Annual report 2024

Northern Lights

Forward

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Northern Lights

***The Company Meeting report and Financial statements is part of the Annual Report audited by an independent auditor.**

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Graphic design

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Chair's message

Alistair Tucker
Chair, Northern Lights Company Meeting

Dear CCS stakeholder,

It was a real honour to join the Northern Lights board nearly a year ago. I have so many positive reflections from my first year working on such a groundbreaking project, however, a key thing that stands out for me is the many partnerships that are working together to make this venture the success it will be.

I had the pleasure of observing these partnerships at the event in Øygarden in September 2024, when we celebrated the onshore and offshore infrastructure of Northern Lights, delivered safely, on time, and within the budget frame, a credit to all involved.

The celebration was a tribute to the support from the Norwegian government and its vision for Northern Lights and the Longship project. This critical support, both in terms of policy and funding, in partnership with the owners of the joint venture, means that Northern Lights is where it is today, a world class first. We look forward to the launch of Longship later this year, storing the first molecules of CO_2 from Heidelberg Materials and later from Hafslund Celsio who announced the resumption of the carbon capture facilities in January 2025.

In February 2025, the first ship of the Northern Lights fleet arrived in Norway, another world first and another demonstration of a key partnership, highlighting the excellent collaboration of the shipping and maritime teams who worked on the project over many years along with the Northern Lights JV and JV partners. After being delivered in China in late 2024, the Northern Pioneer made a safe transit via a successful stop in Singapore, to a godmother ceremony in Stavanger. Her sister ship, the Northern Pathfinder, is also now in Norway with two further vessels to follow.

While we keenly await commencement of operations, our overall ambition doesn't stop there. 2024 has marked a monumental effort to secure the expansion of the system to 5 mtpa: phase 2 of the project. The level of interest from a wide variety of diverse industries from many locations has been impressive. Whilst pioneering in a market can be challenging, I want to recognise those customers who are willing to partner with us and embrace the challenges and opportunities of CCS. We also welcomed the support from the European Union for an expansion in terms of the Connecting Europe Facility (CEF) grant from The European Climate, Infrastructure and Environment Executive Agency (CINEA), a signal of the importance of the project. I look forward to phase 2 and the opportunity to continue to grow the venture to support Europe's wider decarbonisation ambitions.

I want to extend my thanks to all who working to make the Northern Lights project a success, to Tim and the Northern Lights team for their tireless efforts, energy and passion, and to all those involved across the contracting and supply chains who contribute with their experience and expertise. Finally, to the project partners who have lent their continued support to making this vision a reality.

We have much to do in 2025, many challenges to overcome and hopefully many celebrations ahead of us – I look forward to facing those with you all in the spirit of partnership to make Northern Lights truly shine.

Alistair Tucker
Chair, Northern Lights Company Meeting

Managing Director's message

Tim Heijn
Managing Director, Northern Lights JV

Northern Lights is ready to start CO_2 transportation and storage services for industrial emitters in 2025! We are one step closer to deliver on our goal to safely and permanently store CO_2 in the underground and thereby make a positive contribution to climate and achieving European climate goals.

In September we completed the receiving terminal infrastructure, the export pipeline and the injection facilities at Øygarden. We marked the milestone with a celebration event and our 7th Summit. In December the first two liquid CO_2 ships were delivered and started their journey to Norway. These are visible achievements of Northern Lights and the realisation of the Longship project. Together with the Norwegian authorities, our owners and Phase 1 customers, we are building the full Carbon Capture & Storage chain to demonstrate and prove CCS as an effective technology to reduce emissions. We are expecting to start collecting, injecting and storing CO_2 in the summer of 2025.

The visibility of these milestones is more important than ever, in a time where many different priorities need to be managed by countries, governments, businesses and society. Climate change has a global impact and requires broad collaboration. Different technologies and measures will be required to reduce emissions. CCS is one of the technologies that can make a difference at scale and can offer solutions for emissions from sources that are difficult to reduce.

Northern Lights has been leading the discovery of how we can navigate and overcome the complexity of starting a new industry. In Europe, we will be the first company to start CO_2 injection operations at scale. We will be working with different industry partners in different countries. Our solution based on efficient shipping and bringing volumes to our terminal in Øygarden, creates flexibility required in the early phase of the industry.

While we are preparing for start-up, we are also working diligently to maximise the utilisation of our facilities and the storage capacity of the reservoir. In June the award of CEF funding for Northern Lights was confirmed by the European Commission, highlighting the importance of enabling storage capacity for European capture projects. We now have plans ready to expand our onshore and offshore facilities and are working with European industries to take the next step.

During 2024, we welcomed many visitors, participated in many presentations and panels and continued to share our learnings and to promote the development of a CCS industry.

We look back at 2024 with a sense of achievement and we are excited to continue the journey in 2025!

Tim Heijn
Managing Director, Northern Lights JV

Company Meeting report 2024

Northern Lights JV DA delivers CO_2 transport and storage services for industrial emitters in Europe, accelerating the decarbonisation of Norwegian and European industries, and contributing to CO_2 removal to reach net zero emissions.

The first phase of the Northern Lights development is part of the Longship project. Longship includes CO_2 capture from the Heidelberg Materials cement factory and the Hafslund Oslo Celsio (Celsio) waste-to-energy plant, and CO_2 transport and storage by Northern Lights. The project reflects the Norwegian government's ambition to develop a full-scale CCS value chain in Norway, demonstrating the potential of this decarbonisation approach to Europe and the world.

Once the CO_2 is captured from industrial sources, it will be transported by ship to the Northern Lights onshore receiving terminal in Øygarden Municipality for intermediate storage before the liquefied CO_2 will be transported by pipeline and injected into the Aurora storage license (EL001) in the North Sea, for permanent storage. The construction of the receiving facilities and offshore infrastructure has made great progress in 2024 and by end of 2024 the facilities are nearly complete.

Northern Lights JV was incorporated on 5 February 2021. On 7 June 2021 it became the operator of Exploitation License 001 (Aurora) on the Norwegian Continental Shelf (EL001). The company's head office is at Byfjordparken 15, Stavanger, Norway. The company was originally staffed by secondees from the owners, providing expertise and flexibility in the scale up of the company. By the end of 2024, Northern Lights is counting 61 employees, of which 27 have been recruited as direct hires.

Northern Lights JV is an unlimited liability partnership subject to the Norwegian Company Act. The owners have unlimited liability for their respective shares of the total liabilities. Northern Lights JV's owners are Equinor Refining Norway AS, TotalEnergies EP Norge AS and A/S Norske Shell, all holding equal ownership of 33.3%.

Financial performance

Northern Lights presents its financial statements in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

Northern Lights reported a net loss of NOK 177.3 million in 2024. The loss relates mainly to company administration and project maturation cost related to potential future expansions that are not fulfilling the criteria for capitalisation.

The project activities to store and receive 1.5 million tonnes per annum is by year end is nearly finalised, and Northern Lights will be able to receive CO_2 in 2025. Capital investment in 2024 amounted to NOK 2,137 million, related to establishment of the onshore and offshore facilities in Øygarden and ship construction.

The first phase development as well as the first 10 years of operation is supported by the Norwegian State through a State Support Agreement that came in effect when Northern Lights JV became the operator of EL001. In total, Northern Lights JV received NOK 1,217 million in state support in 2024.

Total Assets at the end of 2024 equals NOK 9,737 million.

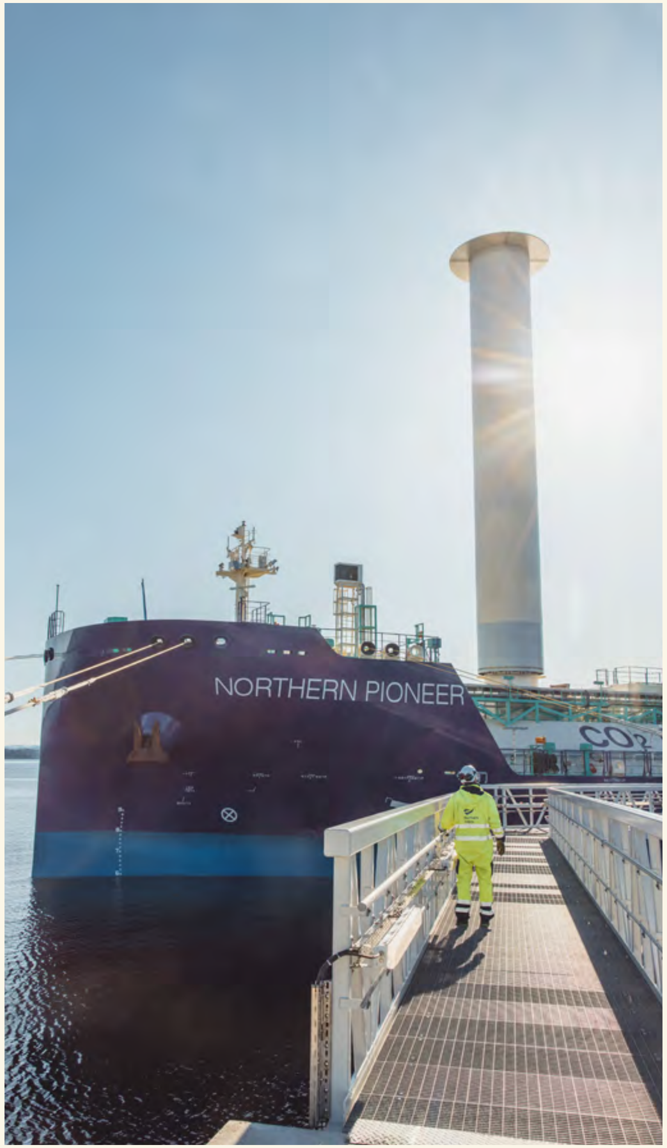
Asset removal obligations recorded by end-2024 equals 424 million and are related to future decommissioning of subsea templates and plugging and abandonment of injection wells, as well as onshore facilities at Øygarden.

The owners of Northern Lights JV have supported the company with capital injection of NOK 637 million in 2024. Northern Lights has also received funding under the Connecting Europe Facility (CEF) funding scheme. NOK 372.8 million was received as pre-instalment of CEF support in 2024. In total Northern Lights was awarded €131 million. The CEF funding will be utilized for Phase 2, pending a positive investment decision. If there is not a positive investment decision for Phase 2, Northern Lights will need to reimburse the funding. Net cash flow from operating activities is NOK 35.3 million. This is in all material aspects related to changes in short term service provider payables.

Net cash flow used in investment activities is NOK 1,039 million. This is related to assets under construction and state support received. Net cash flow from financing activities is NOK 1,007 million mainly resulting from capital contribution from owners as well as CEF support received.

Health, safety, security, environment, and quality (HSSEQ)

Work-related incidents are embedded in the Northern Lights HSEQ statistics, including the Joint Venture, Technical Service Providers (TSPs) (Equinor and Shell International Trading and Shipping Company Ltd, STASCO) and the shipyard, Dalian Shipbuilding Offshore Co, performances. There has been 1 recordable incident reported from the execution activities carried out within Equinor TSP scope of work: 1 Lost Time Injury (LTI) in Øygarden (April 24). Both TRIF and LTIF at year end was 0.57 which is well below the KPI target and confirms the good performances achieved in 2024. A major milestone was passed in September 2024, marking 2 million working hours LTI free at the shipyard and STASCO. STASCO as a TSP is responsible for the ship construction supervision.



Northern Lights JV DA has a high focus on HSE within the entire organisation. A HSE day was organised in April 2024 bringing up information related to the safety at home, refreshers of first aid and firefighting training. There has not been any accidental reportable discharge to air or water during 2024.

For personnel involved in the Crisis Management Team, regular trainings with expert consultants and exercises have been conducted.

The sick leave recorded for the direct hires in Northern Lights in 2024 was 4.4%. Sick leave related to seconded staff is managed by the responsible employer of the secondees.

Business development

While CCS continues to be seen as a critical element of the energy transition in Europe, the main challenge remains to align the timelines of customers, infrastructure and storage projects. At the same time, the majority of capture projects rely on support schemes, despite the emergence of green premia and the growth of the voluntary carbon market. Northern Lights continues to engage with potential customers across Europe in support of further growth.

Risks & Opportunities and risk management

Risks and opportunities are continuously monitored, addressed, and documented. Emerging issues are shared with decision-makers and relevant stakeholders. Northern Lights' approach to risk management supports the company's efforts to keep the risks as low as reasonably practicable and to continuously improve operational practice and procedures.

The Company Meeting is the company's supreme authority. A board of directors has not been appointed. The Managing Director of Northern Lights JV DA is employed by TotalEnergies EP Norge AS and seconded to Northern Lights JV DA. TotalEnergies EP Norge AS holds a directors and officers liability insurance for the Managing Director.

Financial risk

In the establishment phase, Northern Lights is financed by government grants and from capital provided by its owners. Northern Lights has also received grants from the Connecting Europe Facility (CEF) funding scheme. The company does not currently have any external financing. Through the State Support Agreement, entered by the Norwegian government and the owners of Northern Lights, the parties have agreed to develop the transport and storage facilities of Northern Lights and to operate the facilities for the first ten years of operation.

Northern Lights JV is and will be exposed to currency fluctuation. All State support is received in Norwegian Kroner (NOK), but the company has obligations in foreign currencies. Cost not covered by State Support will be covered by the owners through capital contributions. Northern Lights JV DA can request funding from the owners in NOK, USD, GBP and EUR. A large part of the currency exposure has been related to the shipbuilding contract of three newbuilds, where a large part of the contract obligation, valued in USD, was paid at delivery of the two first ships end of 2024. In February 2022, Northern Lights entered USD currency hedge contracts with DNB, linked to the milestone payments for the first two ship building contracts.

Social responsibility

Northern Lights JV has a high focus on ethical behaviour, human rights, and the company's total impact on the environment. The Northern Lights JV offices in Stavanger have been selected to minimise as low as possible the carbon footprint and environmental impacts.

A Life Cycle Assessment (LCA) was carried out in 2023, to quantify the carbon footprint of the full value chain of the Northern Lights activities. The results are published on the Northern Lights website Reports - Northern Lights.

This study shows that, for both phases 1 and 2, the transport, injection and storage services provided by Northern Lights JV ensure an effective emission abatement corresponding to approximately 97.4% of the amount of CO_2 sent for storage. This result highlights the viability of the Northern Lights JV value chain in effectively storing CO_2.

The Northern Lights Code of Conduct is the company's guide to ethical business practice and behaviours. It contains a set of business principles, based on values, beliefs, and expectations, requiring that business activities are performed in an ethical, professional, and transparent manner, and always in compliance with applicable law.

The Code of Conduct also reflects how the company values (innovative, dedicated, reliable, and open) are to be put into practice every day, and establishes the standards of prudent conduct that is expected from all employees, secondees, contractors and hired personnel working for and on behalf of Northern Lights JV. Compliance training towards NLJV personnel was carried out on a regular basis throughout 2024.

Northern Lights JV expects suppliers, contractors, customers, and all other business partners to adhere to ethical standards and business principles which are consistent with those reflected in Northern Lights JV's Code of Conduct and to pay particular attention to safety and human rights standards and procedures, including their employees' working conditions.

Equal opportunities and non-discrimination

Northern Lights JV is an equal opportunity company committed to fostering an inclusive and diverse culture. All personnel hired to Northern Lights JV are treated fairly and equally. Employees are recruited based on qualifications and demonstrated skills irrespective of gender, age, and ethnicity. By the end of 2024, Northern Lights is counting 61 employees, compared to a total of 53 employees, at the end of the previous year.

The organisation consists of 39% women and 61% men. In the leadership team there are three women and six men.

One person has been working part time 30%. There have not been any employees on parental leave in 2024.

Going concern

The financial statement for 2024 is prepared under the assumption of going concern. The Company Meeting confirms this assumption. Northern Lights JV company structure means that the owners have unlimited liability for their respective shares of the total liabilities.

Subsequent events

27 March 2025, a positive financial investment decision was made by all three owners, enabling Northern Lights to expand the CO_2 transport and storage services from 1.5 million to a minimum of 5 million tonnes of CO_2, per year.

The investment made by the Northern Lights JV owners Equinor, Shell and TotalEnergies are 7.5 billion NOK. This includes the enabling award of €131 million from the Connecting Europe Facility (CEF) funding scheme, approved by the European Commission last year.

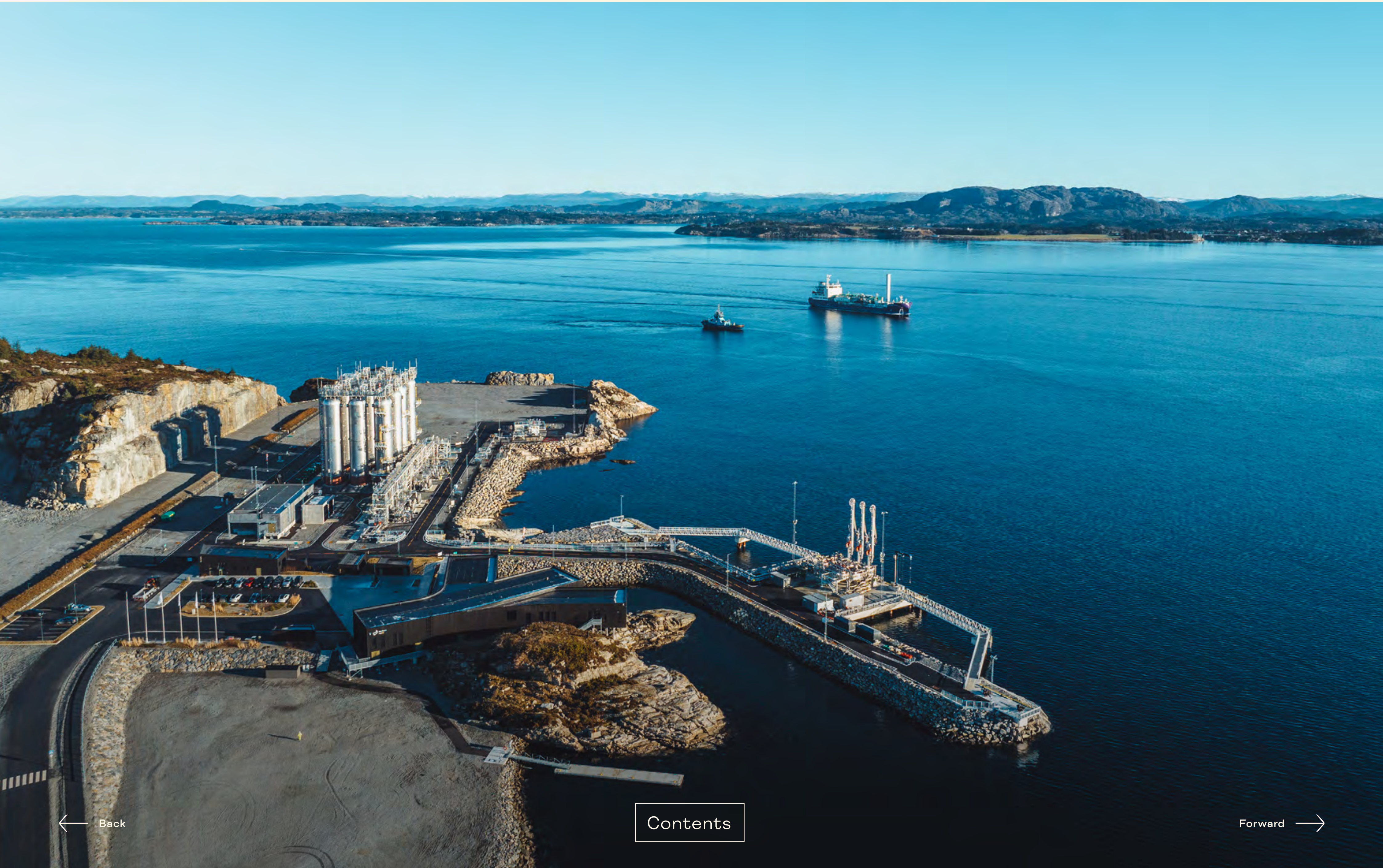
Stavanger, 3 April 2024

Alistair Tucker
Chair of the Company Meeting
A/S Norske Shell

Michael Bullen
Member of the Company Meeting
TotalEnergies EP Norge AS

Jarl Frøyland
Member of the Company Meeting
Equinor Refining Norway AS

Tim Heijn
Managing Director
Northern Lights JV DA



Northern Lights – Ready for operations

2024 was a pivotal year for Northern Lights, with the delivery of CO_2 ships, onshore CO_2 receiving facility and offshore storage infrastructure. Once commissioning is completed, Northern Lights is ready to receive CO_2, offering commercial CO_2 transport and storage services to contribute to the decarbonisation of European industry.

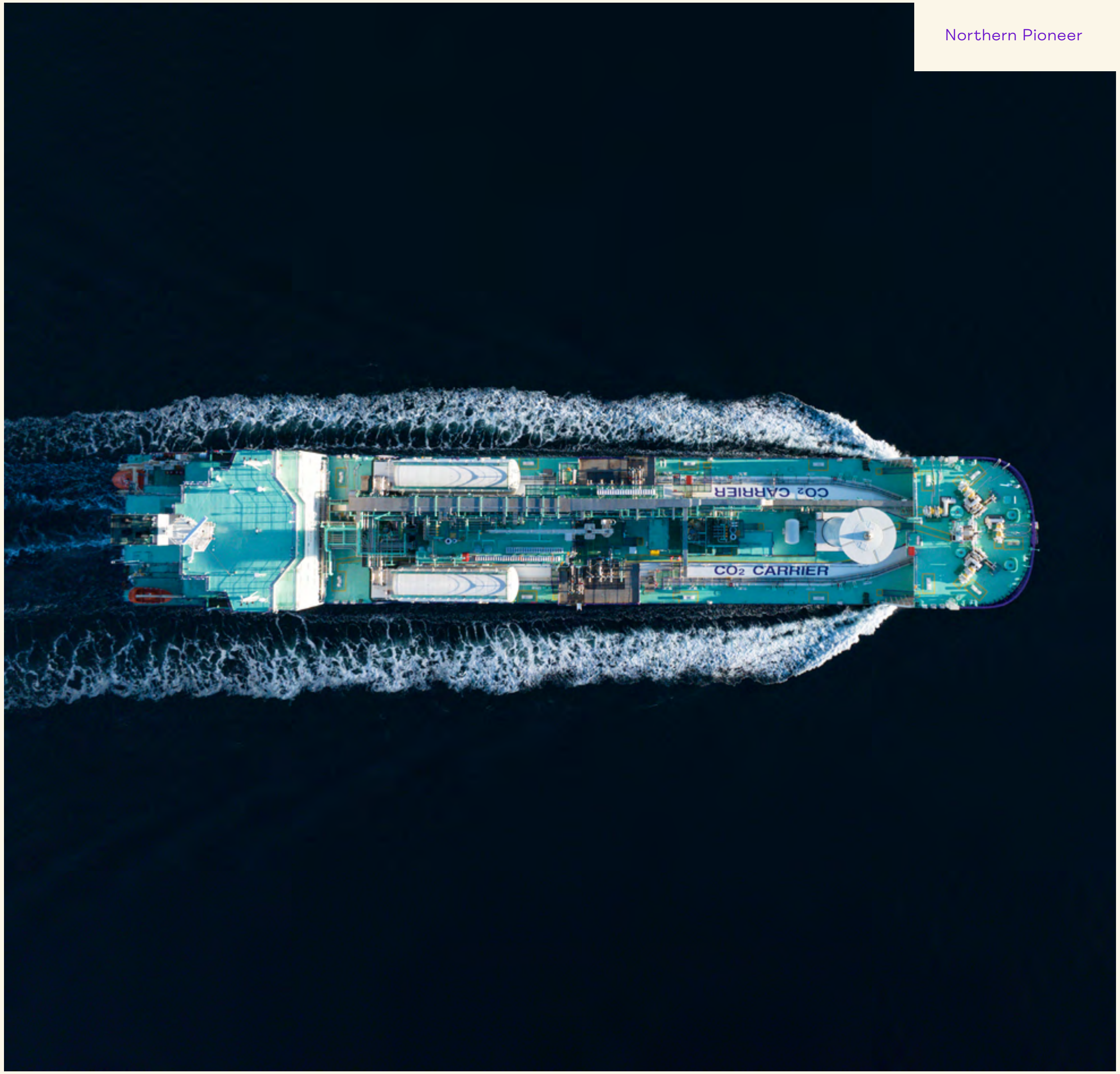
Progress in 2024

CO_2 transport

In 2024, the first two dedicated CO_2 transport ships were delivered to Northern Lights, following their successful construction at Dalian Shipbuilding Industry Co. Ltd (DSIC) in China. The sister ships have custom storage tanks for the transport of liquefied CO_2 with a total capacity of 7,500 m^3.

A third and a fourth sister ship is currently under construction and completed keel laying in October 2024. The ships will be delivered in 2025 and 2026. The fleet expansion further strengthens the ability to offer scalable CO_2 transport services and Northern Lights is in the market for more ships to meet an increasing demand.

Kawasaki Kisen Kaisha, Ltd (K-Line) is the ship operator for the first two ships, and in February 2024, K-Line was also awarded the contract as ship operator for the third Northern Lights ship. Bernhard Schulte is the owner and operator of the fourth ship. This industry collaboration demonstrates growing commercial interest in the CCS sector and in CO_2 shipping.



Northern Pioneer

Receiving terminal

At Øygarden, the infrastructure of the CO_2 receiving terminal was completed in 2024. The major milestone was marked with a celebration on September 26th with local, regional, national and international stakeholders. Northern Lights received its first CO_2 for commissioning of the facility as part of the preparation for operations.

Construction activity at the facility in 2024 includes installation of the remote central control room at Sture, pipeline pull-in, completion of civil works at the landfall pit, and alignment of injection pumps. Critical items such as the emergency preparedness plan, power and instrumentation setups, in addition to minor modifications and improvements were made to the jetty, storage tanks and loading arms.

By year end the successful pressurization of the plant and testing of key equipment was completed. The facility was swept with vapor CO_2 in preparation for its first liquid CO_2 fill, which was successfully completed by truck. The completion of monitoring systems, leak detection technology, and port regulations ensured that Northern Lights is fully prepared to begin CO_2 storage operations in 2025.

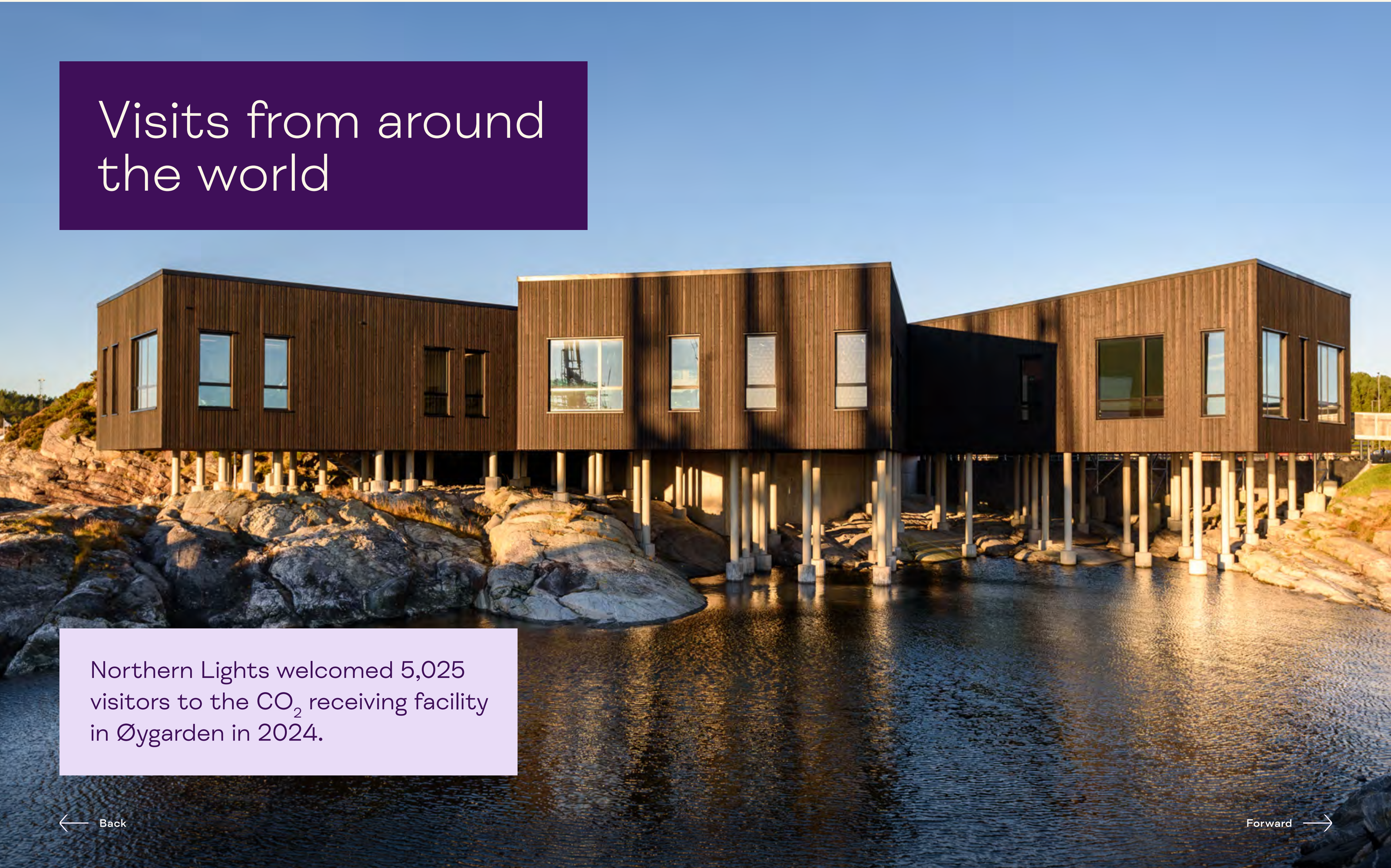
CO_2 receiving terminal in Øygarden, Norway.

Offshore storage

Finally, in 2024 the offshore infrastructure was completed with major milestones such as the final pipelay for the 110 km offshore pipeline and the pipeline pull-in to connect the onshore and offshore infrastructure. The subsea rock installation was completed in two campaigns, ensuring the stability and protection of critical pipeline infrastructure.

Additionally, post-installation surveys confirmed the integrity of the pipeline, and pressure testing, cleaning, and winterisation were performed to prepare for operational use. Subsea injection systems underwent final checks, and monitoring and control systems were finalised, allowing real-time monitoring of the CO_2 injection process.

Towards the end of the year, offshore commissioning and contract closures were prioritised. The subsea pipeline was successfully integrated with the onshore facilities, and final measurements and testing were carried out to validate system performance. By year end all key offshore infrastructure were in place, ensuring a seamless transition to operational CO_2 storage in 2025.

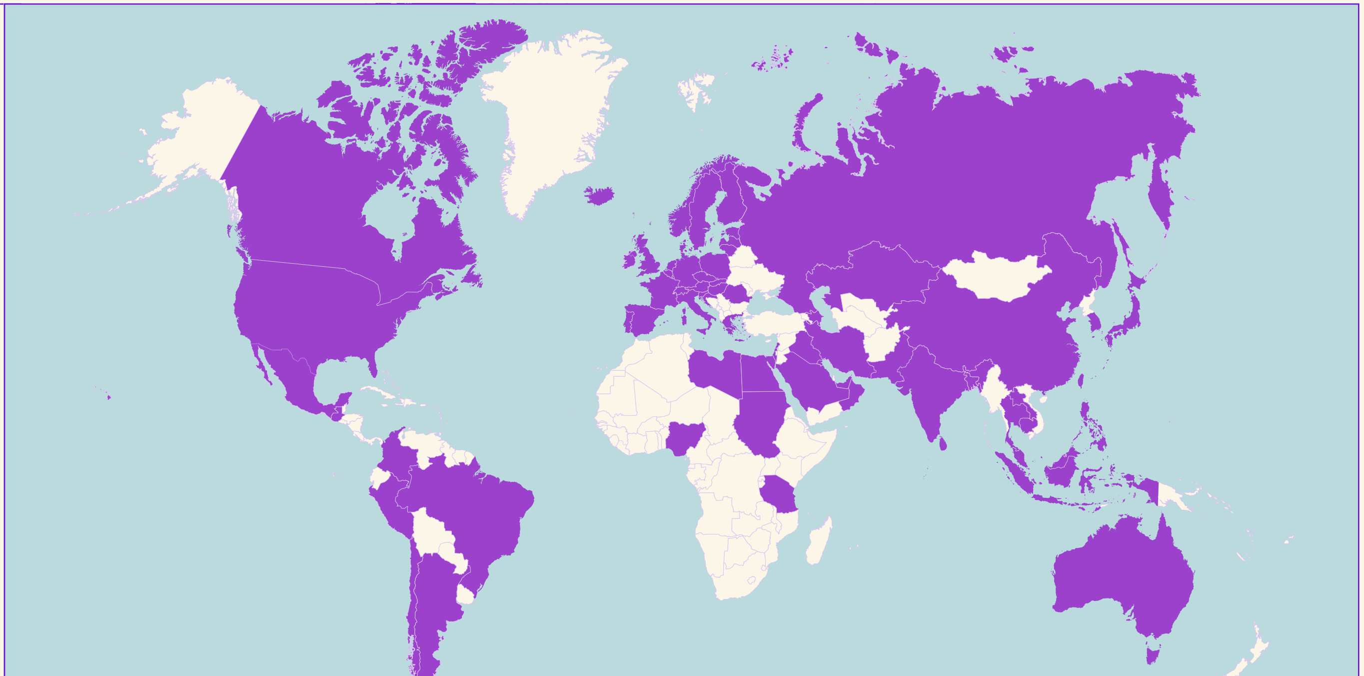


Visits from around the world

Northern Lights welcomed 5,025 visitors to the CO_2 receiving facility in Øygarden in 2024.

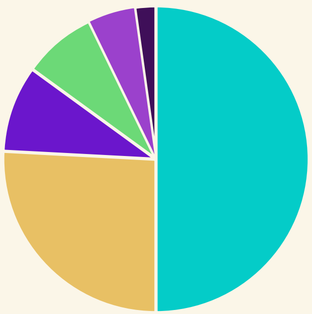
Visits

In 2024, Northern Lights' visitor centre continued to serve as a global hub for CCS knowledge exchange. Visitors from around the world came to Øygarden to learn about the Northern Lights value chain and witness the CO_2 receiving facility under construction. In September, we reached the milestone of welcoming visitor number 10,000 since construction start in 2021. Northern Lights welcomed 5,025 visitors in 2024 and by year end we had welcomed a total of 11,513 visitors from 70 countries.



Total number of visitors: 11,513

- Industry players: 43%
- Policy makers: 30%
- Interest groups: 5%
- Public (open day): 16%
- Academia: 5%
- Media: 1%



Visitors from all over the world

- Argentina
- Australia
- Austria
- Azerbaijan
- Bangladesh
- Belgium
- Brazil
- Brunei
- Cambodia
- Canada
- Chile
- China
- Columbia
- Croatia
- Czech Republic
- Denmark
- Egypt
- Estonia
- Finland
- France
- Germany
- Greece
- Guatemala
- Hungary
- Iceland
- India
- Indonesia
- Iran
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- Netherlands
- Nigeria
- Oman
- Orkney
- Pakistan
- Peru
- Phillipines
- Poland
- Portugal
- Romania
- Russia
- Saudi Arabia
- Singapore
- Slovakia
- Slovenia
- South Korea
- Spain
- Sri Lanka
- Sudan
- Sweden
- Switzerland
- Taiwan
- Tanzania
- Thailand
- United Arab Emirates (UAE)
- United Kingdom (UK)
- United States of America (USA)

Selected visits in 2024:

January: Visit from the Norwegian Embassy in Paris with French media

February: Visit from the Australian Ambassador to Norway

March: Visit from the EFTA Surveillance Authority (ESA) and the Norwegian Environmental Agency (NEA)

April: 300 visitors from local community in Øygarden during annual Open Day

May: Visit from Bergen Chamber of Commerce and Industry

June: Visit from Belgian Government and Flemish Government with Belgian industry leaders

August: Visit from delegation of Norwegian Ambassadors and Norwegian Ministry of Climate and Environment

September: Visit from Hafslund Celsio marking 10,000 visitors to Northern Lights

October: Visit from delegation of French parliamentarians

November: Visit from His Majesty King Willem-Alexander of the Netherlands with Dutch industry leaders

December: Visit from UK Prime Minister Keir Starmer and Norwegian Prime Minister Jonas Gahr Støre

Timeline

2017

October 2017:

Statoil (now Equinor), Shell and Total (now TotalEnergies) enter into a partnership to work on the Northern Lights project

2019

September 2019:

First MoUs signed with Air Liquide, Arcelor Mittal, Ervia, Fortum, Preem, Heidelberg-Cement, and Stockholm Exergi

2020

March 2020:

Confirmation of Northern Lights' reservoir characteristics and storage capacity, following exploration well drilling

March 2020:

Equinor, Shell and Total (now TotalEnergies) finalise their investment decision

December 2020:

The project gets the go-ahead with a historic approval vote in the Norwegian Parliament

2021

February 2021:

Northern Lights JV DA is born: a joint venture between Equinor, Shell and Total (now TotalEnergies) to build and manage the project

March 2021:

Northern Lights enters into a partnership with Switzerland's Climeworks, a direct air capture company

May 2021:

Norway's Prime Minister Erna Solberg lays a foundation stone at the construction site at Øygarden

June 2021:

Northern Lights and other partners announce the launch of the CCS+ Initiative to ensure that CCS and carbon removals can be certified and credited

June 2021:

Northern Lights becomes the operator of EL001, the first licence awarded for exploitation of subsea reservoirs for injection and storage of CO_2 on the Norwegian Continental Shelf

Timeline

2021

September 2021:

Northern Lights opens its first official office and commits to raising its storage ambition to well over 5 million tonnes/year

October 2021:

Northern Lights JV awards contracts for two dedicated CO_2 carrier ships, with expected delivery in 2024

November 2021:

European Innovation Fund award announced funding for four European carbon capture projects with a total capture capacity of 3-4 million tonnes of CO_2 per year from 2026

December 2021:

A year after breaking ground, construction on the Northern Lights facilities are around 30% complete

2022

January 2022:

EU CEF funding for expansion studies

March 2022:

Designated PCI by EU

August 2022:

Signed main terms of first commercial agreement with Yara

October 2022:

Official opening of visitor center in Øygarden

November 2022:

Well drilling operations concluded

Construction start CO_2 transport ships

December 2022:

“K” LINE awarded ship management contract

Timeline

2023

April 2023:
Keel laying of first two CO_2 transport ships

May 2023:
Signed commercial CO_2 transport and storage agreement with Ørsted

September 2023:
Awarded third ship building contract to DSOC

November 2023:
Northern Lights and Yara signed commercially binding CO_2 transport and storage agreement

December 2023:
Northern Lights awarded EU CEF funding of €131 million

Entered time charter agreement with Bernhard Schulte for a fourth CO_2 ship

Signed MoU with SLB and Microsoft to digital-ise CCS value chain

2024

February 2024:
Awarded third CO_2 ship management contract to "K" Line

May 2024:
Appointed new Managing Director of Northern Lights, Tim Heijn

First steel cut for third CO_2 ship

June 2024:
EU approved CEF funding of €131 million

First steel cut for fourth CO_2 ship

September 2024:
Celebrated completion of the infrastructure of CO_2 receiving facility in Øygardenn

October 2024:
Completed keel laying of third and fourth CO_2 ships

November 2024:
Delivery of first CO_2 ship, Northern Pioneer

December 2024:
Delivery of second CO_2 ship, Northern Pathfinder

Lessons learned

Building the world's first dedicated CO_2 ship fleet

Shipping is an integral part of the Northern Lights value chain. The first two ships, Northern Pioneer and Northern Pathfinder, are custom designed to safely transport liquefied CO_2 from capture sites in Europe to the Northern Lights receiving terminal in Øygarden, Norway. Successfully delivered from the Dalian shipyard in China in 2024, they represent the world's first large-scale CO_2 transport ships built specifically for CCS operations.

The transition from conceptual design to full-scale construction introduced challenges inherent to first-of-its-kind shipbuilding. One key learning was the need for design adjustments based on operational testing. Process calculations conducted with customer terminals revealed that modifications to the piping diameter were required to improve efficiency. Additionally, the rotor sails, which enhance fuel efficiency, necessitated additional simulations to understand ship behaviour in the event of a blackout. These simulations provided critical insights, as the rotor sails take approximately two minutes to stop spinning, significantly impacting the ship's handling and expected drift path.

The experience gained from constructing the first ship enabled a more streamlined and efficient process for the second. Sea trials for the first ship required two rounds of approximately seven days each, whereas the second ship completed its trials in a single seven-day period. Lessons learned from initial operational challenges on the first ship were immediately rectified on the second, reducing time and improving overall efficiency. As a result, the delivery process for the second ship was significantly smoother than the first.

Building the world's first dedicated CO_2 ships underscores the value of iterative learning. Future shipbuilding efforts will benefit from duplicating this first of its kind design while incorporating the insights and learnings gained from the first two ships. This approach will enable a more seamless and cost-efficient process for scaling Northern Lights' shipping capacity, ensuring continued improvements in operational performance and efficiency.

Standards in the CCS sector

As the CCS value chain evolves and attracts a growing number of stakeholders from a wide range of industries, new research has identified a risk of corrosion in CO_2 transport and storage infrastructure. Studies have shown that even low levels of specific impurities, when combined with other components, can pose challenges to the safety, integrity, and lifespan of key infrastructure, including intermediate storage facilities, ships, receiving terminals, pipelines, and wells.

The growing body of knowledge highlights that updates to CO_2 quality standards are necessary to ensure safe and reliable operations. Lessons from recent studies emphasise that new insights will continue to emerge as more industries join the CCS value chain. Additionally, CO_2 standards and specifications have direct commercial implications, as they impact infrastructure design, operational costs, and long-term asset integrity.

Moving forward, Northern Lights will maintain a proactive approach to continuously monitoring and evaluating CO_2 quality and corrosion risks throughout the operational phase. Sharing insights and operational experiences with industry stakeholders will remain a priority, ensuring that the broader CCS sector benefits from collective learnings and best practices.

Aligning development pace between emitters and storage providers

While Northern Lights has matured expansion opportunities from a technical perspective, potential customers (emitters) often face challenges in advancing their part of the value chain. These challenges can be both technical and commercial. A key element in the CCS value chain is the development of CO_2 hubs and/or local infrastructure—central facilities that aggregate CO_2 from multiple emitters. However, such hubs typically do not progress unless several emitters can mature their projects simultaneously.

This dependency increases complexity, as projects require substantial upfront investment and must be developed amid significant market uncertainty. Additionally, these projects involve a high degree of technical and stakeholder complexity, requiring coordination across multiple actors. Commercial structures for CCS are still evolving, and negotiating the allocation of risk and rewards across the value chain is often a lengthy and resource-intensive process.

To overcome these challenges, strong policy support and regulatory incentives are essential enablers for CCS development. Furthermore, establishing a deep mutual technical understanding across the value chain from the outset helps create a shared foundation for negotiations. This enables all parties to better grasp each other's perspectives and risk assessments, ultimately streamlining the decision-making process.

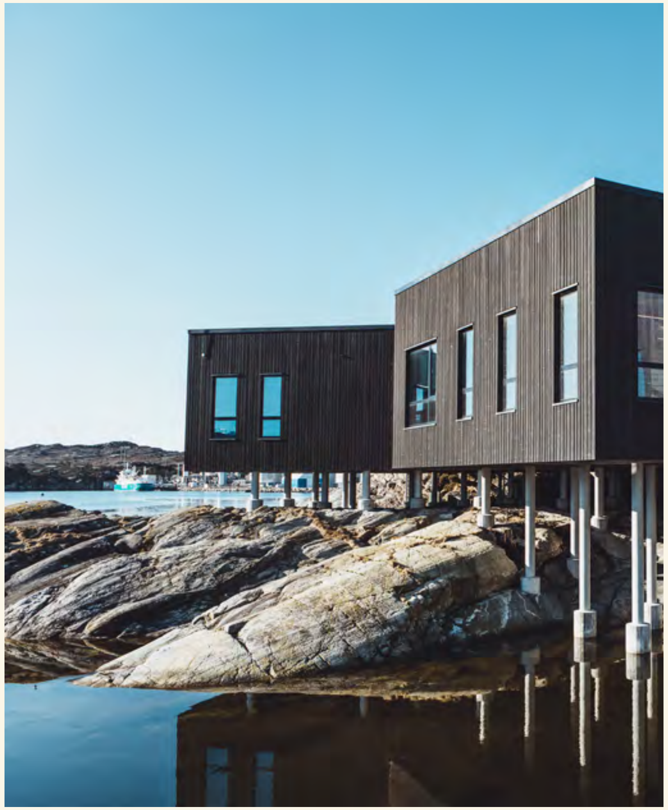
A final investment decision (FID) on a carbon capture or storage project is a major milestone that requires alignment among multiple stakeholders. Setting a clear and detailed timeline for negotiations—including milestones leading up to the respective FIDs—can help maintain alignment, highlight potential points of misalignment early, and allow for timely interventions to keep projects on track.

Streamlining multiple governmental processes and regulations

Obtaining the necessary consents and permits for CCS projects requires engagement with multiple regulatory bodies. Our experience has shown that different authorities often require similar information, however, approvals are processed independently.

As CCS is a relatively new industry, some lack of clarity remains among regulatory bodies regarding the interfaces and areas of responsibility on CCS. While this is expected in an emerging sector, avoiding parallel processes and setting clear expectations early can lead to more effective and predictable processes. Despite these challenges, there has been strong support and willingness from authorities to help establish the first CCS project.

To optimise the regulatory process, greater alignment and coordination among authorities handling various consents and permits will be essential. Streamlining processes and improving collaboration between different authorities will optimise the delivery from storage operators. Additionally, simplifying and standardising regulatory frameworks will help pave the way for broader CCS industry development.



Governance

Northern Lights

Code of Conduct

The Northern Lights Code of Conduct is the company's guide to ethical business practice and behaviours. It contains a set of business principles, based on values, beliefs, and expectations, requiring that business activities always be performed in an ethical, professional, and transparent manner, and always in compliance with the law.

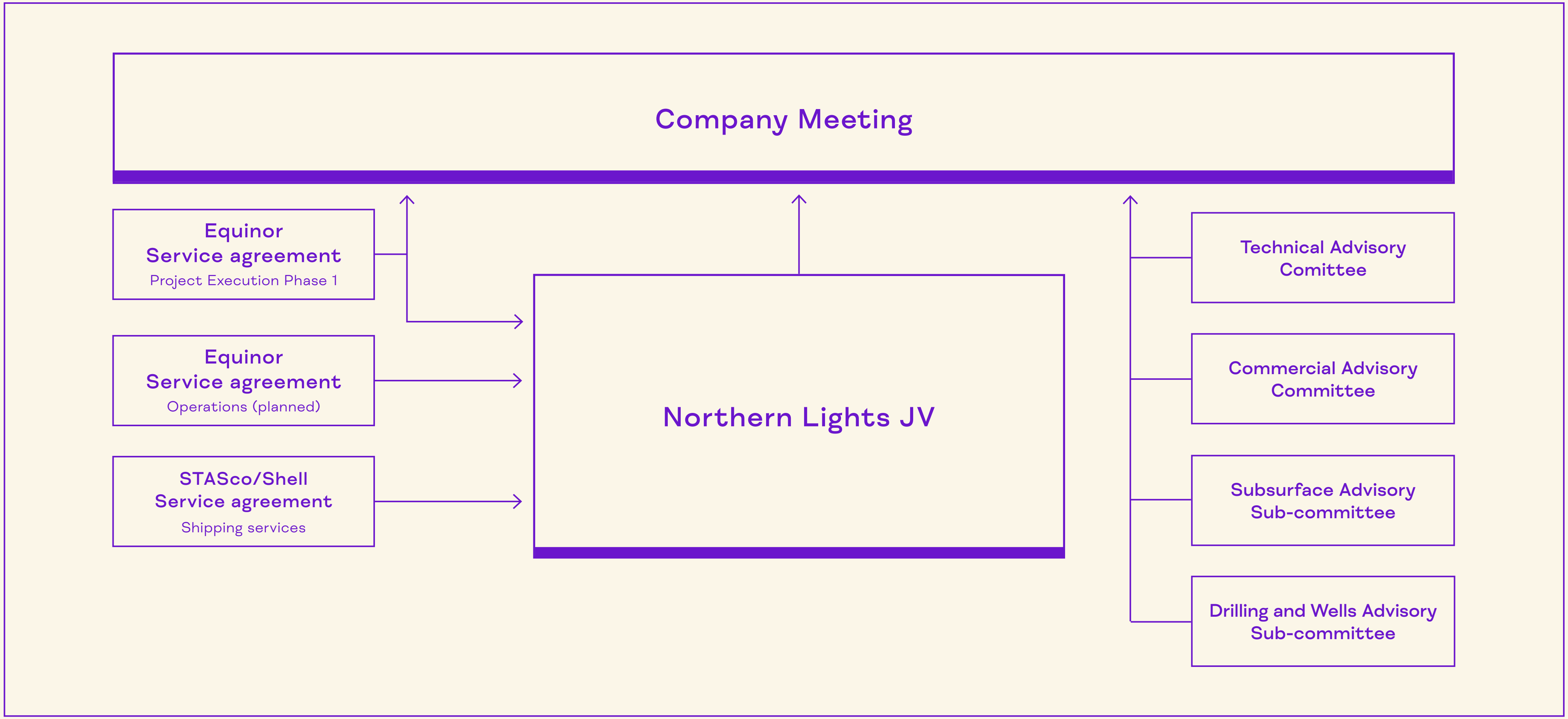
The Code also reflects how the company values (innovative, dedicated, reliable, and open) are to be put into practice every day, and establishes the standards of prudent conduct that is expected from all employees, secondees, contractors and hired personnel working for and on behalf of Northern Lights JV. Compliance training towards NLJV personnel was carried out on a regular basis throughout 2024.

Northern Lights JV expects suppliers, contractors, customers, and all other business partners to adhere to ethical standards and business principles which are consistent with those reflected in Northern Lights JV's Code of Conduct and to pay particular attention to safety and human rights standards and procedures, including their employees' working conditions.

Our values:

- **Innovative:** We nurture big ideas, listen to our stakeholders and move quickly.
- **Dedicated:** We are dedicated to our purpose of creating real progress towards tackling climate change and to work with our customers to safely store their emissions.
- **Reliable:** We are loyal, committed, diligent and up-hold high standards and right conduct in our work.
- **Open:** We are attentive, imaginative and curious. We share our learnings and experiences.

Northern Lights organisation

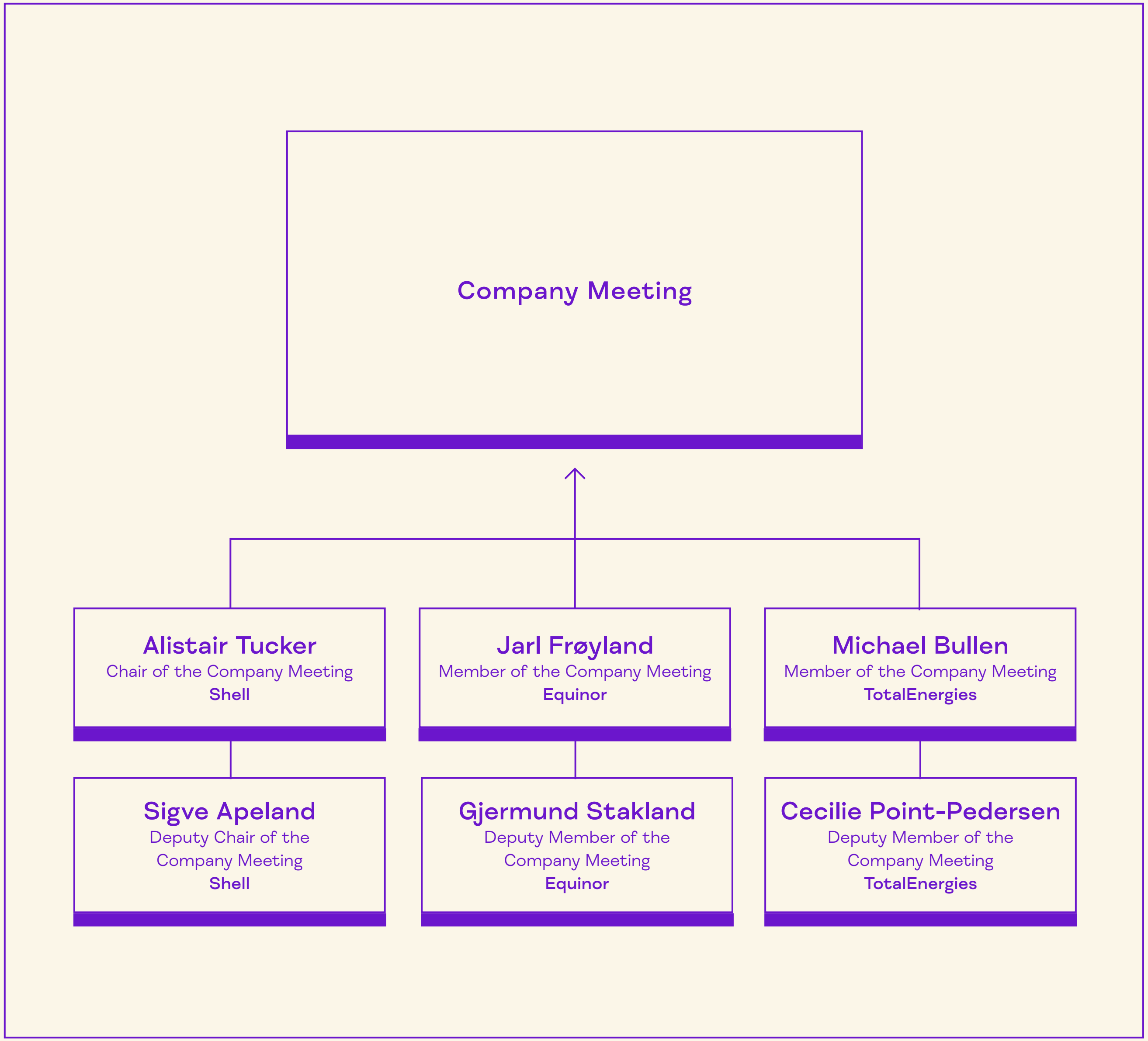


Governance structure

Northern Lights JV DA is a registered, incorporated unlimited liability Partnership with shared liability (DA), with three owners: Equinor, Shell and TotalEnergies. The Northern Lights owners have worked as partners on the CCS project since 2017 and launched the company Northern Lights Joint Venture in 2021 with a common goal to accelerate the development of CCS and enable decarbonisation of industrial emissions to reach Norwegian and European climate goals.

The Company Meeting is the governing body of the Company and makes decisions regarding Northern Lights and its activities. Each owner company appoints one member and one deputy member. The Company Meeting is chaired by a member appointed by the Company Meeting.

In 2024, Northern Lights announced changes in the Company Meeting. Alistair Tucker (Shell) succeeded Svein Skeie (Equinor) as Chair of the Company Meeting, while Sigve Apeland (Shell) joined as Deputy Chair. Former Deputy Member of the Company Meeting Jarl Frøyland (Equinor) continued as Member, while Gjermund Stakland (Equinor) joined as Deputy Member. Michael Bullen (TotalEnergies) joined the Company Meeting in 2023 and remains a Member. Cecilie Point-Pedersen (TotalEnergies) joined as Deputy Member.



The purpose of the Company Meeting is to:

- Steer direction and strategy and take decisions
- Ensure alignment and processes are established for integrated corporate governance
- Ensure safe and efficient execution and follow-up
- Capture lessons learned and drive change

Northern Lights JV is the owner of and is accountable for the development and operations of the Northern Lights project. It is also the license holder and operator of the Aurora exploitation licence EL001. Project execution is ensured through technical service providers: Equinor ASA is responsible for the development of the onshore and offshore facilities, whilst Shell International Trading and Shipping Company Limited (STASco) is responsible for the ship building execution for the first three 7,500 m^3 ships. Further service agreements will be put in place for necessary work related to operations and maintenance of the facilities, as well as to any future capacity expansions.

Northern Lights JV has established four advisory committees to support its decision-making: the Technical Advisory Committee, Commercial Advisory Committee and Subsurface Advisory Sub-Committee, Drilling and Wells Advisory Committee. These committees are led by Northern Lights JV with representatives from the owners as members.

The organisation is divided into the following departments: Operations & Logistics, Technical & Subsurface, Commercial, Finance & Administration, Health Safety Environment & Quality (HSEQ), Legal & Regulatory Affairs, and Communications & Political and Public Affairs. Most employees seconded or hired by Northern Lights JV have 10-20 years of experience within their respective fields of expertise. Several of the secondees have been involved in the Northern Lights project for several years prior to the establishment of the company. Secondees have been handpicked from the owner companies to fulfil NL JV's purpose and objectives.

Northern Lights JV Management Team

In 2024, Northern Lights JV appointed Tim Heijn as successor to Managing Director Børre Jacobsen, following the end of the planned three-year term of the role. The Managing Director role follows an agreed rotation between the three owners. Børre Jacobsen, seconded from Shell, served as Managing Director since the start-up of Northern Lights in 2021 and handed over his responsibility to his successor, Tim Heijn, seconded from TotalEnergies, on May 1st, 2024.

In addition, the following changes were made to the Northern Lights JV Management Team. Fridtjof Wisur, seconded from Shell, joined as Commercial Director, Bjørn Jordal, seconded from Equinor, joined as Operations & Logistics Director, while Torstein Vinterstø, seconded from Equinor, joined as Technical Director. Jarle Idsøe-Jakobsen was appointed HSEQ Director and joined the Management Team in 2024 alongside Director Communications & Political and Public Affairs, Benedicte Staalesen.

Tim Heijn
Managing Director

Birthe Nylund Sundt
CFO

Fridtjof Wisur
Commercial Director

Ove Dalland
Business Opportunity Director

Ruth Hilde Sætre
General Counsel

Bjørn Jordal
Operations & Logistics Director

Jarle Idsøe-Jakobsen
HSEQ Director

Benedicte Staalesen
Director Communications & Political and Public Affairs

Torstein Vinterstø
Technical Director

Stakeholder engagement

As a first mover in developing cross-border CO_2 transport and storage, Northern Lights has set it as one of its objectives to share our knowledge and experience with the others. In 2024, we continued our efforts to engage with stakeholders across industries, governments, and the public, supporting the development of CCS as a key climate solution. Through visits, conferences, events, media engagement, and digital outreach, we strengthened our role as a knowledge hub and thought leader in the CCS industry.

One of the most important ways Northern Lights engages stakeholders is through our visitor center in Øygarden, which has become a global hub for CCS knowledge exchange. Beyond visits to Øygarden, Northern Lights took part in 70 conferences, workshops, and roundtables, furthering discussions on CCS policy, technology, and business models. Our focus remained on European engagements, aligning with our primary market.

Notable conferences included the EU CCS Forum, European Climate Summit, and PCI Energy Days, where we presented on topics such as CO_2 shipping, carbon dioxide removal, and regulatory challenges.

We also played a leading role in high-profile industry events such as ONS 2024 and hosted our annual Northern Lights Summit which gathered European policymakers and industry leaders to discuss how to scale CCS for the future. This year's discussions focused on establishing a European CCS market, unlocking commercial investments in carbon capture projects, and exploring drivers for the voluntary carbon market. The event was complemented by the Northern Lights Celebration on September 26th, marking our CO_2 receiving facilities in Øygarden being ready to recieve CO_2. Nearly 1,000 attendees, including policymakers, industry leaders, and the local community, gathered to celebrate the historic occasion.

Media engagement and digital outreach also played a vital role in Northern Lights' stakeholder engagement strategy in 2024. We achieved 481 media stories in national and international outlets. This media interest reflects a growing recognition of Norway's leadership in CCS and Northern Lights' role in enabling large-scale industrial decarbonisation. On LinkedIn, our primary social media channel, we strengthened our presence with more creative storytelling and educational content, growing our follower base to 18,000—an increase of 50% from 2023. These efforts demonstrate Northern Lights' ongoing commitment to openly sharing our knowledge and experience as we work to accelerate CCS deployment in Europe and beyond.

481
National and inter-national media stories

70
Conferences and work-shops presented at

306
Presentations held at visitor center

ONS

Stand concept was called Store it!
1 tonne of CO_2 requires 1 m^3 of storage space. We have built a message wall using (moving) boxes. The messages are intended to convey the importance of CCS and Northern Lights in enabling reduction and removal of European and Norwegian industrial CO_2 emissions.

Selected international media stories in 2024

Bloomberg
A Giant Carbon Dump Gives Glimpse Into Net-Zero Future

Link to story

Børsen DK
Oil giants ready to pump CO_2 from Ørsted into the depths of the sea

Link to story

DR TV
CO_2 at sea

Link to story

France24
Norway, the CO_2 Necropolis

Link to story

The Guardian
We're still in the 1970s with cement: Norway plant to blaze carbon free concrete trail

Link to story

ZDF
Norway: CCS pilot project

Link to story

ZDF
CO_2 Storage: Is Norway a Pioneer?

Link to story

ZDF TV
Norwegisches Kohlendioxid-Speicherprojekt

Link to story

Memberships and support

Collaboration with industry associations and interest groups is vital to advancing CCS technology and policy. This chapter outlines which organisations Northern Lights contributes to, underscoring our commitment to collective climate action through shared knowledge, expertise, and advocacy.

Zero Emission Platform (ZEP): Northern Lights is a member of ZEP, the trusted advisor to the European Union on industrial carbon management and seeks to accelerate its deployment in line with Europe's climate ambition. We are contributing to European CCS policy discussions in various forums and committees.

Bellona: Northern Lights financially supports the Bellona Environmental Foundation which is an international independent non-profit organisation that aims to find and implement science-based solutions to the climate challenge. Bellona aims to be a bridge between industry and decision-makers and works closely with industry to help them respond to the climate challenge and deploy new sustainable technology.

Offshore Norway: Northern Lights is a member of Offshore Norway which is the employer and industry organisation for companies with activities on the Norwegian Continental Shelf, and part of the Confederation of Norwegian Enterprise (NHO). We were a contributor to establish a CCS Forum in the organisation which we are currently members of. The forum is a professional advisory body with sub-committees where we also participate, that addresses questions related to topics such as financial security, offshore safety rules, legal and subsurface.

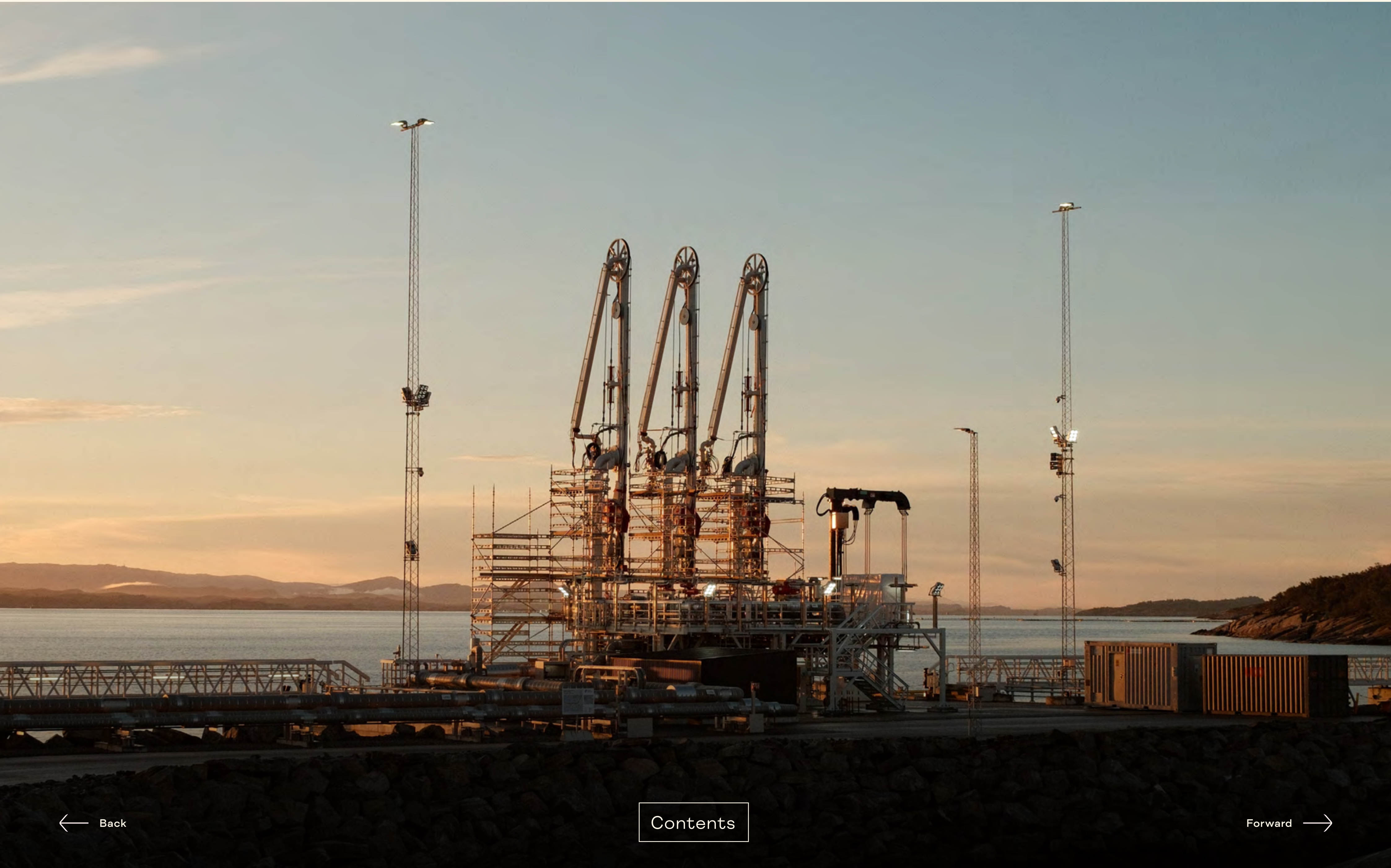
ZERO: The ZERO Environmental Foundation is an independent, non-profit organsation with one mission: the climate issue. ZERO applies a knowledge-based and analytical approach to driving forward zero-emission solutions. Northern Lights supports ZERO financially and is part of a CCS working group with a primary focus on carbon removal such as bioenergy with carbon capture and storage (BECCS) and direct air capture (DAC).

ONS: Global energy exhibition and conference in Stavanger that brought together more than 70,000 visitors from 100 countries in 2024. Northern Lights was part of the Energy Society Committee and the CCUS Committee and contributed to shaping the programme of the 2024 conference. We will continue our engagement with ONS to prepare for the next conference and exhibition in 2026.

French-Norwegian Chamber of Commerce: Northern Lights is a member of the French-Norwegian Chamber of Commerce who has the task of promoting economic, commercial and industrial relations between Norway and France, as well as bilateral cooperation between the two countries. The French-Norwegian Chamber of Commerce is an intermediary between French and Norwegian companies and is considered purposeful for business strategic objectives. In 2024, Northern Lights was awarded the Fransk-Norsk Trophée, presented annually by the Chamber and BNP Paribas. The award recognises the cooperation between Norwegian and French energy majors to promote CCS and strengthen bilateral cooperation.

Stavanger Chamber of Commerce: Northern Lights is a member of Stavanger Chamber of Commerce, Norway's largest chamber and business organisation. The chamber collaborates closely with the municipalities, political leaders, and local enterprises and serve as a supportive resource and advisor to local businesses on a variety of matters, with the overall aim of enhancing the region's appeal. The chamber organises business meetings and seminars.

Financial statements



Financial statements

Financial statements

Statement of profit or loss

(amounts in NOK 1000)	Note	31.12 2024	31.12 2023
Operating income			
Other Income		110	70
State Support	4	102,519	78,637
Total operating income		**102,629**	**78,707**
Operating expenses			
Phase 2 activities	5,6	150,103	299,378
Wages and Personell cost	6	37,018	21,398
Secondees and 3rd party consultants	6, 7	125,745	88,442
Depreciation and writedowns	5, 8	6,840	6,309
Other operating expenses	7	64,116	34,160
Total operating expenses		**383,822**	**449,687**
Operating loss		**-281,194**	**-370,980**
Finance items			
Finance income	9	177,576	156,406
Finance expenses	9	-73,668	-143,174
Net finance items		**103,907**	**13,232**
Net loss		**-177,286**	**-357,748**

Statement of financial position – Assets

(amounts in NOK 1000)	Note	31.12.2024	31.12.2023
ASSETS			
Non-current assets			
Fixed assets			
Buildings and land	5	182,292	168,997
Right of use assets	8	12,917	10,035
Office equipment	5	1,350	1,795
Facilities under construction	5, 6, 10, 11	7,147,995	6,111,514
Ships under construction	5, 6, 10	1,575,525	475,000
Total fixed assets		**8,920,079**	**6,767,341**
Total non-current assets		**8,920,079**	**6,767,341**
Current assets			
Receivables			
Trade Receivables	12	630	1,215
VAT receivables	12	61,627	207,185
Prepaid cost to Service Provider	12	102,261	346,262
Other current receivables	12	65,997	22,969
Financial Instruments	12	0	60,082
Total receivables		**230,514**	**637,713**
Cash and cash equivalents	13	586,747	583,336
Total current assets		**817,261**	**1,221,049**
Total assets		**9,737,340**	**7,988,390**

Statement of financial position – Equity and liability

(amounts in NOK 1000)	Note	31.12.2024	31.12.2023
EQUITY AND LIABILITIES			
Equity			
Equity			
Retained earnings		-827,584	-650,298
Paid-in capital	14	3,283,608	2,646,297
Total equity		**2,456,024**	**1,995,999**
Liabilities			
Non-current liabilities			
Asset retirement obligation	11	424,318	410,525
Deferred Government Grants	4	6,609,291	5,122,292
Lease liabilities	8	8,867	7,371
Total non-current liabilities		**7,042,475**	**5,540,188**
Current liabilities			
Accounts payable		16,788	30,798
Lease liabilities	8	4,326	2,821
Other current liabilities	15	217,726	418,582
Total current liabilities		**238,841**	**452,201**
Total liabilities		**7,281,316**	**5,992,389**
Total equity and liabilities		**9,737,340**	**7,988,388**

Stavanger, 3 April 2024

Alistair Tucker
Chair of the Company Meeting
A/S Norske Shell

Michael Bullen
Member of the Company Meeting
TotalEnergies EP Norge AS

Jarl Frøyland
Member of the Company Meeting
Equinor Refining Norway AS

Tim Heijn
Managing Director
Northern Lights JV DA

Statement of comprehensive income/loss

(amounts in NOK 1000)	31.12 2024	31.12 2023
Loss for the period	-177,286	-357,748
Total comprehensive loss for the period	**-177,286**	**-357,748**
Total comprehensive loss for the period is attributable to:		
Owners of Northern Lights JV DA	**-177,286**	**-357,748**

Statement of changes in equity

(amounts in NOK 1000)	Note	Paid-in capital	Retained earnings	Total equity
Opening balance 1 January 2024	2	2,646,297	-650,298	1,996,000
Loss for the period			-177,286	-177,286
Other comprehensive income		0	0	0
Total comprehensive loss for the period		**2,646,297**	**-827,584**	**1,818,714**
Transactions with Owners in their capacity as Owners				
Paid-in capital contribution	14	637,310	0	637,310
Total transaction with Owners		**637,310**	**0**	**637,310**
Balance at 31 December 2024		**3,283,608**	**-827,584**	**2,456,024**

Statement of cash flows

(amounts in NOK 1000)	Note	31.12 2024	31.12 2023
Cash flows from operating activities			
Net loss		-177,286	-357,748
Depreciation	5, 8	6,840	6,271
Writedowns	5	0	38
Accretion	11	13,383	10,270
Net change in accounts payable		-14,010	4,854
Net change in receivables	12	347,117	139,072
Net change in financial instruments without cash effect	12	60,082	-4,144
Net change in liabilities	15	-200,856	-604,330
Net cash flow from operating activities		**35,270**	**-805,717**
Cash flows from investment activities			
Purchase of fixed assets	5	-2,153,023	-1,619,712
Investment related State Support received	4	1,114,206	1,425,910
Net cash flow from investment activities		**-1,038,816**	**-193,802**
Cash flows from financing activities			
Lease interest payments	8	371	-361
Repayment of lease liabilities	8	-3,504	-2,821
Proceeds from capital contribution from Owners	14	637,310	1,039,721
Proceeds from Government Grants	4	372,793	0
Net cash flow from financing activities		**1,006,971**	**1,036,539**
Net changes to cash and cash equivalents		**3,424**	**37,020**
Bank deposits, cash and cash equivalents 01.01.2024		583,336	546,092
Net currency translation effect		-13	224
Bank deposits, cash and cash equivalents 31.12.2024		**586,747**	**583,336**

Notes to the financial statements

Note 1 - Organisation

Northern Lights JV DA ("Northern Lights JV" or "The Company") was founded on 5 February 2021. The operatorship was transferred from Equinor ASA to Northern Lights JV 7 June 2021, this date represents the start of the company.

Northern Lights JV DA is a General Partnership subject to Norwegian company law and the owners have unlimited liability for their respective shares of the total liabilities. Northern Lights JV DA's owners are Equinor Refining Norway AS, TotalEnergies EP Norge AS and A/S Norske Shell, all holding equal ownership shares of 33.3%.

Northern Lights JV DA is part of Norwegian Authorities' efforts to develop a full-scale carbon capture and storage in Norway, referred to as "Langskip" (Longship).

The address of its registered offices is Byfjordparken 15, 4007 Stavanger, Norway. Northern Lights JV DA purpose is to deliver CO_2 transport and storage as a service. By developing the world's first open-source CO_2 transport and storage infrastructure, utilizing shipping as a flexible solution, the industry can take responsibility for its emissions.

Note 2 - Significant accounting policies

Statement of compliance

The Financial statements of Northern Lights JV are prepared in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act and the current regulations regarding simplified application of IFRS® issued by the Norwegian Ministry of Finance.

Northern Lights JV has been granted exemption from the requirement in the Norwegian Accounting Act §3-4 to prepare the financial statements in the Norwegian language. The financial statement is as such only prepared in English.

Basis for preparation

Except for the exemption rules that are available under the simplified application of international accounting standards, the financial statements have, in the areas of recognition and measurement, been prepared in full accordance with the relevant IFRS accounting standards, as adopted by the EU at the end of the financial year.

Northern Lights JV has not chosen to use any of the voluntary exceptions that are applicable under simplified application of international standards.

In the areas of presentation and note disclosures, the financial statements have been prepared in accordance with the requirements of Norwegian Accounting Act. The statement of cash flows has been prepared using the indirect method.

The financial statement has been prepared on a going concern basis.

Functional and presentation currency and foreign currency translations

Northern Lights JV uses Norwegian Kroner, NOK, as presentation currency. NOK is also the functional currency, based on an evaluation of Northern Lights JV's primary economic environment and related cash flows. The cash flow from received State Support and financing activities from the owners are mainly generated in NOK. The currency that influences costs is a mix of NOK, USD, EUR and GBP, where NOK is the main currency in the establishment period.

Transactions in foreign currency are translated to NOK at the foreign exchange rate at the dates of the transaction. Foreign exchange differences arising on translations are recognised in the statement of income as financial items. Non-monetary assets that are measured at historical cost are translated at the exchange rate on the transaction date.

Note 3 - Financial risk management

General information related to financial risks

Northern Lights JV DA`s approach to risk management includes assessing and managing risk with focus on achieving the highest risk adjusted returns for the owners. Northern Lights JV DA is in the establishment phase. The Norwegian State finances a large portion of the investments in this phase and the owners covers remaining part.

Currency risk

Currency risks arise from multi-currency cash flows within Northern Lights JV DA. Northern Lights JV DA is exposed to foreign currency exchange risks on its purchases. In all material aspect exposure is related to changes in USD, EUR and GBP. Northern Lights JV DA receives state support for eligible costs in NOK. Please refer to note 4 for further information on state support and the definition of eligible cost. State Support is in NOK and Northern Lights JV DA will as such be exposed to currency exchange differences between NOK and the above-mentioned currencies.

Cost not covered by State Support will be covered by the owners through capital contributions. Northern Lights JV DA can request funding from the owners in NOK, USD, GBP and EUR at its own discretion. This reduces the currency risk exposure for Northern Lights JV DA.

A substantial currency exposure was related to the building of the two first ships. The last milestone payment of 60% of the contract value was paid at delivery end of November 2024 for ship 1 and end December 2024 for ship 2.

Northern Lights JV DA entered into hedge agreement to mitigate the currency risk related to the building of the two first CO_2 ships where the milestone payments are nominated in USD. The contract for hedging was signed medio February 2022. Northern Lights has not entered any additional hedging contracts in 2024.

The contract for the 3rd ship is not subject to currency hedge as there is less exposure. For the 3rd ship, Northern Lights can cash call the owners for 50% of the cost in the underlying currency of the contract being USD.

Please refer to note 10 for more information.

Liquidity risk

Liquidity risk is the risk that Northern Lights JV DA will not meet obligations of financial liabilities when they become due. Northern Lights JV DA is funded by the owners and with State Support. On a monthly basis Northern Lights JV DA ask the

State and the owners for prepayment (often referred to as cash calls). The amount requested represents the expected payment in the following month.

The Norwegian State participation in the project is upward limited to 6,119 million NOK and support for Additional Investment is upward limited to 800 million NOK per Nov. 2019 value. Please refer to note 4 on Government grants for further information on State Support.

To identify current and future financing needs, Northern Lights JV DA carries out short-term (12 months) budget and long-term forecasts (5-year plan) to plan the liquidity. These budget and forecasts are updated regularly, for various scenarios and form part of the decision basis for the Northern Lights JV DA's management and the Company Meeting.

Northern Lights JV DA has no external debt financing as of end 2024.

Environmental and climate risk

Northern Lights' financial risk impacted by changes in the climate is assessed as limited. Øygarden handling terminal is nearly finalised and build according to today's regulation and standard taking environmental risk into account.
It is not expected that changes in the climate will impact the facilities ability to operate or that any upgrades required to the climate will be needed in foreseeable future.

It should be noted that the Northern Lights ships are already considered a low CO_2 emissions transport solution: they are using LNG and are equipped with a wind assisted propulsion system to reduce the energy consumption and an air lubrication system to limit the friction effects with seawaters while sailing. All these measures will help reducing by 34% the carbon footprint compared to conventional solutions. In addition, it worth to mention that all contractual shipping options that the Northern Lights has or will consider in the future i.e., direct construction or chartering, have strict environmental and safety clause in place.

In 2024, the EU included the global shipping industry in the European Union Emission Trading Scheme (EU ETS). As a result of this, Northern Lights will need to pay EU ETS quotas on the emissions from the fuel combustion related to the ships. The costs of the quotas are accounted for in the long-term plans and forecasts of Northern Lights. Going forward, Northern Lights will look for new technologies or fuel compositions that can reduce future emissions from ships even further.

Northern Lights has concluded that the financial risk impact from climate changes has limited impact on the balance sheet of Northern Lights.

The activities of Northern Lights have limited impact on the climate. The business model of Northern Lights is to offer industry the opportunity to take responsibility for its emission, by providing a scalable, cross-border CO_2 management solution through the transport and safe storage of CO_2.

Northern Lights's overarching goal is to abate CO_2, coming from industries that have 'hard-to-abate emissions', meaning they lack the green technological solutions to substitute their current processes, and thus need an alternative, such as permanent storage of their CO_2. Northern Lights thus has significant potential for CO_2 abatement of the EU industry, which in turns participates in the common effort towards reaching climate targets and limiting climate change. Indeed, CCS is recognised by the IEA as one of the necessary pillars to decarbonise our industries.

Note 4- State support

Significant accounting policies

As part of the Longship Project, Northern Lights JV DA receives government grants related to its establishment and operation activities of the transport and storage of CO_2. Northern Lights has also received grants from the Connecting Europe Facility (CEF) funding scheme. When such grants are received to carry out certain activities or compensate specific expenses, the grant is recognized in the income statement over the same period as the associated costs. Grants that compensate Northern Lights JV DA for the cost of purchase or creation of an asset are recognized as deferred Government Grants in the statement of financial position and subsequently recognized as other income over the useful life of the asset.

Deferred State Support

Northern Lights JV DA has entered into a State Support Agreement (SSA) which regulates the government grants Northern Lights JV DA can request. Eligible cost is defined as cost that is subject to State Support. The Agreement between Northern Lights JV DA and the Norwegian State regulates Basis Investment and Additional Investment. The Norwegian State supports Northern Lights JV DA with different percentages of grants to cover cost based on whether it is regarded as Basis Investment or Additional Investment.

Eligible cost related to Basis Investment comprise of cost necessary for establishment of onshore/offshore facilities and two ships to handle 1.5 million tons CO_2 stored annually. This phase is supported by 80% State Support. Eligible costs related to Additional Investment which comprise of an extra well and a third ship is supported with 50%. State Support related to eligible cost not fulfilling the recognition criteria in IAS 16.7 is recognized in the profit and loss statement.

The support for Basis Investment is maximum upward limited to 6,119 million NOK and support for Additional Investment is upward limited to 800 million NOK per Nov. 2019 value.

Deferred CEF Support

In June 2024, the European Commission approved the award of €131 million under the Connecting Europe Facility (CEF) funding scheme, as announced in December 2023. In total €32.7 million was received in 2024. The CEF funding will be utilized for Phase 2, pending a positive investment decision. If there is not a positive investment decision for Phase 2, Northern Lights will need to reimburse the funding.

SPECIFICATION OF GOVERNMENTAL GRANTS RECEIVED THROUGH THE YEAR

(amounts in NOK 1000)	State support Longship	CEF support
Recognized in profit and loss, as related to expenses in current period	102,519	0
Recognized as deferred Governmental Grants	1,114,206	372,793
Total received	**1,216,725**	**372,793**

SPECIFICATION OF GOVERNMENTAL GRANTS

(amounts in NOK 1000)	State support	CEF support	Total
Opening balance 01.01.2024	5,122,292	0	5,122,292
Support received through the year	1,114,206	372,793	1,486,999
Balance 31.12.2024	**6,236,498**	**372,793**	**6,609,291**

Note 5 - Property, plant & equipment

Significant accounting policies

Property, plant & equipment are recognized in the statement of financial position at cost less accumulated depreciation and impairment losses. The cost price of such assets is the purchase price including expenses directly attributable to the purchase of the asset. For assets under construction that are purchased turnkey from the supplier, the cost price consists of advances paid. For self-constructed assets under construction, the cost price reflects the cost of materials and labor added to the asset. The cost for bringing the asset to a working condition and ready for its intended use, is charged to the income statement in the period in which they were incurred, except for expenses expected to generate future economic benefits that are recognized as a part of the asset.

Facilities- and ships under construction

Northern Lights JV DA are in the final stages of developing and building a complete facility to receive and permanently store CO_2 from various industrial emitters. Overall status for the facilities is 99% complete by end of December 2024.

In addition, in 2024, Northern Lights has had three ships under construction, which will transport the CO_2 from the customers to the storage facility. The two first ships were finalized and delivered from the yard in Dalian, China, to Northern Lights end 2024.

The cost of the vessel is determined by IAS 16.15 and IAS 16.16. Cost incurred and paid to the shipyard should be recognized as cost of the vessel (IAS 16.16 a). This also includes construction supervision costs provided by service provider or Northern Lights during the detailed engineering and construction period. Costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, are included in the cost price (IAS 16.16 b). In practice, Northern Lights incurs costs related to moving the vessels from the shipyard to Norway, and mobilizing the vessels for use will be a part of the acquisition cost for the vessel.

Northern Lights will start to depreciate the ships upon arrival at dock in Norway in 2025, meaning the depreciation period and OPEX period related to the ships starts. Depreciation of the facilities that are still under construction will start after completion and when the operational phase has commenced.

As of 31 December 2024, shipbuilding progress is 41.6% complete for ship no 3.

Committed obligation

Northern Lights JV DA uses Equinor as a service provider to oversee and control the establishment of onshore and offshore facilities. The total committed amount is 7,067 million NOK. This includes the cost for establishment of onshore and offshore facilities in Øygarden in addition to their overseeing and control. Northern Lights JV DA uses Shell International Trading and Shipping Company Limited ("Stasco") to oversee and control the building of three ships. The total committed for ship building and supervision amount is 2,055 million NOK.

Assessment related to impairment, please refer to note 10.

SPECIFICATION OF PROPERTY, PLANT & EQUIPMENT

(amounts in NOK 1000)	Office equipment	Buildings	Land, and infrastructure	Facilities under construction	Asset Retirement Obligation-Asset	Ships under construction	Total
Opening balance 01.01.2024	3,173	141,832	30,957	5,722,126	389,397	475,000	6,762,484
Additions*	303	0	16,132	1,036,062	409	1,100,525	2,153,432
Writedowns for the year	0	0	0	0	0	0	0
Cost 31.12.2024	**3,476**	**141,832**	**47,088**	**6,758,189**	**389,807**	**1,575,525**	**8,915,916**
Opening balance	1,377	3,791	0	0	0	0	5,168
Depreciations for the year	749	2,837	0	0	0	0	3,586
Accumulated depreciation 31.12.2024	**2,126**	**6,628**	**0**	**0**	**0**	**0**	**8,754**
Book value 31.12.2024	**1,350**	**135,204**	**47,088**	**6,758,189**	**389,807**	**1,575,525**	**8,907,162**
Economic useful life	3 years	50 years					
Depreciation schedule	Linear	Linear	Not started	Not started	Not started	Not started	

*Additions relating to Land and infrastructure relate to the purchase of additional land in Øygarden from CCB Kollsnes AS.

Phase 2 activities

In addition to the facilities currently under construction, Northern Lights JV DA is maturing the expansion of the facilities that will make it possible to receive above 5 million tons CO_2 annually. Expenditures attributed to this project are recognized as expense in the statement of profit or loss, as the recognition criteria in IAS 16.7 are currently not considered to be met.

The cost related to expansion will be capitalized after an investment decision has been taken by the owners.

This part of the project is not covered by the State Support agreement and will be funded by the owners.

In June 2024, Northern Lights was awarded CEF funding of total €131 million. The funding is to be used for Phase 2, pending a positive investment decision.

Note 6 - Personell cost

Northern Lights JV DA has increased the number of average direct hires from 12 direct hires during 2023 to an average of 21 direct hires during 2024. By year-end 2024, Northern Lights JV DA had 27 direct hires in total. In addition, the number of seconded personnel and external consultants have increased. Seconded personnel are personnel formally employed in the owner companies and are hired to Northern Lights JV DA for a specific period, usually between three to five years.

Personnel costs related to the establishment of the facilities are capitalised to the extent that the conditions for this is met.

Pensions

Northern Lights JV DA are subject to, and complies with, the requirements of the Norwegian Mandatory Company Pensions Act. Northern Lights JV DA have a defined contribution pension for its employees. The defined contribution plan is where the employer pays in monthly contributions to the employee's individual pension account. The pension received by the employee in the future is based on the contributions paid by the employer and gains or losses from the investment of the funds, where the risk profile is decided by the employee. The pension contributions are expensed in the income statement as incurred.

The secondees and contractors are covered by the pensions scheme at their formal employer.

SPECIFICATION OF PERSONNEL COSTS

(amounts in NOK 1000)	2024	2023
Wages and personell related costs	34,308	19,906
Pension costs	2,711	1,493
Secondee costs	118,969	86,396
3rd party consultancy costs	14,205	22,442
Recognized as costs of fixed assets	-7,429	-20,396
Total	**162,764**	**109,840**

NUMBER OF EMPLOYEES

(average FTE for the period)	2024	2023
Employees	21	12
Secondeed	29	32
External consultants	5	7
Total	**55**	**51**

Note 7 - Remuneration og management and auditor

Remuneration of management

The Managing Director of Northern Lights JV DA was seconded from A/S Norske Shell until end April 2024 and from May 1 the Managing Director was seconded from Total Energies. Northern Lights JV DA has as such not paid any remuneration directly to the Managing Director. Northern Lights JV DA has in total been invoiced 7,050 kNOK related to Managing Director's services in 2024.

There have not been any payments of remuneration to the Company Meeting representatives.

SPECIFICATION OF AUDITORS REMUNERATION

(amounts in NOK 1000)	2024	2023
Statutory audit fee	441	640
Other audit related services*	446	674
Total	**886**	**1,314**

Reported amounts are exclusive of VAT.
*Other audit related services mainly relate to audit of project and return accounts.

Note 8 - Leases

Significant accounting policies

IFRS 16 requires a lessee to account for lease contract by recognizing a lease liability and an asset representing the right-to-use the underlying asset for the lease term. The lease liability represents the net present value of the lease payments to be made over the remaining lease period. The right-to-use asset is depreciated over the lease term and interest expensed on the lease liability is recognized in the profit and loss.

Northern Lights JV is involved in lease agreements as a lessee. Lease payments related to lease agreements with low value or short duration (below 12 months) are recognized in the income statement as operating expenses.

At end 2024, two ships were completed, and a lease agreement was made with Kawasaki Kisen Kaisha, Ltd (K-Line) through a 10-year Bareboat Charter Party (BC) agreement. The vessels are then leased back from K-line to Northern Lights through a Time Charter Party (TCP) agreement which includes delivery of services related to technical operations by K-Line. Since the agreements are entered into at the same time, have the same duration and compromise the same underlying asset they are accounted for as one single lease agreement. When these two agreements are considered together, the consequence is that Northern Lights buys an operator ship service for the vessel recognized as an operation expense for the net difference between the BC and the TCP.

As such, no lease asset or liability has been recorded on the balance sheet as a result of this agreement.

All other lease agreements are recognized in the balance sheet. Lease agreements with low value are defined as leases related to assets with cost price below NOK 50,000. When assessing whether a lease agreement is short-term (below 12 months) or not, the starting point is at initial date or renewal date of the lease agreement.

Assumptions and judgements applicable to leases

Northern Lights JV's office lease agreement was recognized at the time of commencement (end of August 2021). An extension to the lease was agreed as part of an agreement to increase the leased area. This extended the lease agreement until 29.06.2027. In addition, a new lease agreement was recognised from August 2024 which is covering an additional office space until 2029. The lease liability has been calculated using a discount rate of 3.86%, which represent the risk-free borrowing rate.

SPECIFICATION OF RIGHT-OF-USE ASSETS

(amounts in NOK 1000)	2024
Opening balance 01.01.2024	14,942
Additions	6,133
Carrying amount 31.12.2024	**21,075**
Opening balance 01.01.2024	-4,904
Depreciations	-3,254
Accumulated depreciation 31.12.2024	**-8,158**
Book value 31.12.2024	**12,917**
Economic useful life	5 years
Depreciation schedule	Linear

SPECIFICATION OF LEASE LIABILITIES

(amounts in NOK 1000)	2024
Opening balance 01.01.2024	10,193
Additions	6,133
Interest expenses	371
Lease payments	-3,504
Carrying amount 31.12.2024	**13,193**
Due within one year	4,326
Due within one and five years	8,867
Due after 5 years	0
Total	**13,193**

*Additions relate to new contract for office rental on the 7th floor of Byfjordparken 15 and additional parking and KPI escalation of contracts for 2025. In addition to change in discount rate from 3.25% to 3.86%.

Note 9 - Financial items

SPECIFICATION OF FINANCIAL ITEMS

(amounts in NOK 1000)	2024	2023
Interest Income	29,693	14,240
Realized currency exhange gain*	118,545	43,892
Unrealised currency exhange gain**	29,337	98,273
Realized currency exchange loss	-14,242	-18,645
Unrealised currency exhange loss	-42,816	-103,845
Interest expense	-16,610	-20,683
Total financial items	**103,907**	**13,232**

*Realised currency exchange gain from financial instruments amounts to 112,139 kNOK in 2024 versus 19,066 kNOK in 2023.
**Unrealised currency exchange gain from financial instruments amounts to 0 kNOK in 2024 due to all hedging contacts had been settled, versus 60,082 kNOK in 2023.

Note 10 - Impairment assessment

Significant accounting policies

Northern Lights JV DA assesses assets or groups of assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Assets are considered for impairment individually to the extent that a recoverable amount can be determined, or otherwise as part of a cash-generating unit. Deferred government grants that are directly attributed to specific assets, and which will be recognized as income over their useful life, are deducted from the carrying amounts when assessing impairment.

Significant accounting judgements

Northern Lights JV DA consist of one cash generating unit (CGU). The impairment assessment has as such been done on one CGU. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflow from other assets or groups. Northern Lights JV DA business model is to safely deliver transportation and storage of CO_2. As an initial approach the service will be delivered as a package deal, where the customer will enter a contract for both transportation and storage with an associated tariff covering both elements. Depending on the outcome of commercial negotiations, this assumption could be revised on a case by case basis. All three CO_2 ships are still considered to be included in the CGU. At this stage it is considered to have a limited alternative use, as there is no active market for CO_2 transportation ships yet. This assessment will be reassessed from time to time. It is expected that an active market for CO_2 ships will evolve within the next coming years.

Estimation, assumption and sensitivity

Northern Lights is in the establishment phase with the project 99% finalised by 31 December 2024. This phase will last until medio of 2025 and will be followed by an operational phase during which the first 10 years (2025-2035) will be supported by the Norwegian State. All of Northern Lights JV DA's significant assets are nearly finalised. The receiving facilities in Øygarden was mechanically completed in September 2024. First ship arrived in Norway in February 2025, which means that Northern Lights is ready to receive CO_2 from early 2025. Northern Lights JV DA does not yet generate any revenues. Furthermore, as Northern Lights JV DA's business model is new, there are currently no significant competitors in the market for the transportation and storage of CO_2 service in the short term, but it is expected that more competitors within transport and storage of CO_2 will enter the market towards 2030. During 2023, Northern Lights JV DA signed two long-term customer contracts with Yara in Netherlands and Ørsted in Denmark. Northern Lights JV is currently in negotiations with several customers to reach fully-term agreements for an expansion.

Events that can impact the impairment assessment relates to future market development, ability to deliver the project on time, EU Emission quota market and regulations, changes in technology and solutions for the CCS value chain and weighted average cost of capital (WACC). There have been limited changes to WACC and Northern Lights has not observed major changes in the other factors that will impact the impairment assessment.

Northern Lights JV DA uses an approach of regular updates of assumptions and economic conditions in establishing the long-term forecasts which are reviewed and approved by the Company Meeting. The assessment is updated at least annually.

Impairment conclusion

The management of Northern Lights have performed an impairment trigger assessment and have concluded that no impairment triggers are present as of 31 December 2024.

Note 11 - Asset retirement obligations

Significant accounting policies

Asset retirement obligations primarily relate to plugging of injection wells, removal of subsea templates and other installations on the seabed. The obligation matures at the time when the associated assets reach the end of their useful life. Initial recognition of the liability takes place at the time when the related asset is acquired or installed, with a corresponding amount recognized as an additional cost of the asset and subsequently depreciated over its useful life. The amount recognized is measured as the present value of the estimated future expenditures. In subsequent periods, the unwinding of the discount is presented as a financial expense, while other changes are recognized as a change in the cost of the related asset in accordance with IFRIC 1.

Estimation uncertainty

The estimated future expenditures relating to asset retirement are based on the current regulation and requirements, while considering the currently available technology. In determining the estimate, scenario analysis is used to address the significant uncertainty associated with developments in future price levels, technological developments and regulatory conditions.

The discount rate used in the calculation is determined using an estimated risk-free interest rate.

Assumptions and sensitivity

The calculations assume an inflation rate of 2% and a nominal interest rate of 3.86%.

Asset retirement obligations 01.01.2024	**410,525**
Unwind of discount (financial expense)	13,383
Change in estimate during the year	72,909
Change in discount rate	-72,500
Asset retirement obligations 31.12.2024	**424,318**

Asset retirement obligations presented in the financial statement of 2024 relate to pipeline and subsea templates in addition to two injection wells installed on the EL001 Aurora licence, and the onshore facilities. Change in estimate during the year relates to updated estimates for removal, decommissioning and plugging and abandoning wells.

Note 12 - Trade and other receivables

Significant accounting policies

Trade and other receivables are recognized at face value, less provisions for expected credit losses. Provisions for expected credit losses are based on the simplified approach, using a lifetime expected loss allowance. The credit rating of the counterparties generally means that the expected credit loss is not material.

SPECIFICATION OF OTHER CURRENT RECEIVABLES

(amounts in NOK 1000)	2024	2023
Trade receivables	630	1,215
Prepayment to Service Provider	102,261	346,262
VAT receivables	61,627	207,185
Other receivables	65,997	22,969
Financial Instruments	0	60,082
Total trade and other receivables	**230,514**	**637,713**

Prepayment to Service Providers

Service Provider can ask for prepayment (cash calls) from Northern Lights JV DA on a monthly basis. Prepaid amount as of year-end 31 December 2024 consists of prepayment for January 2025 costs of 102,261 kNOK.

VAT receivables

Northern Lights JV DA were entitled to deduct VAT on historical cost, ref Norwegian Tax Authorities formal response from September 2023, in total 92 MNOK (incl. interest) was received January 2024. Northern Lights are also entitled to deduct VAT on historical cost relating to capital goods (kapitalvare) over the next 10 years, in total 44.6 MNOK, currently recorded as a receivable in the balance sheet. In addition, VAT related to the transfer of Høyresving to Vestland Fylkeskommune was received December 2024, in total 110 kNOK.

Other receivables

Other receivables consist of prepaid cost and spare parts of total 65,997 kNOK per 31.12.2024 versus 22,969 kNOK per 31.12.2023.

Financial instruments

As of 31 December 2024 all hedge contracts were settled and no unrealized gain/loss had to be recorded.

In 2023 an unrealized exchange gain amounted for 60,082 kNOK for the hedge contracts maturing in 2024

HEDGE CONTRACS USD/NOK MATURING IN 2024

	2024			2023		
(amounts in 1000)	Initial value*	Value as of 31.12.2024	Unrealised gain per 31.12.2024	Initial value*	Value as of 31.12.2023	Unrealised gain per 31.12.2023
USD	0	0		49,220	49,220	
NOK	0	0	0	440,604	500,686	60,082

* Initial value refers to value on trade date 15.02.2022.

Note 13 - Cash and cash equivalents

Significant accounting policies

Bank deposits, cash and cash equivalents include all cash, bank deposits and other short term liquid investments. Northern Lights JV DA has no restricted cash except employee advance tax withholding of 1,630 kNOK on 31 December 2024.

Note 14 - Related party transactions

Significant accounting policies

Related party relationships are those involving control (either direct or indirect), joint control or significant influence. Related parties are in a position to enter into transactions with the company that would not be undertaken between unrelated parties.

Northern Lights JV DA is a General Partnership the owners have unlimited liability for their respective shares of the total liabilities. Northern Lights JV DA's owners are Equinor Refining Norway AS, TotalEnergies EP Norge AS and A/S Norske Shell, all holding equal ownership shares of 33.3%. They have joint control over Northern Lights JV. Transactions with related parties of the owner are reflected in overview below.

Significant related parties transactions

On 7 June 2021 Northern Lights JV DA entered into an asset transfer agreement with the previous participants in the Northern Lights JV DA project.

Agreements with related parties to Northern Lights JV DA

Participant Agreement
On 7 June 2021, the owners of Northern Lights JV DA entered into the Participant Agreement regulating the control and objective of Northern Lights JV DA.

Service Agreement Equinor ASA
On 7 June 2021, Northern Lights JV DA entered into a service agreement with Equinor ASA for oversee, control and building of onshore, offshore facilities and pipeline in Øygarden outside Bergen. The agreement regulated the establishment of a facility to handle 1.5 million tonnes CO_2 annually

Service Agreement Shell International Trading and Shipping Company Limited ("Stasco")
On 13 October 2021, Northern Lights JV DA entered into a service agreement with Stasco for the supervision of the construction phase of two newbuild CO_2 transportation ships in Dalian, China. The service agreement with Stasco was extended 7th July 2023 to also cover the supervision of a 3rd sister ship currently under construction in Dalian, China.

SPECIFICATION OF RELATED PARTY TRANSACTIONS 2024*

	2024		2023	
(amounts in NOK 1000)	**Paid-in capital**	**Other**	**Paid-in capital**	**Other**
A/S Norske Shell	212,437	38,961	346,554	42,520
TotalEnergies EP Norge AS	212,437	49,935	346,554	48,599
Equinor Refining Norway AS	212,437	157	346,613	0
Equinor Energy AS		1,155,153		2,352,749
Equinor ASA		0		1,461
Shell International Trading and Shipping Company Ltd		62,424		73,014
Shell U.K Ltd		0		0

*This overview includes invoices received from related parties and does not include any accruals.

Note 15 - Provisions and other current liabilities

Significant accounting policies

Other current liabilities are mainly related to services received, for which payment is due within the next twelve months. These liabilities are measured at nominal amounts.

SPECIFICATION OF OTHER CURRENT LIABILITIES

(amounts in NOK 1000)	2024	2023
Accrued secondee and 3rd party personnel costs	40,946	38,915
Services provider payables	117,087	360,248
Other accrued expenses	59,694	19,419
Total other current liabilities	**217,726**	**418,582**

Note 16 - Income Tax

Significant accounting policies

As a General Partnership, Northern Lights JV DA is not subject to income taxation in Norway. As such, Northern Lights JV DA does not recognize any assets, liabilities or expenses relating to income tax. However, Northern Lights JV DA is required to determine a net taxable profit to be allocated to the owners, which is subsequently taxable in accordance with their respective ownership shares.

SPECIFICATION OF TAXABLE PROFIT

(amounts in NOK 1000)	2024	2023
Net loss	-177,286	-357,748
Permanent differences	132	281
Net change in temporary differences	-126,185	-36,970
Changes i temporary differencies (correction in 2024)*	37,060	0
Taxable profit	**-266,279**	**-347,268**

SPECIFICATION OF TEMPORARY DIFFERENCES

(amounts in NOK 1000)	2024	2023	Change
Fixed assets	6,764,951	5,510,650	-1,254,301
Deferred state support	-6,236,498	-5,122,292	1,114,206
Right-of-use assets	12,917	10,035	-2,882
Leasing liabilities	-13,193	-10,193	3,000
Asset retirement obligations	-424,318	-410,525	13,793
Net temporary difference	**103,860**	**-22,325**	**-126,185**

* Changes in temporary differences relate to correction of tax depreciation in 2022 and 2023.

Note 17 – Subsequent events

27 March 2025, a positive financial investment decision was made by all three owners, enabling Northern Lights to expand the CO_2 transport and storage services from 1.5 million to a minimum of 5 million tonnes of CO_2, per year.

The investment made by the Northern Lights JV owners Equinor, Shell and TotalEnergies are 7.5 billion NOK. This includes the enabling award of €131 million from the Connecting Europe Facility (CEF) funding scheme, approved by the European Commission last year.

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INDEPENDENT AUDITOR'S REPORT

To the Partnership Meeting of Northern Lights Jv DA

Opinion

We have audited the financial statements of Northern Lights Jv DA (the Company), which comprise statement of financial position as at 31 December 2024, the statement of profit or loss, statement of comprehensive income/loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 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

Other information consists of the information included in the Company Meeting report within the annual report other than the financial statements and our auditor's report thereon.

Management (the company meeting and the managing director) is responsible for the other information. Our opinion on the financial statements does not cover the information in the other information, and we do not express any form of assurance conclusion thereon.

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

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Based on our knowledge obtained in the audit, it is our opinion that the other information

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

Responsibilities of management for the financial statements

Management is responsible for the preparation of 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.

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- 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.

Stavanger, 4 April 2025
ERNST & YOUNG AS

Gunn Helen Askvik

Gunn Helen Askvik
State Authorised Public Accountant (Norway)

Independent auditor's report - Northern Lights Jv DA 2024

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