

HV VI Invest Eta Limited

Annual Report and Audited Financial Statements

For the year ended 31 December 2020

Registration number 08686269

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HV VI Invest Eta Limited

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HV VI Invest Eta Limited

Administration

Directors:	James Whittingham (<i>Appointed 18 January 2021</i>) Einar Gjelsvik (<i>Appointed 18 January 2021</i>) Nikolay Iankov (<i>Appointed 18 January 2021</i>) Louise Inward (<i>Resigned 18 January 2021</i>) Kim Gozzett (<i>Resigned 18 January 2021</i>) Gunnar Halvorsen (<i>Resigned 18 January 2021</i>)
Secretary:	Aztec Financial Services (UK) Limited
Registered Office:	Forum 4 Solent Business Park Parkway South Whiteley, Fareham United Kingdom, PO15 7AD
Administrator:	Aztec Financial Services (UK) Limited Solent Business Park Parkway South Whiteley, Fareham United Kingdom, PO15 7AD
Legal Advisers:	In Norway: Advokatfirmaet BA-HR Tjuvholmen allé Vika N-0117 Oslo In Guernsey: Ferbrache & Farrell LLP Somers House Rue du Pre St Peter Port Guernsey GY1 1LU
Independent Auditor:	PricewaterhouseCoopers CI LLP First Floor 1 Glategny Esplanade St Peter Port Guernsey GY1 4ND

HV VI Invest Eta Limited

Report of the Directors

The directors present their annual report and audited financial statements of HV VI Invest Eta Limited (the "Company") for the year ended 31 December 2020.

Incorporation

The Company was incorporated on 11 September 2013 in Cardiff under the Companies Act 2006.

Principal activities

The Company is a holding and investment company. The principal activity of the Company is investing and holding shares in Neo Energy Holding Limited ("NEO Energy"), an oil and gas exploration and production company which holds shares in Neo Energy Group Limited. The Company's investment in NEO Energy was funded by equity contributions from the Company's sole shareholder, HitecVision VI, L.P., a Guernsey entity.

The Income Statement is set out on page 8.

The Company's investment in NEO Energy has not been unaffected by Covid-19 and the oil price collapse experienced in the first half of 2020, however NEO Energy has managed to protect its cash flow through hedging, delayed investments or other cash flow-protective measures.

The results for the year ended 31 December 2020 are set out on page 8.

Dividends

The directors do not recommend the payment of a dividend (2019: USD nil).

Directors and Secretary

The directors and secretary of the Company as at 31 December 2020 and throughout the year then ended are as stated on page 2.

Directors' responsibilities for the financial statements

The directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standards 102, 'The Financial Reporting Standards applicable in the United Kingdom and the Republic of Ireland' ("FRS 102"), of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

HV VI Invest Eta Limited

Report of the Directors (continued)

Directors' responsibilities for the financial statements (continued)

The directors confirm that they have complied with the above requirements in preparing these financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. Furthermore the directors are responsible for ensuring that the Company has sufficient gross capital to meet its commitments and to withstand the risks to which its business is subject. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

Independent Auditor

Our auditor, PricewaterhouseCoopers CI LLP has indicated their willingness to remain in office. A resolution to re-appoint PricewaterhouseCoopers CI LLP as auditor to the Company will be proposed at a forthcoming meeting.

By order of the Board on 15 April 2021



James Whittingham



Independent auditors' report to the members of HV VI Invest Eta Limited

Report on the audit of the financial statements

Opinion

In our opinion, HV VI Invest Eta Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of Financial Position as at 31 December 2020; the Income Statement, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Independent auditors' report to the members of HV VI Invest Eta Limited (continued)

Conclusions relating to going concern (continued)

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Report of the Directors for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities for the financial statements set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine 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, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the members of HV VI Invest Eta Limited (continued)

Responsibilities for the financial statements and the audit (continued)

Auditors' 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 auditors' 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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the susceptibility of the company's financial statements to being materially misstated, including how fraud might occur, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management's ability to override controls and the potential for management bias in accounting estimates and key judgements impacting the financial statements, specifically the valuation of investments held at fair value through profit or loss. Audit procedures performed included:

- enquiry of management and those charged with governance around actual and potential litigation and claims;
- reviewing minutes of meetings of those charged with governance;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- auditing the risk of management override of controls, including testing journal entries for appropriateness and testing accounting estimates; and
- challenging the estimates and judgements made by management, in particular in relation to the valuation of investments, and assessing the reasonableness of these estimates and judgements.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of HV VI Invest Eta Limited (continued)

Other required reporting

Companies Act 2006 exception reporting

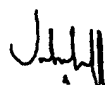
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



John Luff (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Statutory Auditors
Guernsey, Channel Islands
16 April 2021

HV VI Invest Eta Limited

Income Statement

For the year ended 31 December 2020

	Notes	2020 USD	2019 USD
Income	3		
Bank interest		1,664	9,518
Advisory fee income	5	(12,500)	50,000
		(10,836)	59,518
Expenses	3		
Unrealised loss / (gain) on revaluation of investments	6	91,583,251	(1,060,420)
Interest expense		864,268	177,199
Administration fees		49,461	29,377
Directors' fees		29,949	18,071
Audit fees		16,347	14,537
General expenses		1,241	1,075
Unrealised foreign exchange loss		1,006	1,719
Consulting service fees		8	22,749
Realised loss on investments	6	-	7,950
Transaction fees		-	4,121
Regulatory fees		-	231
Legal and professional fees		(211)	107,920
		92,545,320	(675,471)
(Loss) / profit on ordinary activities before taxation		(92,556,156)	734,989
Taxation	4	166	-
(Loss) / profit for the year		(92,556,322)	734,989
Retained earnings brought forward		389,787,742	389,052,753
Retained earnings carried forward		297,231,420	389,787,742

The results above are in respect of continuing operations of the Company.

The notes to the financial statements on pages 13 to 21 form an integral part of these financial statements.

HV VI Invest Eta Limited

Statement of Changes in Equity For the year ended 31 December 2020

	Notes	2020 USD	2019 USD
Shareholders' funds brought forward		566,487,742	565,752,753
Capital subscribed	9	21,100,000	-
(Loss) / profit for the year		(92,556,322)	734,989
Shareholders' funds carried forward		495,031,420	566,487,742

The notes to the financial statements on pages 13 to 21 form an integral part of these financial statements.

HV VI Invest Eta Limited
Statement of Financial Position
As at 31 December 2020

	Notes	2020 USD	2019 USD
Fixed Assets			
Investments at fair value through profit and loss	6	494,354,176	585,937,427
Current Assets			
Cash and cash equivalents		610,237	852,510
Debtors	7	102,272	23,559
		<u>712,509</u>	<u>876,069</u>
Current Liabilities			
Creditors	8	35,265	64,707
Corporation tax payable	4	-	14,593
Loan payable		-	20,246,454
		<u>677,244</u>	<u>(19,449,685)</u>
Net Current Assets / (Liabilities)			
		<u>495,031,420</u>	<u>566,487,742</u>
Net Assets			
		<u>495,031,420</u>	<u>566,487,742</u>
Share Capital and Reserves			
Share capital	9	29,730,208	27,002,400
Share premium	9	168,069,792	149,697,600
Retained earnings		297,231,420	389,787,742
Total Shareholders' Funds		<u>495,031,420</u>	<u>566,487,742</u>

The financial statements on pages 9 to 21 were approved by the board of directors on 15 April 2021 and signed on its behalf by:



James Whittingham
Director

The notes to the financial statements on pages 13 to 21 form an integral part of these financial statements.

HV VI Invest Eta Limited

Statement of Cash Flows For the year ended 31 December 2020

	2020 USD	2019 USD
Cash flows from operating activities		
(Loss) / Profit for the year	(92,556,322)	734,989
Adjustments for:		
Interest expense	864,268	177,199
(Decrease) / increase in creditors	(44,035)	39,730
Unrealised loss / (gain) on revaluation of investments	91,583,251	(1,060,420)
Realised loss on investments	-	7,950
Increase in debtors	(78,713)	(12,259)
<i>Net cash (used in) / from operating activities after taxation</i>	(231,551)	(112,811)
Cash flows from investing activities		
Purchase of investments	-	(20,069,255)
Proceeds from sale of investments	-	69,970
<i>Net cash used in investing activities</i>	-	(19,999,285)
Cash flows from financing activities		
Issue of share capital and share premium	21,100,000	-
Loan received	-	20,069,255
Loan repayment	(21,110,722)	-
<i>Net cash from financing activities</i>	(10,722)	20,069,255
Net decrease in cash and cash equivalents	(242,273)	(42,841)
Cash and cash equivalents at the beginning of the year	852,510	895,351
Cash and cash equivalents at the end of the year	610,237	852,510

The notes to the financial statements on pages 13 to 21 form an integral part of these financial statements.

HV VI Invest Eta Limited

Notes to the Financial Statements For the year ended 31 December 2020

1. Basis of Accounting

The financial statements have been prepared on a going concern basis in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102, 'The Financial Reporting Standards applicable in the United Kingdom and the Republic of Ireland' ("FRS 102"), and under the historical cost convention as modified by the revaluation of investments.

The Company was incorporated on 11 September 2013 in Cardiff under the Companies Act 2006.

The Directors of the Company believe that there is not an intention to realise the investment in Neo Energy Group within the next 12 months and therefore consider the Company to be a going concern, and as such the financial statements are prepared on a going concern basis.

The following accounting policies have been consistently applied to all periods presented within these financial statements.

The Company is exempt from preparing consolidated financial statements on the basis that it is considered to be a small entity, as defined by FRS 102. Accordingly, the investment is measured at fair value through profit and loss in the financial statements of the Company.

2. Significant judgements and estimates

In preparing these financial statements, the directors have made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

a. Judgements

(i) Determination of functional currency

'Functional currency' is the currency of the primary economic environment in which the Company operates. If indicators of the primary economic environment are mixed, then management uses its judgement to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The majority of the Company's transactions and ultimate investments are denominated in US Dollar. Shareholders' contributions and distributions are also received and paid in US Dollar. Accordingly, the directors have determined that the functional currency of the Company is US Dollar.

b. Assumptions and estimation uncertainties

(i) Measurement of fair values

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2020 are included in Note 6 and Note 10 and relate to the determination of fair value of financial instruments using valuation techniques.

3. Principal accounting policies

(a) Investments

Unquoted investments are included in the financial statements at fair value.

Investments are designated as financial assets carried at fair value through profit and loss ("FVPL") and are initially recognised at fair value, with transaction costs expensed in the Statement of Comprehensive Income and are subsequently re-measured at fair value at every reporting date. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Partnership has transferred substantially all risks and rewards of ownership.

HV VI Invest Eta Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

3. Principal accounting policies (continued)

(a) Investments (continued)

Investments are valued at amounts considered by the Company's directors to be a fair assessment of their established fair value as at the date of valuation. The fair value of investments is prepared by HitecVision Advisory AS, as investment advisor to HitecVision VI, L.P. by applying the International Private Equity and Venture Capital Valuation guidelines which have been developed and endorsed by Invest Europe. Discounted cashflows are used to determine the valuation of the investment in Neo Energy Holding Limited.

Notwithstanding the above, the variety of valuation bases adopted and quality of management information provided by the underlying investee company means there are inherent difficulties in determining the value of this investment. Amounts realised on the sale of those investments will differ from the values reflected in these financial statements and the difference may be significant.

Investments which are subsidiary or associate undertakings are deemed to be financial instruments held at fair value through profit or loss. Consequently, any resultant gain or loss (realised or unrealised) is recognised in the Income Statement. In addition, all transaction costs separately identified are recorded as an expense in the Income Statement.

(b) Income and expenses

Bank interest and other income and expenses are accounted for on an accruals basis.

Accrued interest on investments held with investee company is included in the fair value of the investment shown within the Statement of Financial Position until such time as the interest is received, at which point the interest is taken to the Income Statement.

(c) Debtors

Short term debtors are measured at transaction price, less any impairment.

(d) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and cash deposits.

(f) Loan

Loans are recognised at the transaction price and are subsequently carried at amortised cost using the effective interest rate method.

(g) Foreign Exchange, functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "Functional Currency"). This is the US Dollar. The US Dollar is also the "Presentation Currency" in the financial statements.

Monetary assets and liabilities denominated in a foreign currency are translated into US Dollars at the rate of exchange ruling at the Statement of Financial Position date. Transactions in foreign currency are translated at the rate of exchange ruling at the date of the transaction. Foreign exchange gains and losses are included in the Income Statement.

HV VI Invest Eta Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

3. Principal accounting policies (continued)

(h) Taxation

Taxation expense for the year comprises current tax recognised in the reporting period. Tax is recognised in the Income Statement.

Current taxation liabilities are not discounted. The rates of taxation applied are noted in 4(b).

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

4. Taxation

(a) Tax expense included in Income Statement

	2020 USD	2019 USD
UK Corporation tax on profits for the year	166	-
Total current tax	166	-

(b) Reconciliation of tax charge

	2020 USD	2019 USD
(Loss) / Profit multiplied by the standard rate of tax in the UK of 19.00% (2019: 19.00%)	(17,585,670)	139,648
Adjust unrealised gain on revaluation of investments	(17,400,818)	(201,480)
Initial tax loss	(34,986,487)	(61,832)
Losses brought forward from earlier years	(61,832)	-
Adjustment in respect of prior periods	-	-
Losses carried forward to future years	(35,048,319)	(61,832)
Tax charge for the year	-	-

5. Material Agreements

Pursuant to Clause 17.9(c) of the Verus Petroleum Holding Limited Subscription and Shareholders' Agreement dated 14 May 2014, an annual advisory fee of USD 50,000 is due and payable quarterly in advance on the first business day of January, April, July and October.

Pursuant to Clause 17.9(d) of the Verus Petroleum Holding Limited Subscription and Shareholders' Agreement dated 14 May 2014, a negotiation fee of 1 per cent of the aggregate subscription amount paid in Capital Calls made after closing is due.

The above agreements were terminated during the merger of Verus Petroleum Holding Limited into Neo Energy Holding Limited.

On 7 March 2018 the Company entered into a Consultancy Agreement with HitecVision Advisory AS (the "Consultant") under which the Consultant provides consulting support services to the Company with effect from 1 January 2017. With effect from 1 January 2020 no further amounts will be payable to HitecVision Advisory AS.

HV VI Invest Eta Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

6. Investments		2020	2019
		USD	USD
Investments at cost brought forward		195,991,335	176,000,000
Purchase of investments		-	20,069,255
Proceeds from sale of investments		-	(69,970)
Realised loss		-	(7,950)
Investments at cost carried forward		195,991,335	195,991,335
Unrealised gain on investments		298,362,841	389,946,092
Investments at fair value carried forward		494,354,176	585,937,427

2020		2020	2020
		Cost	Fair Value
		USD	USD
Investment	Holding		
Neo Energy Group Limited *	60.80%	195,991,335	494,354,176
		195,991,335	494,354,176

2019		2019	2019
		Cost	Fair Value
		USD	USD
Investment	Holding		
Neo Energy Group Limited *	99.73%	195,991,335	585,937,427
		195,991,335	585,937,427

* The Company's investment in Neo Energy Group Limited is held via Neo Energy Holding Limited, which the Company holds 60.8%.

On 20 November 2019, HV VI Invest Eta Limited and Neo Energy Holding Limited entered into a share exchange agreement whereby the entire shareholding in Verus Petroleum Holding Limited was sold to Neo Energy Holding Limited in consideration for an equal number of shares in Neo Energy Holding Limited of the same share class.

On 20 January 2020, HV VII Invest Foxtrot AS committed to invest \$285 million in NEO Energy Holding Limited (NEHL) in exchange for an 39.0% holding in NEHL.

The fair value is based on the Company's share of the underlying assets at fair value, held by Neo Energy Holding Limited and is assessed by a third party that specialises in valuing companies operating in similar business sectors using a discounted cashflow method.

The fair value is based on the Company's share of Neo Energy Holding Limited.

Realised gains and losses and unrealised gains and losses on investments are taken to the Income Statement.

An explanation of key drivers behind the investment performance are included in the market risk note (see note 11).

HV VI Invest Eta Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

7. Debtors	2020 USD	2019 USD
Due from HitecVision VI, L.P.	100,000	-
Prepaid directors' fees	2,272	11,059
Advisory fee due	-	12,500
	<u>102,272</u>	<u>23,559</u>

8. Creditors	2020 USD	2019 USD
Audit fees	16,202	13,932
Administration fees	18,648	22,711
Other Expenses	387	-
Disbursement fees	28	231
Consultancy fees	-	22,749
Transaction fees	-	4,121
Professional fees	-	963
	<u>35,265</u>	<u>64,707</u>

9. Share Capital

	Number of Shares	Share Capital USD	Share Premium USD	Total USD
<u>Ordinary Shares</u>				
Issued Share Capital				
At 1 January 2020	17,670,000	27,002,400	149,697,600	176,700,000
Issued during the year	2,110,000	2,727,808	18,372,192	21,100,000
At 31 December 2020	<u>19,780,000</u>	<u>29,730,208</u>	<u>168,069,792</u>	<u>197,800,000</u>

	Number of Shares	Share Capital USD	Share Premium USD	Total USD
<u>Ordinary Shares</u>				
Issued Share Capital				
At 1 January 2019	17,670,000	27,002,400	149,697,600	176,700,000
Issued during the year	-	-	-	-
At 31 December 2019	<u>17,670,000</u>	<u>27,002,400</u>	<u>149,697,600</u>	<u>176,700,000</u>

HV VI Invest Eta Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

10. Financial Instruments

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

	2020 USD	2019 USD
Valuation techniques using non-observable market data	494,354,176	585,937,427

11. Financial Risk Management

The operating activities of the Company are exposed to credit risk, liquidity risk and market risk. The directors have established risk management policies to identify, monitor, analyse and minimise risk to the Company.

This note presents information about the Company's exposure to each of the above risks and its risk management policies and procedures. Further quantitative disclosures are included to measure the exposure and its sensitivity.

a) Credit Risk

Credit risk arises from the possibility that a counterparty to a financial asset fails to discharge an obligation or commitment that it has entered into with the Company.

The carrying value of the following financial assets represent the maximum credit risk exposure as at the balance sheet date:

	2020 USD	2019 USD
Cash and cash equivalents	610,237	852,510
Trade and other receivables	102,272	23,559
Total	712,509	876,069

Cash and cash equivalents are held with accredited local banks. Bankruptcy or insolvency by a bank may cause the Company's rights with respect to cash held to be delayed or limited. The Company monitors its risk on a regular basis. In addition if the credit quality or the financial position of any bank deteriorates significantly, cash held will be moved to another bank.

The Company's cash and cash equivalents are held with Lloyds Bank International Limited, which is rated P-2 (2019: P-2) by Moody's rating agency.

b) Liquidity Risk

Liquidity risk arises from the possibility that financial obligations are not met as they fall due as a consequence of the inability to sell investments and other financial assets quickly at an amount close to their fair value.

The following are the contractual maturities of financial liabilities:

	due < 1 year USD	due 1 - 5 years USD	2020 Total USD	2019 Total USD
Trade and other payables	35,265	-	35,265	64,707
Corporation tax payable	-	-	-	14,593
Total	35,265	-	35,265	79,300

HV VI Invest Eta Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

11. Financial Risk Management (continued)

The Company maintains sufficient levels of cash and cash equivalents which enables it to meet its liabilities. In addition, the ultimate controlling party will continue to provide financial support when needed.

c) Market Risk

i) Interest rate risk

The Company does not expect to hold significant cash balances and hence expects to experience only limited exposure to this risk with respect to cash balances held.

Changes in market interest rates may impact the performance and / or liquidity position of investee companies and therefore also the fair value of financial instruments held by the Company in investee companies. The Company seeks to mitigate this risk by i) identifying appropriate levels of debt when structuring investments, and ii) possibly employing some degree of interest rate hedging on debt at the level of the investee company.

The table below summarises the Company's exposure to interest rate risks. It includes the Company's assets and liabilities at fair values, categorised by floating, fixed and non-interest bearing.

At 31 December 2020

	Floating USD	Fixed USD	Non-interest bearing USD	Total USD
Assets				
Financial assets at fair value	-	-	494,354,176	494,354,176
Debtors	-	-	102,272	102,272
Cash at bank	610,237	-	-	610,237
Total assets	610,237	-	494,456,448	495,066,685
Liabilities				
Creditors	-	-	35,265	35,265
Total liabilities	-	-	35,265	35,265
Total interest sensitivity gap	610,237	-	494,421,183	495,031,420

At 31 December 2019

	Floating USD	Fixed USD	Non-interest bearing USD	Total USD
Assets				
Financial assets at fair value	-	-	585,937,427	585,937,427
Debtors	-	-	23,559	23,559
Cash at bank	852,510	-	-	852,510
Total assets	852,510	-	585,960,986	586,813,496
Liabilities				
Loan Payable	20,246,454	-	-	20,246,454
Creditors	-	-	64,707	64,707
Corporation tax payable	-	-	14,593	14,593
Total liabilities	20,246,454	-	79,300	20,325,754
Total interest sensitivity gap	(19,393,944)	-	585,881,686	566,487,742

HV VI Invest Eta Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

11. Financial Risk Management (continued)

c) Market Risk (continued)

ii) Foreign currency risk

The Company's exposure to foreign currency exchange risk is kept to a minimum to the extent that it invests the Company's equity capital denominated in US Dollars in US Dollar denominated investments. The Company may enter into forward exchange contracts, as and when deemed appropriate in order to reduce currency risk exposure, and invest in currency or currency futures or currency options or contracts for differences or other instruments with a view to hedging Investments or income receipts therefrom.

The table below summarises the Company's exposure to currency risks. Included in the table are the Company's assets and liabilities at fair values categorised by their base currencies.

Concentration of assets and liabilities

(all amounts are US Dollar equivalents)

As at 31 December 2020	USD	NOK	GBP	Total
Assets				
Cash at bank	609,416	31	790	610,237
Financial assets at fair value	494,354,176	-	-	494,354,176
Other assets	-	-	102,272	102,272
Liabilities				
Other liabilities	-	-	35,265	35,265
As at 31 December 2019	USD	NOK	GBP	Total
Assets				
Cash at bank	845,057	-	7,453	852,510
Financial assets at fair value	585,937,427	-	-	585,937,427
Other assets	-	-	23,559	23,559
Liabilities				
Other liabilities	(20,246,454)	(4,121)	(37,439)	(20,288,014)
Corporation tax payable	-	-	(14,593)	(14,593)

At 31 December 2020 had the exchange rate between Sterling and the US Dollar increased or decreased by 20% with all other variables held constant, the increase or decrease respectively in net assets attributable to the shareholders would amount to USD 11,298 (2019: USD 3,503).

At 31 December 2020 had the exchange rate between Norwegian Krone and the US Dollar increased or decreased by 20% with all other variables held constant, the increase or decrease respectively in net assets attributable to the shareholders would amount to USD 5 (2019: USD 687).

iii) Price Risk

The Partnership is exposed to such risks that are specific to the oil and gas industry, such as fluctuating demand and prices related to the energy sector.

The successful performance of the investments assumes sustained high oil prices or increasing oil prices.

The valuation has been performed based on using an income based approach. An adjustment to the input factors whether it is company specific, market specific or a judgmental factor would change the valuation accordingly.

d) Capital Risk Management

The principal activity of the Company is to make an investment in Neo Energy Holding Limited. Recommendation for investments is provided by the investment advisor and is subject to board approval, and the provision of additional financing in the form of equity or debt from the immediate controlling party, HitecVision VI, L.P.

HV VI Invest Eta Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

11. Financial Risk Management (continued)

d) Capital Risk Management (continued)

The Company maintains sufficient levels of cash and cash equivalents which enables it to meet its short term liabilities as they fall due.

The Company's directors actively monitor the ongoing capital requirement of the Company. In addition, the ultimate controlling party will continue to provide financial support when needed.

12. Related Parties

Administrator

Aztec Financial Services (Guernsey) Limited ("Aztec") is entitled to administration fees in respect of the services provided to the Company. During the year administration fees were payable to Aztec of USD 48,793 (2019: USD 9,156). As at 31 December 2020, USD 18,648 (2019: USD 9,156) was outstanding.

Consultant

For the year ended 31 December 2020 consulting fees of USD Nil (2019: USD 22,749) were payable to HitecVision Advisory AS of which USD Nil (2019: USD 22,749) was outstanding.

Directors' fees

For the year ended 31 December 2020, directors' fees of USD 29,949 (2019: USD 18,071) were payable to K Gozzett and L Inward in equal proportion. At 31 December 2020 directors' fees of USD 2,272 (2019: USD 11,059) were prepaid.

13. Ultimate Controlling Party

The Company's immediate parent and ultimate controlling party is HitecVision VI, L.P.

14. Subsequent Events

COVID-19 and oil price impact on HitecVision portfolio

COVID-19 is affecting all aspects of society, including HitecVision and the portfolio companies. The full implications of the virus are virtually impossible to know, but HitecVision will make sure that all our portfolio companies operate under the most stringent health and safety requirements. HitecVision is monitoring our companies on a daily basis, ensuring that they have the necessary procedures in place so that mission critical operations are maintained.

There have been no other events subsequent to the year end which require adjustment of or disclosure in the financial statements or in the notes.