
Equinor Energy AS uses the successful efforts method of accounting for oil and gas exploration costs. Expenditures to acquire mineral interests in oil and gas properties, including signature bonuses, expenditures to drill and equip exploratory wells and evaluation expenditures are capitalised within Intangible assets as Exploration expenditures and Acquisition costs – oil and gas prospects. Geological and geophysical costs and other exploration and evaluation expenditures are expensed as incurred.

Exploration wells that discover potentially economic quantities of oil and natural gas remain capitalised as intangible assets during the evaluation phase of the discovery. This evaluation is normally finalised within one year after well completion. If, following the evaluation, the exploratory well has not found potentially commercial quantities of hydrocarbons, the previously capitalised costs are evaluated for derecognition or tested for impairment. Any derecognition or impairment is classified as Exploration expenses in the Statement of income.

Capitalised exploration and evaluation expenditures related to wells that find hydrocarbon resources, are transferred to Property, plant and equipment at the time of sanctioning of the development project. The timing from evaluation of a discovery until a project is sanctioned could take several years depending on the location and maturity, including existing infrastructure, of the area of discovery, whether a host government agreement is in place, the complexity of the project and the financial robustness of the project.

For exploration and evaluation asset acquisitions (farm-in arrangements) in which the company has decided to fund a portion of the selling partners' exploration and/or future development expenditures (carried interests), these expenditures are reflected in the financial statements as and when the exploration and development work progresses. The company reflects exploration and evaluation asset disposals (farm-out arrangements) on a historical cost basis with no gain or loss recognition.

A gain related to a post-tax-based disposal of assets on the NCS includes the release of tax liabilities previously recognised related to the assets in question. The resulting post-tax gain is recognised in full in Other income in the Statement of income.

Equal-valued exchanges (swaps) of exploration and evaluation assets with only immaterial cash considerations are accounted for at the carrying amounts of the assets given up with no gain or loss recognition.

Property, plant and equipment
Property, plant and equipment is measured at cost, less accumulated depreciation and impairment. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of an asset retirement obligation, exploration costs transferred from intangible assets and, for qualifying assets, borrowing costs.

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Inspection and overhaul costs, associated with regularly scheduled major maintenance programs planned and carried out at recurring intervals exceeding one year, are capitalised and amortised over the period to the next scheduled inspection and overhaul. All other maintenance costs are expensed as incurred.

Capitalised exploration and evaluation expenditures, development expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of production wells, and field-dedicated transport systems for oil and gas are capitalised as producing oil and gas properties within Property, plant and equipment. Such capitalised costs, when designed for significantly larger volumes than the reserves from already developed and producing wells, are depreciated using the unit of production method (UoP) based on proved reserves expected to be recovered from the area during the concession or contract period. Depreciation of production wells uses the UoP method based on proved developed reserves, and capitalised acquisition costs of proved properties are depreciated using the UoP method based on total proved reserves. In the rare circumstances where the use of proved reserves fails to provide an appropriate basis reflecting the pattern in which the asset's future economic benefits are expected to be consumed, a more appropriate reserve estimate is used. Depreciation of other assets and transport systems used by several fields is calculated on the basis of their estimated useful lives, normally using the straight-line method. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. For exploration and production assets the company has established separate depreciation categories which as a minimum distinguish between platforms, pipelines and wells.

The estimated useful lives of property, plant and equipment are reviewed on an annual basis and changes in useful lives are accounted for prospectively. An item of property, plant and equipment is derecognised upon disposal. Any gain or loss arising on derecognition of the asset is included in Other income or Operating expenses, respectively, in the period the item is derecognised.

Monetary or non-monetary grants from governments, when related to property, plant and equipment and considered reasonably certain, are recognised in the Balance sheet as a deduction to the carrying value of the asset and subsequently recognised in the Statement of income over the life of the depreciable asset as a reduced depreciation expense.

Leases
A lease is defined as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Equinor Energy AS is for most part the lessee in its lease contracts, where the company leases assets used in its operations, such as drilling rigs, supply vessels, land bases and helicopters. As a lessee, for each contract that meets the definition of a lease, Equinor

Energy AS recognises a lease liability at commencement of the lease term, equal to the net present value of non-variable lease payments over the lease term. The lease term includes non-cancellable lease periods under the lease contracts, including periods covered by lease extension options considered reasonably certain to be executed. Short-term leases (12 months or less), leases of low value assets (defined as when the sum of nominal lease payments over the lease term do not exceed USD 500,000), variable lease elements and non-lease components within lease contracts are expensed as incurred. The discount rate used to calculate the lease liability is based on Equinor Energy AS' incremental borrowing rate.

Correspondingly, a right-of-use (RoU) asset is recognised at an amount which normally would equal the lease liability. The RoU asset is depreciated over the lease term, unless the lease costs are included in the cost of another asset, typically in exploration or development activities.

Lease payments are separated into repayment of the lease liability, presented within cash flows used in financing activities in the Statement of cash flows, and payments of interests, presented with financial items in the Statement of income and operating cash flows in the Statement of cash flows.

Where all partners in a licence are considered to share the primary responsibility for lease payments under a contract, the related lease liability and RoU asset will be recognised net by Equinor, on the basis of Equinor's participation interest in the licence. When Equinor is considered to have the primary responsibility for the full external lease payments, the lease liability is recognised gross (100%). Equinor derecognises a portion of the RoU asset equal to the non-operator's interests in the lease, and replace it with a corresponding financial lease receivable, if a financial sublease is considered to exist between Equinor and the licence. A financial sublease will typically exist where Equinor enters into a contract in its own name, has the primary responsibility for the external lease payments, the underlying asset will only be used on one specific licence, and the costs and risks related to the use of the asset are carried by that specific licence.

Intangible assets including goodwill
Intangible assets are measured at cost, less accumulated amortisation and impairment. Intangible assets mainly include expenditure on the exploration for and evaluation of oil and natural gas resources and goodwill.

Intangible assets relating to expenditures on the exploration for and evaluation of oil and natural gas resources are not amortised. When the decision to develop a particular area is made, related intangible exploration and evaluation assets are reclassified to Property, plant and equipment.

Goodwill is initially measured at the excess of the aggregate of the consideration transferred over the fair value of the identifiable assets acquired and liabilities assumed in a business combination at the acquisition date. Goodwill acquired is allocated to each cash generating unit (CGU), or group of units, expected to benefit from the combination's synergies. Following initial recognition, goodwill is measured at cost less any accumulated impairment. In acquisitions made on a post-tax basis according to the rules on the NCS, a provision for deferred tax is reflected in the accounts based on the difference between the acquisition cost and the tax depreciation basis transferred from the seller. The offsetting entry to such deferred tax amounts is reflected as goodwill, which is allocated to the CGU or group of CGUs on whose tax depreciation basis the deferred tax has been computed.

Other intangible assets with a finite useful life, are depreciated over their useful life using the straight-line method.

Financial assets excluding derivatives
Financial assets are initially recognised at fair value. Trade and other receivables are subsequently carried at amortised cost, which for receivables are represented by the original invoice amount, less a provision for doubtful receivables which represents expected losses computed on a probability-weighted basis. The line-item Receivables from group companies includes the company's positive internal bank balances, as these represent a receivable against the cash pool in Equinor ASA. See note 14 Financial assets and liabilities for more details. The line-item Trade and other receivables also includes the company's cash and cash equivalents. See note 15 Trade and other receivables for more details.

Financial assets are presented as current if these contractually will expire or otherwise are expected to be recovered within 12 months after the balance sheet date, or if these are held for trading purposes. Financial assets and financial liabilities are shown separately in the Balance sheet, unless Equinor has both a legal right and a demonstrable intention to net settle certain balances payable to and receivable from the same counterparty.

Derivative financial instruments
Equinor uses commodity-based derivative financial instruments to manage certain exposures to fluctuations in commodity prices. As described in note 21 Related parties, Equinor Energy AS carries the risk related to certain contracts entered into by Equinor ASA through back-to-back arrangements. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value through profit and loss. Equinor Energy AS presents the fair value of such derivative positions as intercompany receivables or liabilities towards Equinor ASA. The impact of commodity-based derivative financial instruments is recognised in the Statement of income under Revenues, as such derivative instruments are related to sales contracts or revenue-related risk management for all significant purposes.

Embedded derivatives within sales or purchase contracts between Equinor Energy AS and other companies within the Equinor group are not separated from the host contract.

Reserves for unrealised gains included within the Company's equity consists of accumulated unrealised gains on non-exchange traded financial instruments and accumulated positive fair value changes from embedded derivatives.

Contingent consideration which is included in Equinor's sales transactions from time to time is initially reflected at its fair value in the computation of transaction gain or loss, and, depending on the terms of the agreement, subsequently in most cases have been reflected in the accounts as a derivative, with the impact on the Statement of income included in Other income.

Financial liabilities
Interest-bearing loans and borrowings are generally from the parent company Equinor ASA, or from other entities in the Equinor group. These are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated including any issue costs as well as discount or premium on settlement.

Financial liabilities are presented as current if the liability is expected to be settled as part of Equinor's normal operating cycle, the liabilities are due to be settled within 12 months after the balance sheet date, Equinor does not have the right to defer settlement of the liability more than 12 months after the balance sheet date, or if the liabilities are held for the purpose of being traded. Financial liabilities are derecognised when the contractual obligations are settled, or if they expire, are discharged or cancelled.

Impairment of property, plant and equipment, right-of-use assets, intangible assets including goodwill and equity accounted investments
The company assesses individual assets or groups of assets for impairment when events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Assets are grouped into cash generating units (CGUs), typically individual oil and gas fields, plants, or equity accounted investments. For capitalised exploration expenditures, the CGUs are individual wells. In Equinor Energy AS' line of business, judgement is involved in determining what constitutes a CGU. Development in production, infrastructure solutions, markets, product pricing, management actions and other factors may over time lead to changes in CGUs such as the disaggregation of one original CGU into several.

In assessing whether a write-down of the carrying amount of a potentially impaired asset is required, the asset's carrying amount is compared to the recoverable amount. The recoverable amount used in Equinor's impairment assessments is normally estimated value in use. The assets' fair value less cost of disposal may also be applied when such a value is available, reasonably reliable and based on a recent and comparable transaction.

Value in use is determined using a discounted cash flow model. The estimated future cash flows are based on reasonable and supportable assumptions and represent management's best estimates of the range of economic conditions that will exist over the remaining useful life of the assets, as set down in the Equinor group's most recently approved forecasts. Assumptions and economic conditions applied in establishing the forecasts are reviewed by management on a regular basis and updated at least annually. See note 11 Property, plant and equipment for a presentation of the most recently updated commodity price assumptions. For assets and CGUs with an expected useful life or timeline for production of expected oil and gas reserves extending beyond 5 years, the forecasts reflect expected production volumes, and the related cash flows include project or asset specific estimates reflecting the relevant period. Such estimates are established on the basis of Equinor group`s principles and assumptions and are consistently applied.

The estimated future cash flows are adjusted for risks specific to the asset or CGU and discounted using a real post-tax discount rate based on Equinor's post-tax weighted average cost of capital (WACC). The use of post-tax discount rates in determining value in use does not result in a materially different determination of the need for, or the amount of, impairment that would be required if pre- tax discount rates had been used.

Properties that are not yet classified as reserves are assessed for impairment when facts and circumstances suggest that the carrying amount of the asset or CGU to which the unproved properties belong may exceed its recoverable amount, and at least once a year. Exploratory wells that have found hydrocarbon resources, but where classification of those resources as reserves depends on whether major capital expenditure can be justified or where the economic viability of that major capital expenditure depends on the successful completion of further exploration work, will remain capitalised during the evaluation phase for the exploratory finds. If, following evaluation, an exploratory well has not found hydrocarbon resources, the previously capitalised costs are tested for impairment. Subsequent to the initial evaluation phase for a well, it will be considered a trigger for impairment testing of a well if no development decision is planned for the near future and there is no firm plan for future drilling in the licence.

A previously recognised impairment is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. Impairments of goodwill are not reversed in future periods.

Impairments and reversals of impairments are presented in the Statement of income as Exploration expenses or Depreciation, amortisation and net impairment losses. This classification depends on the nature of the impaired assets, whether they are exploration assets (intangible exploration assets) or development and producing assets (property, plant and equipment and other intangible assets), respectively.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value might be impaired. Impairment is determined by assessing the recoverable amount of the CGU, or group of units, to which the goodwill relates. When conducting impairment testing of goodwill initially recognised as an offsetting item to the computed deferred tax provision in a post-tax transaction on the NCS, the remaining amount of the deferred tax provision will factor into the impairment evaluations.

Dividends and group contributions
Under simplified application of international accounting standards outlined in section 3-9 of the Norwegian Accounting Act, dividends and group contributions may be recognised in the year they are proposed by the Board of Directors, but subject to approval from annual general meeting before distribution. This deviates from the recognition requirements under IFRS Accounting Standards. Proposed dividends to shareholders are recognised and classified as Dividend payables within Current liabilities. Proposed group contributions to other entities within Equinor's Norwegian tax group are recognised and classified as Liabilities to subsidiaries and other equity accounted investments. Proposed dividends and group contributions from other group companies are recognised and classified as Receivables from subsidiaries and other equity accounted companies.

Provisions
Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised under interest and other financial expenses in Net financial items.

Onerous contracts
The company recognises as provisions the net obligation under contracts defined as onerous. Contracts are deemed to be onerous if the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received in relation to the contract. The provision for onerous contracts comprises the costs that relate directly to the contract, both incremental costs and an allocation of other costs that relate directly to fulfilling the contracts. A contract which forms an integral part of the operations of a cash generating unit whose assets are dedicated to that contract, and for which the economic benefits cannot be reliably separated from those of the cash generating unit, is included in impairment considerations for the applicable cash generating unit.

Asset retirement obligations
Provisions for Asset retirement obligations (ARO) are recognised when the company has an obligation (legal or constructive) to dismantle and remove a facility or an item of property, plant and equipment and to restore the site on which it is located, and when a reliable estimate of that liability can be made. Normally an obligation arises for a new facility, such as an oil and natural gas production or transportation facility, upon construction or installation. An obligation may also arise during the period of operation of a facility through a change in legislation or through a decision to terminate operations or be based on commitments associated with the company's ongoing use of pipeline transport systems where removal obligations rest with the volume shippers.

The amount recognised is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. The cost is estimated based on current regulation and technology, considering relevant risks and uncertainties. The discount rate used in the calculation of the ARO is a market-based risk-free rate based on the applicable currency and time horizon of the underlying cash flows. The provisions are classified under Provisions in the Balance sheet.

When a provision for ARO is recognised, a corresponding amount is recognised to increase the related property, plant and equipment and is subsequently depreciated as part of the property, plant and equipment. Any change in the present value of the estimated expenditures is reflected as an adjustment to the provision and the corresponding property, plant and equipment. When a decrease in the ARO related to a producing asset exceeds the carrying amount of the asset, the excess is recognised as a reduction of Depreciation, amortisation and net impairment in the Statement of income. When an asset has reached the end of its useful life, all subsequent changes to the ARO are recognised as they occur in Operating expenses in the Statement of income. Removal provisions associated with shipping of volumes through third party transport systems are expensed as incurred.

Accounting judgement and key sources of estimation uncertainty.
A detailed description of accounting judgement and key sources of estimation uncertainty can be found in the Equinor's Consolidated statements for 2024.

3 Acquisitions and disposals

There were no significant acquisitions or disposals in 2024 or 2023.

4 Financial risk management and measurement of financial instruments

General information relevant to financial risks
Equinor Energy AS' activities expose the company to market risk, liquidity risk and credit risk. Financial risks are managed at Equinor group level. The Equinor group's approach to risk management includes assessing and managing risk in activities using a holistic risk approach by considering the correlation between the most important market risks and the natural hedges inherent in the group's portfolio, with focus on achieving the highest risk adjusted returns for the group within the given mandate.

Market risk
Equinor Energy AS operates in the worldwide crude oil and natural gas market and is exposed to market risks including fluctuations in hydrocarbon prices, foreign currency rates and interest rates that can affect the revenues and costs of operating, investing and financing. Equinor has guidelines for entering into derivative contracts to manage its commodity price, foreign currency rate, and interest rate risk, which encompasses Equinor Energy AS most significant market risks.

Commodity price risk
Commodity price risk represents Equinor Energy AS most important market risk. Equinor Energy AS has intercompany commodity based derivative contracts with Equinor ASA in order to manage the short-term commodity price risk, mainly related to gas prices. The commodity based derivative contracts consist of over-the-counter forward contracts, futures, market swaps and options related to natural gas. The term for natural gas derivatives is usually three years or less. Equinor's bilateral gas sales portfolio is exposed to various price indices with a combination of gas price markers.

Currency risk
Equinor Energy AS operating results and cash flows are affected by foreign currency fluctuations of the most significant currencies, the United States Dollar (USD), the Euro (EUR) and the British Pound (GBP), against the Norwegian Krone (NOK). The company's cash inflows are largely denominated in or driven by USD while cash outflows, such as operating expenses and taxes payable, are to a large extent denominated in NOK. Foreign currency exchange risk is managed at corporate level in accordance with policies and mandates.

Interest rate risk
Equinor Energy AS has liabilities with both variable and fixed interest rates. The liabilities with floating interest rate condition expose the company to cash flow risk caused by market interest rate fluctuations.

Liquidity risk
Liquidity risk is the risk that Equinor Energy AS will not be able to meet obligations of financial liabilities when they become due. The purpose of liquidity management is to make certain that Equinor Energy AS has sufficient funds available at all times to cover its financial obligations.

Liquidity and funding are managed at the corporate level of Equinor group, ensuring adequate liquidity to cover Equinor Energy AS' operational requirements. The Equinor group has a high focus and attention on credit and liquidity risk. In order to secure necessary financial flexibility, which includes meeting the financial obligations, The group maintains a conservative liquidity management policy. To identify future long-term financing needs, the Equinor group carries out three-year cash flow forecasts on a regular basis.

Credit risk
Key elements in the Equinor group's credit risk management are identification and assignment of credit ratings as well as exposure limits. The Equinor group uses risk mitigation tools to reduce or control credit risk both on a counterparty and portfolio level. The main tools include bank and parental guarantees, prepayments and cash collateral.

Credit risk is the risk that Equinor Energy AS customers or counterparties will cause Equinor Energy AS financial loss by failing to honour their obligations. Credit risk arises from credit exposures with customer accounts receivables as well as from derivative financial instruments. Equinor Energy AS is mainly exposed to credit risk related intercompany transactions and the back-to-back contracts with Equinor ASA. See note 5 Revenues for further information.

Measurement of financial instruments
Equinor Energy AS' derivative financial instruments are measured at fair value. All other financial instruments are measures at amortised cost and mainly consist of group liabilities and receivables, trade and other payables, and trade and other receivables. Amortised cost is a reasonable approximate of fair value, except for non-current group financial liabilities.

Fair value measurement of derivative financial instruments
The fair value of certain earn-out agreements is determined by the use of valuation techniques with price inputs from observable market transactions as well as internally generated price assumptions and volume profiles. The discount rate used in the valuation is a risk-free rate based on the applicable currency and time horizon of the underlying cash flows adjusted for a credit premium to reflect either Equinor's credit premium, if the value is a liability, or an estimated counterparty credit premium if the value is an asset. In addition, a risk premium for risk elements not adjusted for in the cash flow may be included when applicable. The fair values of these assets derivative financial instruments have been classified in their entirety in the third level in the fair value hierarchy within current derivative financial instruments and non-current derivative financial instruments.

During 2024, derivative financial instruments within third level has a net decrease in fair value of USD 21 million. USD 67 million is recognised in the Statement of income related to changes in fair value of earn-out agreements. Related to the same agreements, USD 55 million has been fully realised as the underlying volumes have been delivered during 2024.

Commodity price risk
The table below contains the commodity price risk sensitivities of Equinor Energy AS' derivative financial instruments including the back-to-back derivative contracts with Equinor ASA. See note 2 Material accounting policies for further information regarding derivative financial instruments.

Price risk sensitivities at the end of 2024 and 2023 at 30%, are assumed to represent a reasonably possible change based on the duration of the derivatives.

	2024		2023	
(in USD million)	**- 30%**	**+ 30%**	**- 30%**	**+ 30%**
At 31 December				
Natural gas net gains/(losses)	(112)	102	(180)	168

5 Revenues

	Full year	
(in USD million)	**2024**	**2023**
Revenues third party	18,907	23,240
Intercompany revenues	17,724	18,627
Revenues	36,631	41,867

Equinor Energy AS sells most of its gas volumes to external customers through the parent company Equinor ASA. A significant portion of these sales are based on back-to-back contracts between Equinor Energy AS and Equinor ASA whereby Equinor Energy AS carries all risks related to the sale. These back-to-back sales contracts are considered as revenues third party. The receivables from these sales are included in the Balance sheet as receivables from group companies. Equinor Energy AS sells most of its liquid volumes to Equinor ASA whereby Equinor ASA takes over all risks related to the external sale of these volumes. These sales are considered intercompany sales in Equinor Energy AS. The receivables from these sales are included in the Balance sheet as receivables from group companies.

6 Salaries and personnel expenses

The company has no employees. No salary or other remuneration has been paid to the managing director in 2024 or 2023. The managing director is employed and paid by Equinor ASA.

No compensation was paid to the board of directors in 2024 or 2023.

7 Auditor's remuneration

Auditor´s remuneration

(in USD million, excluding VAT)	Full year 2024	2023
Audit fee	1.3	1.3
Audit related fee	1.1	0.5
Total remuneration	2.4	1.8

Audit related fees include fees related to EUETS audits amounted to USD 0.7 million for 2024 and USD 0.3 million for 2023.

In addition to the figures above, audit fees and audit related fees to the external auditor related to Equinor Energy AS operated licences amounted to USD 0.5 million and USD 0.5 million in 2024 and 2023, respectively.

There are no fees incurred related to tax advice or other services.

8 Research and development expenditures

Equinor Energy AS has research and development (R&D) activities within exploration, subsurface, drilling and well, facilities, low carbon and renewables. Our R&D contributes to maximizing and developing long-term value from Equinor´s assets.

R&D expenditures amounted to USD 263 million and USD 226 million in 2024 and 2023, respectively. R&D expenditures are partly financed by partners of Equinor Energy AS operated licences. Equinor Energy AS share of the expenditures has been recognised in the Total operating expenses in the Statement of income.

9 Financial items

(in USD million)	Full year 2024	2023
Interest income from group companies	544	704
Interest income other current financial assets and other financial items	20	17
Interest income and other financial income	564	721
Capitalised borrowing costs	362	258
Accretion expense asset retirement obligations	(334)	(311)
Interest expense lease liabilities	(25)	(16)
Interest expense to group companies	(227)	(230)
Interest expense current financial liabilities and other finance expenses	(31)	(10)
Interest expenses and other financial expenses	(255)	(310)
Net foreign currency exchange gains/(losses)	207	354
Net financial items	517	765

10 Income taxes

Income tax

(in USD million)	Full year 2024	2023
Current taxes	18,823	22,418
Change in deferred tax	1,406	1,612
Income tax	20,229	24,029

No change in income tax legislation has been enacted in 2024 that would materially impact the financial statement for Equinor Energy AS.

Reconciliation of Norwegian statutory tax rate to effective tax rate

(in USD million)	Full year 2024	2023
Income/(loss) before tax	27,927	33,113
Calculated income tax at statutory tax rates:		
Corporate tax rate[1)]	(6,144)	(7,285)
Special petroleum tax rate[2)]	(15,639)	(18,543)
Tax effect of:		
Uplift[3)]	216	160
Income not subject to special petroleum tax	473	1,237
Permanent differences divestments on the NCS	351	262
Tax effect of permanent differences related to equity accounted investments	633	376
Permanent differences other	(79)	(169)
Income tax prior years	14	(23)
Other	(54)	(44)
Income tax	(20,229)	(24,029)
Effective tax rate	72.4 %	72.6 %

1) Statutory tax rate is 22% for 2024 and 2023.

2) The Norwegian petroleum income is taxable at a tax rate of 71.8% after deducting a calculated 22% corporate tax.

3) As from 2023, the uplift deduction for investments has been discontinued except for asset investments that fall under the temporary rules enacted under the Covid-19 pandemic. For investments with PUD submitted to the authorities before 31 December 2022 and approved before 31 Dec 2023, the rules allow a direct deduction of the whole uplift in the year the capital expenditure is incurred. In 2023 the rate was 12.4% and this rate did not change in 2024.

Significant components of deferred tax assets and liabilities:

(in USD million)	At 31 December 2024	2023
Deferred tax assets		
Other items	88	172
Asset retirement obligations	5,830	6,391
Lease liabilities	668	649
Derivatives	–	3
Total deferred tax assets	6,587	7,215
Deferred tax liabilities		
Derivatives	296	–
Property, plant and equipment	17,556	19,020
Capitalised exploration expenditures and capitalised interest	1,232	1,399
Total deferred tax liabilities	19,084	20,419
Net deferred tax liabilities	12,498	13,204

Deferred tax liabilities

(in USD million)	2024	2023
Deferred income tax liability at 1 January	13,204	11,727
Charged to the Statement of income	1,406	1,612
Acquisition and divestment	(443)	155
Foreign currency translation effects	(1,438)	(289)
Net deferred tax assets (liability) classified as Held for sale	(232)	–
Deferred income tax liabilities at 31 December	12,498	13,204

Current tax payable

(in USD million)	2024	2023
Tax payable at 1 January	11,372	16,909
Current tax payable	18,705	22,331
Tax settlement previous years	(10,423)	(15,210)
Tax instalment current year	(8,654)	(11,573)
Other[1]	(1,375)	(1,085)
Tax payable at 31 December	9,626	11,372

1) Mainly exchange rate effects.

11 Property, plant and equipment

(in USD million)	Machinery, equipment and transportation equipment	Production plants and oil and gas assets	Refining and manufacturing plants	Buildings and land	Assets under development	Right of use assets[5)]	Total
Cost at 1 January 2024	189	98,392	484	61	6,935	1,626	107,688
Additions through business acquisition	–	–	–	–	104	–	104
Additions and transfers	5	3,275	3	–	2,343	318	5,944
Changes in asset retirement obligations	–	(133)	–	–	87	–	(47)
Disposals at cost	(5)	(1,991)	(88)	(3)	(65)	(223)	(2,375)
Assets reclassified to held for sale	–	(85)	–	–	(312)	–	(397)
Foreign currency translation effects	(20)	(10,343)	(48)	(6)	(840)	(163)	(11,419)
Cost at 31 December 2024	170	89,115	351	52	8,252	1,559	99,499
Accumulated depreciation and impairment at 1 January 2024	(175)	(77,856)	(374)	(28)	(69)	(831)	(79,332)
Depreciation	(5)	(4,782)	(25)	(8)	–	(226)	(5,046)
Impairment	–	(64)	–	–	–	–	(64)
Reversal of impairment	–	158	–	–	–	–	158
Accumulated depreciation and impairment on disposed assets	5	1,337	70	2	2	223	1,639
Foreign currency translation effects	18	8,305	38	3	7	78	8,449
Accumulated depreciation and impairment at 31 December	(157)	(72,901)	(290)	(30)	(59)	(757)	(74,195)
Carrying amount at 31 December 2024	13	16,213	61	22	8,192	802	25,304
Estimated useful lives (years)	3 - 10	UoP [1)]	15 - 20/UoP [2)]	15 - 25/UoP [3)]		1 - 16 [4)]	

1) Depreciation according to unit of production method (UoP), see note 2 Material accounting policies.

2) Includes UoP method on offshore activity assets.

3) Land is not depreciated. Buildings include UoP method on offshore activity assets.

4) Depreciation linearly over contract period.

5) Right of use assets as per 31 December 2024 mainly consist of Drilling rigs USD 351 million, Vessels USD 193 million and Land and buildings USD 136 million.

Impairment
In 2024, Equinor recognised net impairment reversals of USD 94 million. In 2023, net impairment of USD (588) million were mainly related to net reduced expected reserves and expectations of stabilizing refinery margins at a lower level than the margins consumed in recent periods.

For impairment purposes, the producing and development asset's carrying amount is compared to its recoverable amount, defined as the higher of fair value less cost of disposal (FVLCOD) and estimated value in use (VIU). The recoverable amounts of assets tested for impairment in Equinor Energy AS are mainly based on value in use (VIU) estimates or net present value estimates using assumed market participant assumptions based on internal forecasts for costs, production profiles and commodity prices. The carrying amount for assets tested for impairment is USD 210 million in 2024. The carrying amount for assets tested for impairment was USD 887 million in 2023.

The base discount rate applied in value in use calculations has been revised from 5.0% applied in 2023 to 5.5% real after tax following our regular annual review of discount rates. The discount rate is derived from Equinor's weighted average cost of capital. Derived pre-tax discount rates vary by year depending on asset specific characteristics, such as specific tax treatments, cash flow profiles and economic life.

Accounting assumptions
Management's future commodity price assumptions and currency assumptions are used for value in use impairment testing. The same assumptions are also used for evaluating investment opportunities, together with other relevant criteria, including among others robustness targets (value creation in lower commodity price scenarios). While there are inherent uncertainties in the assumptions, the commodity price assumptions as well as currency assumptions reflect management's best estimate of the price and currency development over the life of the Group's assets based on its view of relevant current circumstances and the likely future development of such circumstances, including energy demand development, energy and climate change policies, as well as the speed of the energy transition population and economic growth, geopolitical risks, technology, and cost development among other factors. Management's best estimate also takes into consideration a range of external forecasts.

Equinor group has performed a thorough and broad analysis of the expected development in drivers for the different commodity markets and exchange rates. Significant uncertainty exists regarding future commodity price development due to the transition to a lower carbon economy, future supply actions by OPEC+ and other factors. The management's analysis of the expected development in drivers for the different commodity markets and exchange rates resulted in changes in the long-term price assumptions with effect from the second quarter of 2024. The main price assumptions applied in impairment and impairment reversal assessments are disclosed in the table below as price-points on price curves. Previous price-points applied from the third quarter of 2023 and up to and including the first quarter of 2024 are provided in brackets.

Year **Prices in real terms**[1)]		**2030**		**2040**		**2050**
Brent Blend (USD/bbl)	80	(80)	75	(75)	70	(70)
European gas (USD/mmBtu) - TTF	8.3	(9.4)	9.5	(9.4)	9.5	(9.8)
Electricity Germany (EUR/MWh)	71	(80)	74	(73)	74	(73)
EU ETS (EUR/tonne)	101	(107)	136	(131)	165	(153)

1) Basis year 2024. The prices in the table are price-points on price-curves.

Climate considerations are included in the impairment calculations directly by estimating the CO_2 taxes in the cash flows. Indirectly, the expected effect of climate change is also included in the estimated commodity prices where supply and demand are considered. The prices also have an effect on the estimated production profiles and economic cut-off of the projects. Furthermore, climate considerations are a part of the investment decisions following Equinor's strategy and commitments to the energy transition.

The CO_2-tax assumptions used for impairment calculations of Norwegian upstream assets are based on Norway's Climate Action Plan for the period 2021-2030 (Meld. St 13 (2020-2021)), assuming a gradually increased CO_2 tax (the total of EU ETS + Norwegian CO_2 tax) in Norway to 2,000 NOK/tonne (real 2020) in 2030.

The long-term NOK currency exchange rates have been revised with effect from the second quarter of 2024. The NOK/USD rate was revised to 10.0 (previously 8.5), the NOK/EUR was revised to 11.5 (previously 10.0) and the USD/ GBP rate was revised to 1.30 (previously 1.35). The conclusion was supported by the historical 5 year average and forward spot prices in the currency market.

The base discount rate applied in value in use calculations has been revised from 5.0% applied in 2023 to 5.5% real after tax following our regular annual review of discount rates. The discount rate is derived from Equinor's weighted average cost of capital, and is the interest rate used for upstream activities. For other business areas the discount rate will be determined based on a risk assessment. Typically, the rate will decrease for assets/projects where the revenue is secured by fixed fees or government grants.

Sensitivities

Commodity prices have historically been volatile. Significant downward adjustments of Equinor's commodity price assumptions would result in impairment on certain producing and development assets in Equinor's portfolio that are subject to impairment assessment under IAS 36, while an opposite adjustment could lead to impairment-reversals. If a decline in commodity price forecasts over the lifetime of the assets were 30%, considered to represent a reasonably possible change, the impairment amount to be recognised could illustratively be in the region of USD 1 billion before tax effects.

A future change in the trajectory of how the world acts with regards to implementing actions in accordance with the goals in the Paris agreement could, depending on the detailed characteristics of such a trajectory, have a negative impact on the valuation of Equinor's property, plant, and equipment.

A calculation of a possible effect of using the prices (including CO2 prices) in a 1.5°C compatible Net Zero Emission by 2050 Scenario as estimated by the International Energy Agency (IEA) could result in an impairment of around USD 1 billion before tax. The possible effect of using the Announced Pledges Scenario (APS), where assumes that the governments will meet in full and on time all the climate commitments that they have announced, would have no material impact on the recognised impairment amount before tax.

These illustrative impairment sensitivities, both based on a simplified method, assumes no changes to input factors other than prices; however, a price reduction of 30% or those representing Net Zero Emission by 2050 Scenario is likely to result in changes in business plans as well as other factors used when estimating an asset's recoverable amount. These associated changes reduce the stand-alone impact on commodity price sensitivity. Changes in such input factors would likely include a reduction in the cost level in the oil and gas industry as well as offsetting foreign currency effects, both of which have historically occurred following significant changes in commodity prices. The illustrative sensitivities are therefore not considered to represent a best estimate of an expected impairment impact, nor an estimated impact on revenues or operating income in such a scenario. A significant and prolonged reduction in oil and gas prices would also result in mitigating actions by Equinor and its licence partners, as a reduction of oil and gas prices would impact drilling plans and production profiles for new and existing assets. Quantifying such impacts is considered impracticable, as it requires detailed technical, geological, and economical evaluations based on hypothetical scenarios and not based on existing business or development plans.

12 Intangible assets

(in USD million)	Exploration expenses	Acquisition costs - oil and gas prospects	Goodwill	Other	Total
Cost at 1 January 2024	540	472	579	65	1,656
Additions through business acquisition	–	–	71	–	71
Additions	233	101	–	7	341
Disposals at cost	(6)	–	–	–	(6)
Transfers	(73)	–	–	–	(73)
Expensed exploration expenditures previously capitalised	(27)	–	–	–	(28)
Foreign currency translation effects	(61)	(55)	(62)	(7)	(185)
Cost at 31 December 2024	606	519	588	65	1,777
Accumulated amortisation and impairment at 31 December 2024				(53)	(53)
Carrying amount at 31 December 2024	606	519	588	12	1,724

The table below shows the ageing of capitalised exploration expenditures:

(in USD million)	2024	2023
Less than one year	232	272
Between one and five years	356	248
More than five years	17	19
Total capitalised exploration expenditures	606	540

The table below shows the components of the exploration expenses:

	Full year	
(in USD million)	2024	2023
Exploration expenditures	715	662
Expensed exploration expenditures previously capitalised	28	67
Capitalised exploration	(230)	(253)
Exploration expenses	513	476

13 Investments in subsidiaries and other equity accounted companies

(in USD million)	2024	2023
Investments at 1 January	23,585	23,533
Net income/(loss) from subsidiaries and other equity accounted companies	981	1,307
Additions/(disposals)	1,107	(17)
Distributions	(309)	(1,323)
Foreign currency translation effects	(207)	85
Investments at 31 December	25,157	23,585

The closing balance of investments at 31 December 2024 of USD 25,157 million consists of investments in subsidiaries amounting to USD 25,151 million and investments in other equity accounted companies amounting to USD 6 million. In 2023, the amounts were USD 23,580 million and USD 5 million respectively.

The translation adjustments relate to foreign currency translation effects from subsidiaries with functional currencies other than USD. In addition, there are also foreign currency exchange rate effects caused by the difference in Equinor Energy AS' functional currency (NOK) and presentation currency (USD).

In 2024, Net income/(loss) from subsidiaries and other equity accounted companies was not materially impacted by net impairments/(reversals).

In 2023, Net income/(loss) from subsidiaries and other equity accounted companies was impacted by net impairment of USD 60 million after tax due to impairment resulting from New York State Public Service Commission (PSC) decision to reject price increase petitions related to offtake agreements from several offshore and onshore wind farm developers, including Equinor's joint ventures – which is partially offset by impairment reversals in Equinor's Gulf of Mexico operations.

Additions/(disposals) during 2024 consist mainly of equity contribution to Equinor Energy International AS of USD 1,090 million and equity contribution to Equinor Argentina AS of USD 15 million.

Distributions during 2024 consist mainly of received dividend from Equinor Dezassete AS of USD 233 million, dividend from Equinor Murzuq AS of USD 26 million and group contributions from other group companies of USD 41 million.

Distributions during 2023 consist mainly of received dividend from Equinor Holding Netherlands BV of USD 821 million, dividend from Equinor Dezassete AS of USD 425 million and dividend from Equinor Murzuq AS of USD 59 million.

The acquisition cost for investments in subsidiaries and other equity accounted companies are USD 29,081 million in 2024 and USD 31,294 million in 2023.

The following table shows the largest subsidiaries directly held by Equinor Energy AS at 31 December 2024:

Name	Ownership share in %	Country of incorporation
Equinor Dezassete AS	100	Norway
Equinor Energy International AS	100	Norway
Equinor Holding Netherlands BV	100	Netherlands
Equinor Murzuq AS	100	Norway
Equinor US Holdings Inc.	100	USA

Voting rights correspond to ownership share.

14 Financial assets and liabilities

Current receivables from group companies:

	At 31 December	
(in USD million)	2024	2023
Internal bank balances	7,094	10,264
Other receivables from group companies	5,345	4,511
Receivables from group companies	12,439	14,775

Non-current liabilities to group companies:

	At 31 December	
(in USD million)	2024	2023
Interest-bearing liabilities to group companies	3,523	6,390
Non-interest-bearing liabilities to group companies	34	34
Liabilities to group companies	3,557	6,424

Of the total interest-bearing non-current liabilities at 31 December 2024 USD 3,523 million is due later than five years.

Current liabilities to group companies:

	At 31 December	
(in USD million)	2024	2023
Dividend and group contributions[1)]	4,058	1,180
Other current liabilities	2,942	1,234
Liabilities to group companies	7,000	2,414

1) Includes accrued group contributions with a tax effect of USD 535 million and accrued group contributions without a tax effect of USD 3,523 million to Equinor ASA. In 2023, an accrued dividend of USD 786 million was made to Equinor ASA, and an accrued group contribution with tax effect of USD 394 million was made to Statholding AS.

15 Trade and other receivables

	At 31 December	
(in USD million)	2024	2023
Trade receivables	55	91
Other receivables	553	622
Trade and other receivables	608	713

Other receivables mainly consist of joint venture receivables of USD 392 million and other current receivables (non-interest-bearing).

With effect from 2024, and to provide additional information to enhance the users understanding of the composition of current receivables, the balance sheet line-item Trade and other receivables has been disaggregated into Prepayments and financial receivables (see below), Trade and other receivables detailed in the table above and Cash and cash equivalents.

Prepayments and financial receivables

Prepayments and financial receivables mainly consist of prepaid expenses and accruals for lifting imbalances related to Equinor Energy AS operated licences.

16 Equity and shareholders

(in USD million)	2024	2023
Shareholders' equity at 1 January	**25,438**	26,960
Net income/(loss)	**7,698**	9,083
Foreign currency translation effects[1)]	**(625)**	(1,397)
Dividends and Group contributions[2)]	**(9,374)**	(9,208)
Shareholders' equity at 31 December	**23,137**	25,438

The share capital amounts to NOK 36,172,224,000 (USD 5,529,516,612), and comprises 17,424,000 shares, each with a nominal value of NOK 2,076. All shares are owned by Equinor ASA.

1) The foreign currency translation reserve as of 31 December 2024 was negative USD 7,103 million and negative USD 6,478 million as of 31 December 2023.
2) Includes additional dividend payment in October to Equinor ASA of USD 5,451 million and accrued group contributions to Equinor ASA of USD 3,940 million.

17 Provisions and other liabilities

(in USD million)	Asset retirement obligations	Other provisions and liabilities	Total
Non-current portion at 31 December 2023	8,109	633	8,742
Current portion at 31 December 2023 [1)]	83	12	95
Provisions and other liabilities at 31 December 2023	8,193	645	8,837
New or increased provisions and other liabilities	304	–	304
Change in estimates	614	76	689
Amounts charged against provisions and other liabilities	(110)	(30)	(140)
Effects of change in the discount rate	(956)	(51)	(1,008)
Reduction due to divestments	(1)	–	(1)
Accretion expenses	334	–	334
Reclassification and transfer	(84)	34	(51)
Foreign currency translation effects	(868)	(68)	(936)
Provisions and other liabilities at 31 December 2024	7,424	605	8,029
Non-current portion at 31 December 2024	7,325	586	7,911
Current portion at 31 December 2024 [1)]	99	18	118

1) Included in the line item Provisions and other liabilities in the current section of the Balance sheet.

The timing of cash outflows of asset retirement obligations depends on the expected production cease at the various facilities.

The Other provisions and liabilities category relates to expected payments on cancellation fees, onerous contracts and other liabilities.

For further information of methods applied and estimates required, see note 2 Material accounting policies.

Expected timing of cash outflows:

(in USD million)	Asset retirement obligations	Other provisions and liabilities	Total
2025 - 2029	922	240	1,162
2030 - 2034	228	92	320
2035 - 2039	2,335	–	2,335
2040 - 2044	1,951	58	2,008
Thereafter	1,988	215	2,203
At 31 December 2024	7,424	605	8,029

18 Trade and other payables

	At 31 December	
(in USD million)	2024	2023
Trade payables	142	181
Payables due to participation in joint operations and similar arrangements	1,116	1,332
Other non-trade payables	96	114
Trade and other payables	1,354	1,627

With effect from 2024, and to provide additional information to enhance the users understanding of the composition of current liabilities, the balance sheet line-item Trade, other payables and provisions has been disaggregated into Trade and other payables (detailed in the table above) and Provisions and other liabilities in the current section of the balance sheet.

19 Leases

Equinor Energy AS is for the most part a lessee in its lease contracts, in which it leases assets used in operational activities, such as drilling rigs, supply vessels, helicopters and land bases. The use of leases in Equinor merely serves operational purposes, rather than as a tool for financing.

Information related to lease payments and lease liabilities

(in USD million)		2024		2023
Lease liabilities at 1 January		833		915
New leases, including remeasurements and cancellations		455		385
Gross lease payments	(415)		(483)	
Lease interest	33		32	
Lease repayments	(381)	(381)	(451)	(451)
Foreign currency translation effects		(50)		(17)
Lease liabilities at 31 December		857		833
Current lease liabilities		330		315
Non-current lease liabilities		526		517

Equinor recognised revenues of USD 141 million in 2024 and USD 144 million in 2023 related to lease costs recovered from licence partners related to lease contracts being recognised gross by Equinor.

Commitments relating to lease contracts which had not yet commenced at year end are included within commitments in note 20 Other commitments, contingent liabilities and contingent assets.

Non-current lease liabilities maturity profile

	At 31 December	
(in USD million)	2024	2023
Year 2 and 3	378	334
Year 4 and 5	116	119
After 5 years	33	63
Total repayment of non-current lease liabilities	526	517

Undiscounted contractual lease payments for Equinor 's lease liabilities are USD 355 million in 2025, USD 512 million within two to five years and USD 34 million after five years.

The Right of use assets are included within the line item Property, plant and equipment in the Balance sheet. See also note 11 Property, plant and equipmentt.

20 Other commitments, contingent liabilities and contingent assets

Contractual commitments
Equinor Energy AS had contractual commitments of USD 3,915 million at 31 December 2024. The contractual commitments reflect Equinor's proportional share and mainly comprise construction and acquisition of property, plant and equipment.

Equinor Energy AS also had commitments related to drilling activities. As a condition for being awarded offshore oil and gas exploration and production licences, participants may be committed to drill a certain number of wells. At the end of 2024, Equinor was committed to participate in 13 offshore wells, with an average ownership interest of approximately 46%. Equinor´s share of estimated expenditures to drill these wells amounts to USD 270 million. Additional wells that Equinor may become committed to participating in, depending on future discoveries in certain licences, are not included in these numbers.

Other long-term commitments
Equinor Energy AS has entered into various long-term agreements for pipeline transportation as well as terminal use, processing, storage and entry/exit capacity commitments and commitments related to specific purchase agreements. The agreements ensure the rights to the capacity or volumes in question, but also impose on Equinor Energy AS the obligation to pay for the agreed-upon service or commodity, irrespective of actual use. The contracts' terms vary, with duration of up to 2060.

Obligations payable by Equinor Energy AS to entities accounted for using the equity method are included in the table below with Equinor Energy AS´ full proportionate share. For assets (such as pipelines) that are included in the Equinor Energy AS accounts through joint operations or similar arrangements, and where consequently Equinor Energy AS´ share of assets, liabilities, income and expenses (capacity costs) are reflected on a line-by-line basis in the financial statements, the amounts in the table include the net commitment payable by Equinor Energy AS (i.e. Equinor´s proportionate share of the commitment less Equinor's ownership share in the applicable entity).

The table below includes USD 1,353 million related to the non-lease components of lease agreements reflected in the accounts according to IFRS 16, as well as leases not yet commenced. See note 19 Leases for information regarding lease related commitments.

Nominal minimum commitments at 31 December 2024

(in USD million)	
2025	1,271
2026	1,270
2027	969
2028	734
2029	512
Thereafter	1,694
Total other long-term commitments	6,449

Guarantees
All of Equinor's Norwegian continental shelf (NCS) net assets are owned by Equinor Energy AS, and the company is co-obligor or guarantor of existing debt securities and other loan arrangements of Equinor ASA. For the portion of the debt for which it is co-obligor, Equinor Energy AS assumes and agrees to perform, jointly and severally with Equinor ASA, all payment and covenant obligations. At year-end 2024 the carrying value of debts for which Equinor Energy AS is the co-obligor and guarantor is equivalent to USD 1,818 million and USD 19,581 million, respectively.

Contingencies
During the normal course of its business, Equinor Energy AS is involved in legal proceedings, and several other unresolved claims are currently outstanding. The ultimate liability or asset in respect of such litigation and claims cannot be determined at this time. Equinor Energy AS has provided in its financial statements for probable liabilities related to litigation and claims based on the company's best judgment. The timing of the ultimate resolutions and related cash flows, if any, cannot at present be determined with sufficient reliability. Equinor Energy AS does not expect that its financial position, results of operations or cash flows will be materially affected by the resolution of these legal proceedings.

21 Related parties

The Norwegian State is the majority shareholder of Equinor ASA and also holds major investments in other Norwegian entities. Equinor ASA is the parent company of Equinor Energy AS. This ownership structure means that Equinor Energy AS participates in transactions with many parties that are under a common ownership structure and therefore meet the definition of a related party.

Revenue transactions with related parties are presented in note 5 Revenues. Total intercompany revenues amounted to USD 17.7 billion and USD 18.6 billion in 2024 and 2023, respectively. A major part of intercompany revenues is attributed to Equinor ASA, USD 17.6 billion and USD 18.5 billion in 2024 and 2023, respectively.

Equinor Energy AS purchases natural gas and pipeline transport on a back-to-back basis from Equinor ASA. Similarly, Equinor ASA enters into certain financial contracts, also on a back-to-back basis with Equinor Energy AS. Equinor Energy AS carries all the risks related to these transactions and they are therefore presented as third party purchases, operating expenses and financial instruments in these financial statements.

Expenses incurred on behalf of Equinor Energy AS are accumulated in cost pools in Equinor ASA and other group companies. Such expenses are allocated to Equinor Energy AS and to licences where Equinor Energy AS is operator. Expenses allocated from group companies amounted to USD 5.4 billion and USD 5.6 billion in 2024 and 2023, respectively. A major part of these expenses is allocated from Equinor ASA, USD 5.3 billion and USD 5.6 billion in 2024 and 2023, respectively. Equinor Energy AS' share of these expenses is reflected in the Statement of income and the remaining part is recharged to the other partners in the licences. Equinor Energy AS does not have any employees but purchases administrative services from Equinor ASA. A major part of the allocation is related to such personnel expenses from Equinor ASA, which is charged to Equinor Energy AS at cost on hours incurred basis.

Finance transactions with group companies are presented in note 9 Financial items.

Current receivables, non-current and current liabilities to group companies are included in note 14 Financial assets and liabilities.

22 Reserves (unaudited)

The company's proved oil and gas reserves have been estimated in accordance with industry standards under the requirements of the US Securities and Exchange Commission. At year-end 2024, the company's estimated proved reserves amounted to 530 million Sm3 oil equivalents. At year-end 2023, estimated proved reserves amounted to 531 million Sm3 oil equivalents.

Proved reserves are expected to be produced in the period from 2025 to 2057.

Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations. Unless evidence indicates that renewal is reasonably certain, estimates of economically producible reserves only reflect the period before the contracts providing the right to operate expire. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence within a reasonable time.

The board of directors approve the financial statements for Equinor Energy AS as of 31 December 2024 and the board of directors' report.

STAVANGER, 28 March 2025

THE BOARD OF DIRECTORS OF EQUINOR ENERGY AS

/s/ TORGRIM REITAN

CHAIR

/s/ ASLEIV BRANDSØY

MANAGING DIRECTOR

/s/ ANNETTE FRYDENBERG

/s/ FINN LEXOW

/s/ SIV HELEN RYGH TORSTENSEN

Statsautoriserte revisorer
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Medlemmer av Den norske Revisorforening

To the Annual Shareholders' Meeting of Equinor Energy AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Equinor Energy AS (the Company), which comprise the balance sheet as at 31 December 2024, the income statement, statement of comprehensive income and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

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 in accordance with the requirements of the 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 presented with the financial statements. The other information comprises the annual report. Our opinion on the financial statements does not cover the information in the Board of Directors' report and the other information presented with the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors' report and for the other information presented with the financial statements. The purpose is to consider if there is material inconsistency between the information in the Board of Directors' report and the other information presented with the financial statements and the financial statements or our knowledge obtained in the audit, or otherwise the information in the Board of Directors' report and for the other information presented with the financial statements otherwise appears to be materially misstated. We are required to report that fact if there is a material misstatement in the Board of Directors' report and the other information presented with 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.

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Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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Stavanger, 28 March 2025
ERNST & YOUNG AS

The auditor's report is signed electronically

Tor Inge Skjellevik
State Authorised Public Accountant (Norway)