Equinor – Improvements and automated processes with BlackLine

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equinor

Key figures

2.07 million barrels

Production per day in 2020

5.3 billion

Barrels of oil and gas reserves in 2020

3.9 bn USD

Adjusted earnings as of Q4 2020

21000

21000 employees, more than 30 countries

2nd

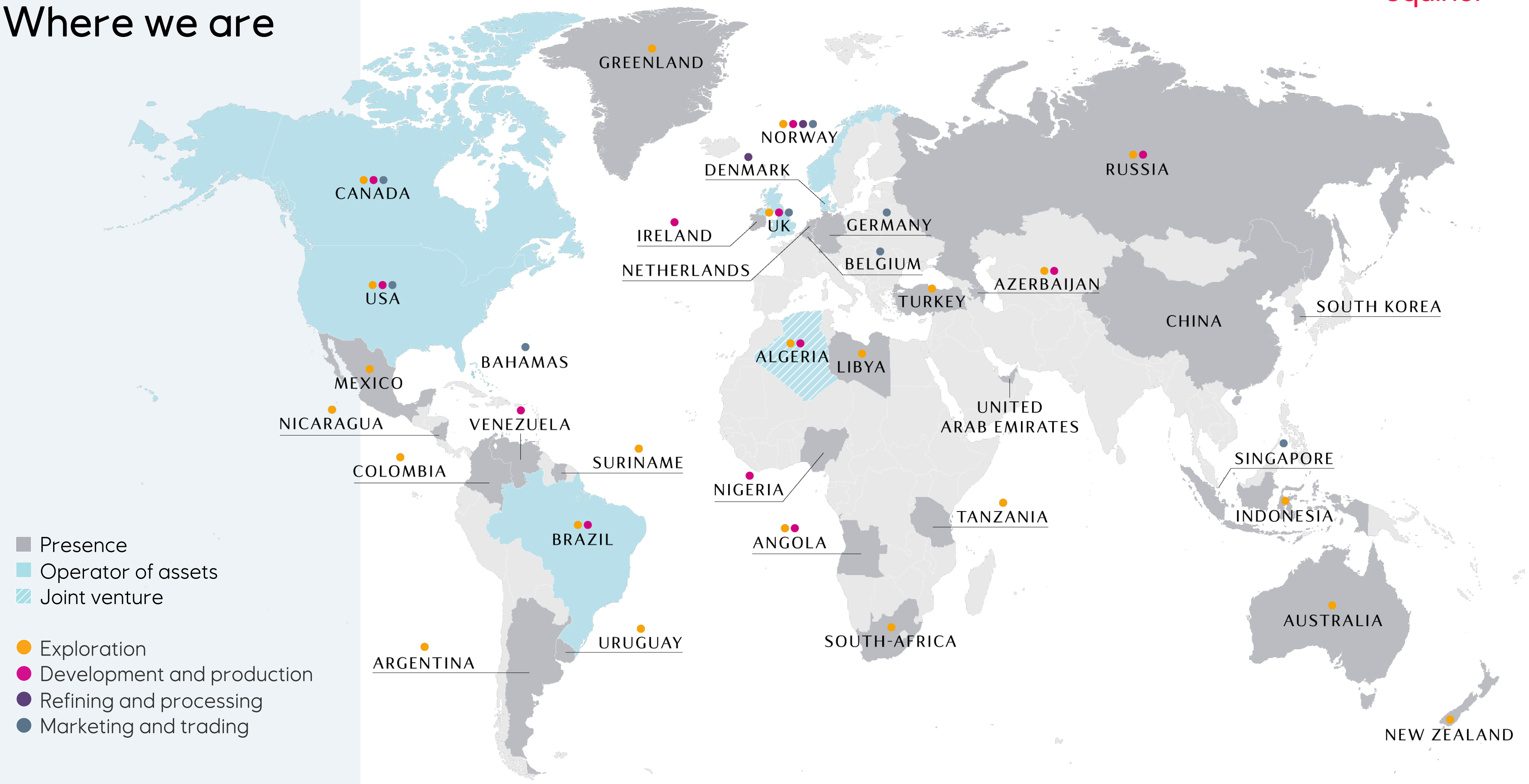
Second largest gas supplier in Europe

Growing renewable energy production

12 to 16GW

Planned net production capacity from renewables by 2030

Where we are


GREENLAND
NORWAY
DENMARK
RUSSIA
CANADA
IRELAND
UK
GERMANY
NETHERLANDS
BELGIUM
AZERBAIJAN
USA
TURKEY
SOUTH KOREA
CHINA
BAHAMAS
ALGERIA
LIBYA
MEXICO
UNITED ARAB EMIRATES
NICARAGUA
VENEZUELA
SURINAME
COLOMBIA
SINGAPORE
NIGERIA
TANZANIA
INDONESIA
BRAZIL
ANGOLA
AUSTRALIA
URUGUAY
ARGENTINA
SOUTH-AFRICA
NEW ZEALAND
Presence
Operator of assets
Joint venture
Exploration
Development and production
Refining and processing
Marketing and trading

Financial model

BA reporting structure (profit center hierarchy)

- Equinor consolidation structure
- Operated ventures/profit centers outside Equinor´s consolidation structure

STAT-PCA

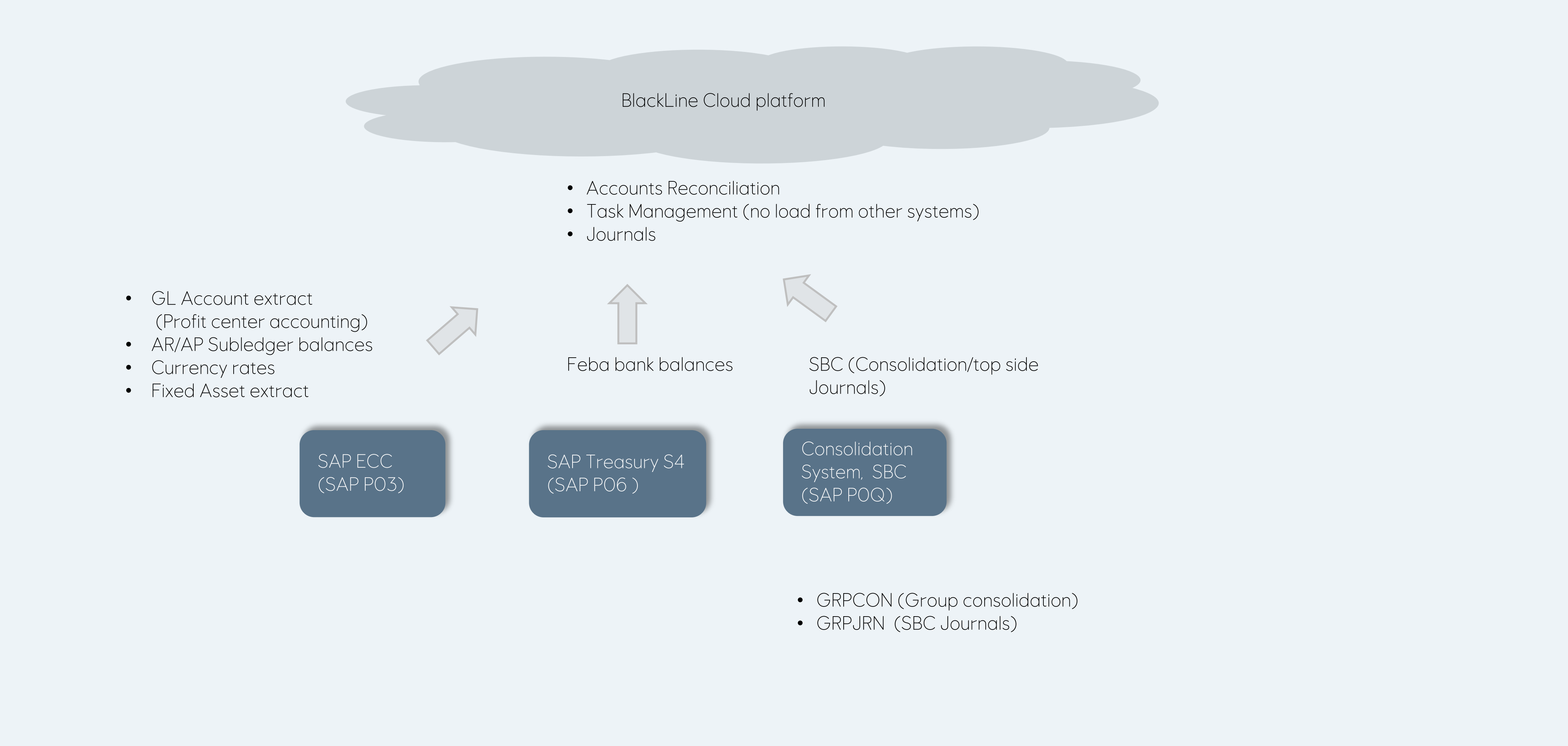
STAT | OTHER/Ventures

EPN	Exploration & Production, Norway	EPN JV	Operated ventures, Norway
EPI	EPI Exploration & Production, International	EPI JV	Operated ventures, International
REN	Renewables	REN JV	Operated ventures, Renewables
MMP	Marketing, Midstream & Processing	MMP JV	Operated ventures, MMP
OTHERGRP	Projects, Drilling & Procurement (PDP)		
	Technology, Digital & Innovation (TDI)		

Key facts:

6 Business areas	232 Company codes
~3.531 Profit centers	3.283 Operated ventures
345 BlackLine Licensed users	47 BlackLine Teams globally
8x BlackLine reconciliations a year	14000 Reconciliations in BlackLine

How BlackLine fits into our existing F&C system portfolio



BlackLine modules

Reconciliation	Journal approvals	Task Management
• Reconciliation of B/S accounts for all 232 SAP companies (very few non-SAP cc's) • JVA reconciliation (Equinor operated ventures) • Most common rule is to group to account/cc level (one group contains many profit centers). • Reconcile both Account currency and Alternate currency in BlackLine • Use auto-certification and account rules • 14000 reconciliations	• Custom development together with BlackLine • Customized automatic import of top-side adjustments from consolidation system to BlackLine (import schedule every 30min) • Approval and documentation of journals in Blackline's Journal module • 500-1000 monthly journals	• Prepared by client list for external auditors for Statutory Reporting/Interim and quarterly reporting • Standardisation and replacement of manual excel spreadsheets • Overview/monitor task • Year end 2020- 2000

BlackLine- automations

- Auto-certification rules in use for the account module
  - All Balances Zero or Null Balance and No Activity
  - Zero Balance Account Less Than Threshold
  - GL Balance has not Changed since Last User Certified Period and No Activity. (switched off once a year so far)
  - Subledger Reconciliation Match (New)
  - Bank Reconciliation Match (New)
  - Non-editable Imported Items Match (load from fixed asset history sheet) (New)

- Around 50 Account rules run on each import
  - Allocate account to the correct teams (47 teams)
  - Add frequency, company policy and procedures to new accounts
  - Not able to allocate everything because of complexity (400 new account combinations each month)

- Auto-grouping rules- tested for a few, but the number of cc´s - 232 and account combinations makes it complex

Comparison, period 8 2020 vs period 8 2021

Account Certification Status

Status	No. of Accounts	Percentage	Balance (Abs)
Not Prepared	0	0.00	0.00
Rejected	0	0.00	0.00
System Decertified	0	0.00	0.00
Prepared	0	0.00	0.00
Approved	0	0.00	0.00
Reviewed	7295	54.02	775,404,755,680.89
Financial Reviewed	56	0.41	535,539,696.97
Auto-Certified	4595	34.02	430,297,675,842.83
Not Required	1559	11.54	1,139,365,350.66
Total	13505	100.00	1,207,377,336,571.35

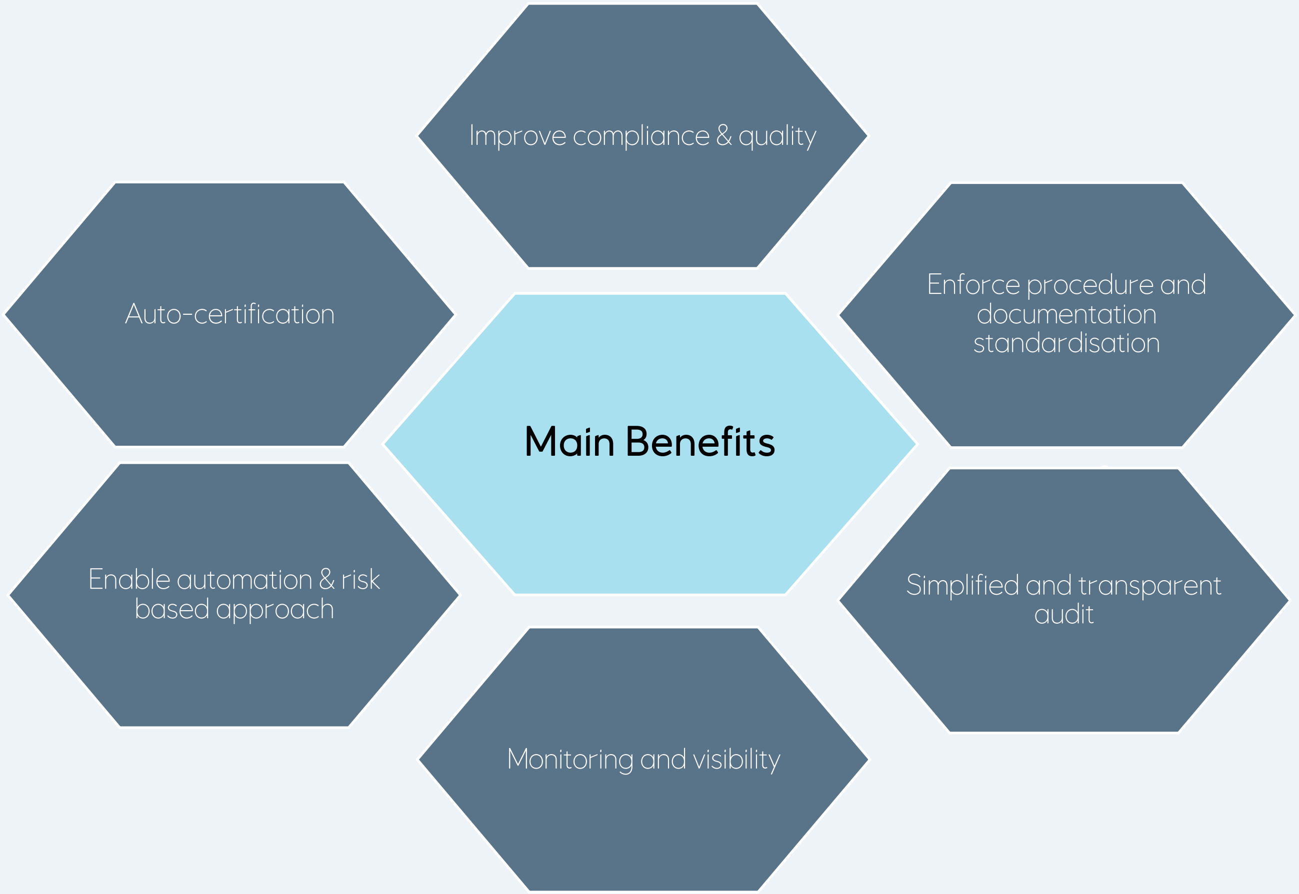
ACTIVE CERTIFICATION STATUS	Auto-Certified
Row Labels	**Count of ACCOUNT**
All Balances Zero or Null Balance and No Activity	144
GL Balance has not Changed since Last User Certified Period and No Activity.	3784
Zero Balance Account Less Than Threshold	668
Grand Total	**4596**

Account Certification Status

Status	No. of Accounts	Percentage	Balance (Abs)
Not Prepared	93	0.67	12,454,596,678.65
Rejected	1	0.01	1,500,453.24
System Decertified	0	0.00	0.00
Prepared	1	0.01	0.00
Approved	0	0.00	0.00
Reviewed	0	0.00	0.00
Financial Reviewed	0	0.00	0.00
Auto-Certified	6456	46.45	272,272,146,641.15
Not Required	1709	12.30	2,865,682,344.67
Completed	5638	40.57	1,013,295,823,401.81
Total	13898	100.00	1,300,889,749,519.52

ACTIVE CERTIFICATION STATUS	Auto-Certified
Row Labels	**Count of ACCOUNT**
All Balances Zero or Null Balance and No Activity	293
Bank Reconciliation Match	794
GL Balance has not Changed since Last User Certified Period and No Activity.	3192
Non-Editable Imported Items Match	831
Subledger Reconciliation Match	388
Zero Balance Account Less Than Threshold	955
Grand Total	**6453**

Benefits achieved



Challenges

Open

Looking forward

Account Reconciliation

- Account grouping, is time consuming. Have discussed different options to simplify this task, Use of RPA. Stop loading on profitcenter level- stop using groups. Currently looking into use of Power Query to automate task
- Develop extract to be able to auto-certify currency reval accounts
- Improve reconciliation procedures and guidelines. Link our controls closer to the reconciliations. Reconciliation frequency will be aligned with control frequency.
- Evaluate grouping on consolidation account level
- Update Account Rules to be aligned with new procedures and guidelines
- Automate/simplify access control , currently 345 users in the system, 722 different role combinations

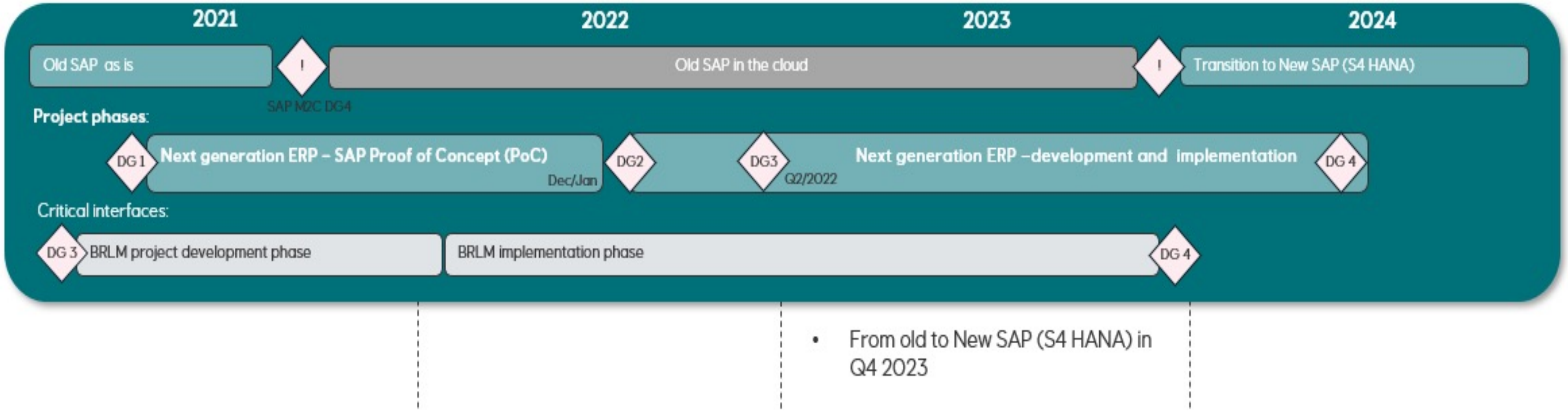
Journal approvals

- Evaluate Journal approval only in quarters
- Custom development of journal authorization matrix ongoing

Other modules

- Variance Module- looked briefly into use of this module, but for now put on hold

Move from SAP ECC to SAP S/4 – Planned Timeline



BlackLine potential with SAP S/4 HANA:

- Migrate smoothly from Ecc to S/4 R2R processes best practices
- Automate and scale balance sheet substantiation process in S/4 with the implementation of SAP/BlackLine Connector for S/4
- Enhance and automate journal entry process, including preparation, approval workflow and real time postings
- Decrease manual effort associated with reconciling high- volume transactions
- Analyse variances such as aged open items before go-live
- Risk Matrix mapping and management
- Executes tax strategies in Intercompany process, automates transaction posting and provides full ICO transparency