Annual report 2023

Contents

North Energy at a glance

North Energy ASA ("North Energy" or "The Company") remains committed to our longstanding vision of generating attractive shareholder returns through strategic investments across the energy value chain and adjacent sectors. As an industrial investment company, we leverage our industry knowledge to identify positions in assets aligned with the global energy trends and transitions. Our approach emphasizes targeted value creation rather than passive holding, with a strategy of active ownership. As energy landscapes evolve, the underlying investment prospects follow. Our commitment to driving value through active asset optimization and stewardship persists as a core differentiation hallmark of The Company's identity.

2023 was a year of continued optimizing of asset allocation and liquidity management. The Company has maintained its core industrial investments in Reach Subsea ASA ("REACH") and Wind Catching Systems AS ("WCS") alongside continued assessment of potential new holdings across the energy value chain. North Energy's key financial investment continued to be its 4% ownership interest in Touchstone Exploration throughout the year 2023. Beyond Touchstone, North Energy's financial investments in 2023 consisted of minor holdings in shares and bonds to optimize liquidity management, with continued engagement in DNB's multicurrency credit facility utilizing listed financial investments as collateral and placement of excess cash in NOK denominated investment grade bonds.

The Company remained under the leadership of co-Chief Executive Officers Rachid Bendriss and Didrik Leikvang in 2023. At the close of the fiscal year, the Company had retained its compact operational structure, with the Oslo headquarters staffed by 3 full-time employees in total. Backed by cohesive leadership and efficient operations, North Energy remains well positioned to carry its vision forward as it progresses into the coming year. The Company is listed on the Euronext Expand Oslo Stock Exchange with the ticker "NORTH".

Key figures

MNOK	2023	2022
Earnings before tax	24.6	-13.1
Tax	0	0
Net result	24.6	-13.1
Total Assets	342.3	327.6
Equity	321.1	308.2
Equity %	94%	94%
Net asset value*	398.2	403.4
Market capitalisation 31.12**	246.4	252.4

* Net asset value is the market value of the company's investments, cash and other assets less the company's liabilities.
** Market capitalisation is the closing stock price at the end of the year multiplied by the number of shares in the company.

Dear Shareholders!

The year 2023 in brief:

- Comprehensive income of 24.6 MNOK
- Dividend adjusted growth in net asset value of 2%
- Continued work on developing our portfolio of investments

Global markets and economy

During the year 2023, North Energy continued to develop the Company in accordance with its overall strategic goals, while continuing to remain cautious in light of the macroeconomic outlook and the major currents affecting the global economy. The year 2023 was complex across most economies, as higher than normal inflation continued to persist, despite rising interest rates, and significant geopolitical events globally. Supply chain disruptions and escalating regional conflicts all contributed to major uncertainty.

International share indices, however, performed strongly during 2023 and we saw a significant rebound for both stock and bond market performances following a challenging 2022. Strong performance of +24% in the S&P 500 index was mostly driven by outperformance from large cap information technology companies, with the technology sector up by more than 55%. The S&P 500 outperformed globally while the tech heavy Nasdaq 100 index saw its highest performing year since 1999, with an annual gain of 54%. Global GDP growth was around 3% by most estimates – a reduction from the years 2021-22, but clearly better than expectations of recession towards the end of 2023. Major economies avoided technical recessions, benefiting from resilient labor markets and beneficial financial conditions after inflation peaked earlier in the year.

In the United States, annualized inflation, as measured by Personal Consumption Expenditure (PCE), cooled from its 40-year high notched in June 2022 of 7.1% down to 2.4% by January 2024 as the Federal Reserve's serial rate hikes achieved intended effect. This enabled the Fed to shift to a slower pace of tightening late in 2023, moderating borrowing costs as GDP growth tapered to an estimated 1.4% on the year. The Eurozone witnessed similar inflation relief, with annualized inflation again dropping below 10% to close 2023 – high by historical standards, but no longer universally "soaring" as earlier after touching on double-digit figures in mid-2022. With Eurozone unemployment still near all-time lows, the area dodged recession despite weakening output.

In totality, 2023 marked a year of significantly slower global growth as policymakers engineered demand pullbacks to restore price stability. Although expectations for a global recession mostly went unrealized, the various sub-segments within the global economy continue to move at differing speeds, depending on their sensitivity to higher interest rates.

After the extreme volatility seen across energy markets in 2022, the year 2023 saw some easing in immediate pressures from the global energy crisis, however with a backdrop of continued risks of supply side disruptions, and higher energy prices. Fossil fuel prices saw a decrease from the 2022 price peaks, but markets remained both tense and volatile. Brent crude oil closed out the year at a USD 77.04/bbl, with dips and spikes throughout the year, seeing a high of USD 97.63/bbl and a low of USD 72.9/bbl.

Natural gas prices were mostly weak throughout the year driven by supply side growth, mostly favorable weather conditions in combination with significant shut-ins of industrial energy use.

In 2023, Reach Subsea continued its strategic and financial expansion, which resulted in a significant increase in both revenues and profitability. Full year revenues increased from 1 163 MNOK in 2022, to 1 996 MNOK in 2023, an increase of 72% Y/Y, which accompanied strong growth in EBIT to reach a full year level of 332 MNOK. Reach Subsea continues to invest in both new vessels and equipment, in-order to enhance its service capabilities both within the traditional offshore and the growing renewable sectors. Another significant event for Reach was the contract award given by Equinor in December for services in Brazil. The contract, secured in partnership with OceanPact, marks a substantial expansion in Reach Subsea's order backlog and represents a strategic move into the Brazilian market. Reach carries on with its commitment to pushing boundaries while providing high quality services to meet the global demand for energy.

Wind Catching Systems ("WCS") is continuing to develop its innovative floating wind technology, with a core focus of making floating offshore wind commercially attractive through maximizing energy output (GWh) per unit of cost (capex/opex) related to installing and operating offshore wind capacity. The Windcatcher System, WCS' flagship technology, while large, is moored to the seabed like conventional systems with a design that emphasizes reducing complexity, costs and environmental impact. WCS remains committed to sustainable and efficient transitioning to cleaner energy.

Within the company's financial investments, the picture was mostly mixed with weak performance by Touchstone Exploration as the key driver of financial performance. During the year we have broadened our investment portfolio beyond our traditional focus on energy, with selective new exposures in the medical industry, real estate and shipping sectors.

Our investment in Thor Medical has significant potential if the company can succeed in its ambition to become a leading supplier of alpha-particle emitters for cancer therapy, a market expected to grow substantially over the next decade. Towards the end of 2023, we also completed a small investment in Hunter Group, which has entered into charter agreements for VLCC vessels used in transportation of crude oil. With a backdrop of a 20-year low order book for new vessels we believe this presents an attractive risk/reward outlook.

Further, in 2023 we made new investments in bonds issued by Heimstaden AB, a leading owner of residential real estate across Europe. As policy makers have raised interest rates, the industry faces higher cost of capital which is exerting massive downward pressure on real estate values, resulting in significant distress for many companies. While we believe the process of value adjustments to be a multi-year process, we also believe that selective opportunities are starting to emerge. Our investment in Heimstaden senior debt was made at average discounts to par value of more than 50%, and at expected IRRs of 30-40% over a period of 3-4 years. We believe this opportunity presents a compelling risk/reward profile as the turmoil in the industry continues to play out.

Outlook for 2024

At North Energy, we remain committed to broadening our portfolio of industrial and financial investments in the years to come. In this process, identifying new investments at attractive prices remains the core of our investment philosophy.

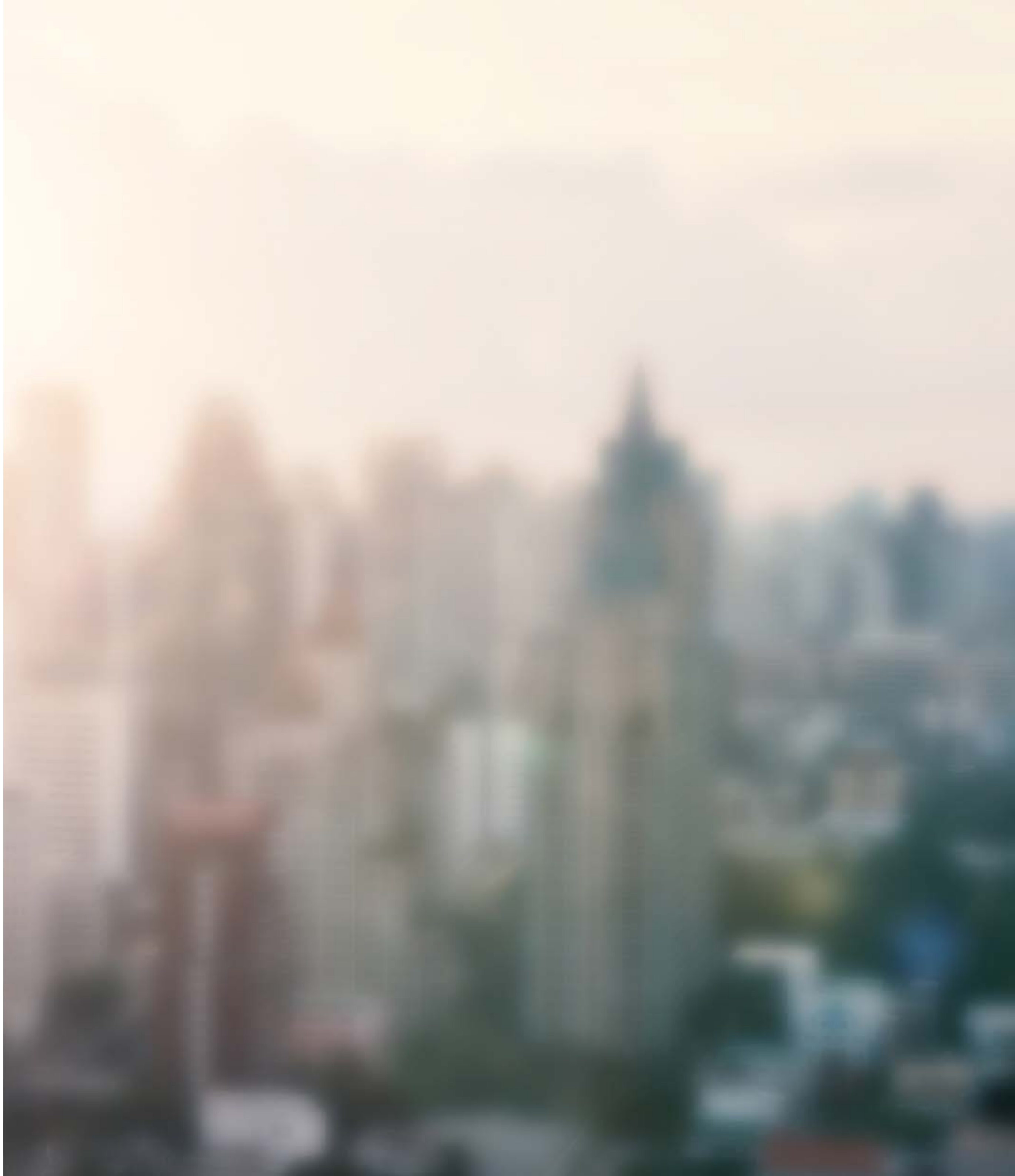
We are continuing to evaluate opportunities in new energy technology, however as evidenced by the challenges seen in the offshore wind industry during the year 2023, the road towards decarbonization is likely to be both long and bumpy, which presents a challenge for many early-phase technology companies which are generally both highly capital intensive and expected to be unprofitable for years to come.

Although the broader policy agenda indicates a gradual shift towards renewable energy production, the pathway towards this goal entails massive inherent complexities. We continue to remain firm believers in a future dominated by energy production that is less carbon intensive, however we are also keenly aware of the massive challenges the world faces in the process of decarbonizing the energy sector.

Going forward we will continue to take a prudent approach in terms of identifying new investments and to focus on opportunities allowing us to further broaden our portfolio of investments. Increased diversification and focus on industries and sectors (other than energy) is likely to be expected as we continue to grow North Energy as an investment company over the years to come.

Rachid Bendriss
co-CEO
North Energy ASA

Didrik Leikvang
co-CEO
North Energy ASA



Directors' report

Board of Directors' Report 2023

The business

North Energy ASA ("North Energy" or "Company") was established in 2007 with the goal of exploring commercial accumulations of oil and gas on the Norwegian Continental Shelf ("NCS"). In May 2016, an extraordinary general meeting resolved a new strategy and business model whereby North Energy would become an industrial holding company pursuing investment opportunities in the energy sector. In July 2017, the Board of Directors of North Energy decided to discontinue the Company's petroleum activities on the Norwegian Continental Shelf ("NCS") and to close the subsidiary North E&P, which was the base for all petroleum activities in North Energy. The closure of North E&P and the simplification of the Company's legal structure was completed in 2020, resulting in a structure with only one legal entity, North Energy, holding all investments and carrying out business activities. Towards the end of 2022, North Energy established two new subsidiaries and moved the ownership of the company's shares in Reach Subsea ASA and Wind Catching Systems AS to each subsidiary respectively. The Company's business is conducted from its offices located in Oslo.

North Energy's current mandate from shareholders is to own, manage and provide financing for activities within the energy industry, and other industries where the company has relevant competence. The Company is an industrial holding company with a portfolio of independent investments, both listed and unlisted, organized in two separate segments:

Industrial Holdings: Investments where we seek to generate long-term value creation by driving strategic direction and strategic prioritization through board representation. Industrial Holdings currently consist of our investments in Reach Subsea ASA and Wind Catching Systems AS, where both are companies where we have two representatives on the board. Industrial Holdings constituted 75% of our portfolio at year end 2023.

Financial Investments: Investments where we seek to generate returns from opportunistic and value based investing of our excess liquid funds. Financial Investments constituted 25% of our portfolio at year end 2023, with our holding in Touchstone Exploration Inc as the largest position in this segment.

The Board has considered whether North Energy can be classified as an alternative investment fund (AIF) subject to regulation by the Financial Supervisory Authority of Norway (Finanstilsynet). North Energy's main strategy as an industrial holding company is through its ownership to exercise significant influence in the various investment objects. The main purpose is to get a return through owning companies that generate value from their operations, and not through buying and selling companies and financial instruments. Against this background, it is thus the Board's conclusion that North Energy can not be classified as an AIF.

At the end of the year, North Energy had 3 full-time employees, which is the same as the end of 2022.

Important events

Market development

The global economy has during 2023 been impacted by a mix of increasing geopolitical tension, fuelled by the continued war in Ukraine, re-escalation of the Israel-Palestine conflict, and escalating trade and political tensions between China and the Western world. Global inflation peaked and eased throughout the year, while central banks seemingly ended the phase of continued rate hikes and entered a wait and see phase. In the wake of this backdrop of tightening monetary policy and reduced trade, global growth slowed and unemployment increased somewhat, although at a slower pace than many had expected. As expectations of a soft landing took hold, coupled with the perception that the inflation and interest rate peaks are passed, capital markets in general recovered and posted strong performances in 2023.

Investment in Reach Subsea

Reach Subsea ASA (Reach) is a company listed on Oslo Stock Exchange with the objective to become a leading subsea service provider, offering solutions to survey the seabed and solutions for maintaining the integrity of the client's subsurface equipment and infrastructure.

During the year, Reach has delivered record high results exceeding the previous record set in 2022. The result is driven by high utilization, improved pricing, and an increase in the scope of services provided. Reach has continued the development of the Reach Remote project, a new innovative solution for providing subsea services on a remote and autonomous basis, reducing cost and risk to personnel and eliminating carbon footprint. The first two vessels are planned to be ready for commercial operations in the 2024 season.

At the beginning of the year, Reach Subsea carried out a NOK 125 million private placement to finance (i) the equity portion of the acquisition of the subsea vessel Viking Reach, (ii) investments in necessary equipment and mobilisation of three new vessels (Viking Reach, Go Electra, and Olympic Triton), and (iii) working capital and general corporate purposes. North participated with NOK 20 million in the private placement.

During the fourth quarter Reach Subsea acquired the Australian survey specialist Guardian Geomatics for a total consideration of NOK 110 million, which was part settled through the issuance of 15.5 million new shares. Following this, North now holds an ownership stake of 18.7% in Reach Subsea.

The company is very well positioned for the future, with a financially well performing existing business, a solid plan in place for reshaping the delivery model and backed by a strong financial position with some NOK 331 million in cash and working capital at the end of 2023.

The Reach-share has during the year provided a total return, including dividends, of 11%, equivalent to a value contribution of NOK 24.2 million to North Energy. North Energy has a shareholding of 18.7% in Reach and is represented with two members in the board of the company.

Investment in Wind Catching Systems AS

Wind Catching Systems is a developer of floating offshore wind technology and intends to enable offshore wind operators and developers to produce electricity at a cost that competes with other energy sources, without subsidies. The company is currently developing floating multi-turbine technology expected to cut acreage use by more than 80% and increase efficiency significantly in comparison to conventional floating offshore wind farms

Wind Catching Systems continued making good progress in developing its innovative solution for floating offshore wind production and attracted further financial support through additional grants from Enova. Further engineering work has been performed in 2023 with key focus areas being marine engineering and equipment design in partnership with Tier 1 equipment providers to optimise the operating performance of the unit. Furthermore, discussions are ongoing with respect to strategic partnerships and future client adoption of the WCS concept.

North Energy has a shareholding of 22% in the company and is represented on the board of directors with one member and one observer.

Investment in Touchstone Exploration

Touchstone Exploration (TXP) is a Canadian based company, being listed both on the London and Toronto stock exchanges.
The company has during 2023 focused on development and commissioning activities in order to bring the Cascadura field on stream.

Touchstone Exploration entered 2023 with expectations that commencement of production at Cascadura would transform the company into a major gas producer with substantial cash flows. However, as was the case in 2022, continued delays in development and commissioning pushed the start-up for Cascadura to September.

Furthermore, performance of the Cascadura field following start-up was short of both the market's expectations and company guidance. Fourth quarter 2023 production from Cascadura came in at 37 MMCF per day compared with guidance and expectations at 55 MMCF per day. Thus, the event failed to become a catalyst for a stronger share price development.

In December, Touchstone announced its 2024 capital budget and preliminary guidance.
The company plans to invest approximately $33 million in 2024, with a significant portion allocated to the Cascadura field and Coho assets. Funds flow from operations is guided at $32 million on a production forecast of 9,100-9,700 boe per day, meaning that the company intends to re-invest all of its cash flow. The 2024 budget reflects a strategy to deploy capital to developmental drilling opportunities and fill up existing natural gas liquids infrastructure capacity. Current natural gas production is running at approximately 40 MMCF per day, while processing capacity is at 90 MMCF per day and expandable to 200 MMFC per day.

The resulting effect of the events of 2023 was that the Touchstone share price depreciated by 16%, measured in NOK. We have during the year utilized windows of share price surges to reduce our position, thereby mitigating some of the value loss from the weak year-over-year share price performance. North Energy had an ownership interest of 4.3% at year end 2023 and have reduced to below 4% after year end.
In total, our position in Touchstone Exploration led to a 2023 NOK 5.9 million value reduction for North Energy.

Other investments

North Energy has several minor investments with a combined market value of approximately NOK 52 million at the end of 2023, of which NOK 25 million are in corporate bonds and the rest in listed and unlisted equities.

Tyveholmen AS, which is 50% owned and accounted for as an associated company, contributed with a profit of NOK 0.3 million in 2023.

Our portfolio of other minor investment, consisting of both bonds and shares, contributed with a 2023 return of NOK 7.9 million to North Energy.

As per year-end 2023, North Energy had NOK 405.1 million in total investments measured at market value, while the net asset value was NOK 398.2 million. The corresponding figures from 2022 were NOK 409.8 million in investments and NOK 403.4 million in net asset value. Adjusted for dividends paid of NOK 11.7 million during 2023, net asset value increased by 2%.

Going concern

Pursuant to section 3-3a of the Norwegian Accounting Act, the Board confirms the going concern assumption and that the financial statements are prepared on this basis. That assumption rests on the Company's financial position, as well as forecast for 2024.

Comments on the annual financial statements

The consolidated financial statements of North Energy ASA have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU (IFRS) and in accordance with the additional requirements pursuant to the Norwegian Accounting Act. The consolidated figures for 2023 and 2022 are for the Group consisting of North Energy ASA and the subsidiaries North Industries 1 AS and North Industries 2 AS.

The Board is not aware of any significant considerations that affect the assessment of the Company's position as of December 31, 2023, or the net result for the year, other than those presented in the Directors' report and the financial statements.

Financial statements for the North Energy Group

Revenues reported in 2023 was NOK 0.1 million which is the same as in 2022. The revenue for 2023 is related to consultancy services. Payroll and related expenses in 2023 were NOK 14.1 million, compared to NOK 9.3 million in 2022. The increase this year compared to last year is due to bonus payment to employees, wage adjustment, increased employer's tax and other items. Other operating expenses in 2023 were NOK 3.3 million, down from NOK 4.3 million in 2022.

Operating profit for 2023 was at NOK 24.0 million, versus an operating loss of NOK 14.0 million for 2022. The income this year is mainly the result of income from associated companies while the loss last year was strongly affected by the negative change in the value of financial investments. This year the investment in the associated company Reach Subsea contributed with a net result through profit and loss of NOK 44.4 million and the associated company Wind Catching Systems contributed with a net loss of NOK 4.2 million for the year.

Net financial items for 2023 were positive at NOK 0.7 million, versus NOK 1.0 million for 2022. The positive figure this year, as well as last year, is related to interest income.

The result before tax in 2023 is an income of NOK 24.6 million compared to a loss of NOK 13.1 million reported last year. The income this year is mainly due to a positive contribution from investments in associates of NOK 42.5 million partly offset by operating expenses of NOK 18.9 million.

Change in deferred tax in 2023 was nil, which is the same as last year. The company has deferred tax assets of NOK 15.3 million that are not recognised in the balance sheet at the end of the year.

Comprehensive income for the year 2023 was NOK 24.6 million, compared to a loss for the year 2022 of NOK 13.1 million. The comprehensive income amounts to both basic and diluted earnings per share of NOK 0.21 this year, versus negative NOK 0.11 per share in 2022.

Total assets at year-end were NOK 342.3 million, up from NOK 327.6 million at year-end 2022. The increase is mainly due to an increase in book value of associated companies partly offset by a reduction in the value of financial investments.

Total equity at the end of the year was NOK 321.1 million, up from NOK 308.2 million at the end of 2022. The increase is explained by total comprehensive income of NOK 24.6 million for 2023 less distribution of dividend of NOK 11.7 million. The Company's equity ratio stood at 94.0 percent at the end of the year.

The Company has a multicurrency credit facility with DNB for a total amount of NOK 49 million. The Company uses listed financial investments as collateral for the credit facility. At year-end the Company has utilised NOK 13.6 million of the facility.

North Energy recorded NOK 6.0 million in cash at the end of the year. This is up from NOK 3.1 million at the end of last year. The net positive cash flow of NOK 2.9 million in 2023, is mainly due to net cash from investing activities of NOK 30.1 million and drawdown on the bank facility of NOK 5.9 million offset by cash used in operating activities of NOK 18.8 million and payment of dividend of NOK 11.7 million. Available liquidity, which includes cash and unutilised credit facility, amounted to NOK 41.4 million.

The Company has no costs and no activities related to research and development.

Financial statements for North Energy ASA

The parent company reported a loss of NOK 16.1 million for the year compared to a profit of NOK 75.3 million last year. The loss this year is mainly due to operating expenses while the profit last year was mainly due to the gain on the sale of the investments in Reach Subsea and Wind Catching Systems to the subsidiaries North Industries 1 AS and North Industries 2 AS.

Net cash flow for the parent company was NOK 2.7 million compared to negative NOK 36.9 million last year. The cash flow this year is mainly from the net sale and purchase of financial investments of NOK 40.1 million offset by cash spent on operating activities of NOK 18.7 million, loans paid to subsidiaries of NOK 11.2 million and dividend paid of NOK 11.7 million while last year negative cash flow was due to cash spent on operating activities of NOK 27.2 million and net cash spent on investing activities of NOK 17.4 million, partly offset by drawdown on the bank facility of NOK 7.7 million.

The main difference in the statement of financial position between the parent company and the group are related to the valuation of the subsidiaries using historical costs in the parent company compared to the equity method in the group.

The Board regards the Company's financial position as of end 2023 as solid.

Allocation of net profit

The Board of North Energy proposes that the net loss of NOK 16.1 million in the parent company is transferred to other equity. Further, based on the dividend policy, the Board proposes to distribute a cash dividend of NOK 0.10 per share to shareholders. The total proposed dividend of total NOK 11.9 million is subject to approval at the Annual General Meeting.

Corporate governance

Corporate governance in North Energy is based on the Norwegian code of practice for corporate governance. A separate status report related to the code has been included in this Annual Report. Any non-compliance with the code is specified and explained in the status report.

The Board intends to take account of all factors relevant to the Company's overall risk picture. By doing so, it aims to ensure that the collective operational and financial exposure is at a satisfactory level. In accordance with market practice for listed companies the Company has purchased liability insurance to cover individual and collective liability exposure for the board members and CEO.

North Energy's Articles of Association contain no provisions which wholly or partly exceed or restrict the provisions in chapter 5 of the Norwegian Public Companies Act.

Several considerations, which collectively ensure a good and broad composition, have been considered when electing the Board. These include an appropriate gender distribution, good strategic, industry competence and financial expertise, a good division between owner-based and independent candidates. The Board functions collectively as an Audit Committee.

Instructions have been developed and adopted for the CEO, the Board and the Company's Nomination Committee. The instructions for the Board specify its principal duties and the responsibilities of the CEO towards the Board, as well as guidelines for handling matters between the Board and the executive management. The instructions for the Nomination Committee specify its mandate and provide guidelines on its composition and mode of working.

The Company's Articles of Association provide no guidance on the composition of the Board, other than that it must comprise of three to nine Directors. The articles do not authorise the Board to purchase the Company's own shares or to issue shares.

Risk assessment

Overall objectives and strategy

North Energy's financial risk management is intended to ensure that risks of significance for the Company's goals are identified, analysed, and managed in a systematic and cost-efficient manner. The Company is exposed to financial risk in various areas, as described below. Monitoring of risk exposure and assessment of the need to deploy financial instruments are pursued continuously.

Operational risk

North Energy is an enterprise where operational risk is closely related to its expertise and the integrity of our IT systems. The Company therefore devotes attention to developing its expertise and organisation, ensuring that measures for cyber security are up to date, and to its management systems.

Market risk

With a growing investment business, North Energy is exposed to market risk involving the risk of changing conditions in the specific marketplace in which the Company makes investments. Sources of market risk include changes in market sentiment as well as recessions, political turmoil, changes in interest rates, natural disasters, climate changes and regulatory changes related to climate, and terrorist attacks. During 2023, the continued war in Ukraine, the resurgence of tensions in the Middle East, and growing political tensions between China and the western world continues to dampen the outlook for growth in global trade. In the first half of 2023 inflation surged to levels not seen since the 80s, while central continued on a journey of tightening monetary policies. However, at the end of the year the inflation peak seems to have passed and central banks have paused rate hikes and are now monitoring the appropriate timing for easing monetary policies. The global economy has held up well through 2023, although recession risks remain in place and can still impact financial markets negatively.

Liquidity risk

The Group's ongoing financing needs are forecasted on a continuous basis, and the level of activity is tailored to liquidity. The Company's primary source of funding is equity while the primary source of cash income is dividend income and interest income from investments.

North Energy has a solid balance sheet and a sound financial situation with limited liabilities. Also, it is North Energy's assessment that the main investments have sound financial positions, limiting the risk of unforeseen requirements for liquidity contributions from North Energy. However, changes in business conditions might weaken our main investment's financial positions, which might affect North Energy's liquidity longer term.

Interest rate risk

As of year-end 2023 the Company is directly exposed to interest rate changes as the company has partly utilized the new credit facility. Fluctuations in interest rates may also affect the financial position of and the market valuation of our investments and through that affect our equity.

Credit risk

The Company's receivables are as of end 2023 marginal and the risk of bad debts is, therefore, considered low.

Foreign exchange

The foreign exchange risk through transactions is low due to limited volumes. However, the Company invest in securities that are registered in foreign currencies and are through these investments exposed to exchange rate fluctuations.

HSE and the natural environment

The work environment in North Energy is regarded as satisfactory. No incidents or accidents relating to North Energy's activities were reported in 2023. North Energy's goal is to prevent any incidents or accidents to employees or partners working with the Company and to conduct business in a way that will not damage the environment. Based on best judgement, the Company's employees will conduct their operations in a safe, environmentally responsible, and ethically sound manner. North Energy will remain focused on protecting health of employees and communities and continue to follow advice from public health officials.

Climate risk

Climate risk is the potential for climate change to create adverse consequences for human or ecological systems. This includes impacts on lives, livelihoods, health and wellbeing, economic, social and cultural assets and investments, infrastructure, services provision, ecosystems and species. For North Energy, it can be defined in practical terms as the measure of vulnerability to climate-related impacts that have financial consequences, or that may affect various aspects of financial performance. There are two types of climate risk that the company need to be aware of: physical climate risk and transition climate risk.

Physical climate risk describes the potential for physical damage and financial losses as a result of increasing exposure to climate hazards resulting from climate change. The impact of physical climate risk on North Energy's direct business operation is regarded low.

Transition climate risks are business risks related to a transition away from fossil fuels and other greenhouse gas-emitting activities. The impact of transitional climate risks on North Energy's investment business is somewhat higher as these risks may impact the various investments adversely. The rapid transition away from energy production from traditional fossil fuels might result in stranded assets, increased capital expenditure, loss of market share, legal liabilities from failing to comply with regulatory requirements, for some of the investments. To mitigate this risk, North Energy manages and diversifies the portfolio of investments by introducing investments in companies benefiting from transitional climate risks, such as Wind Catching Systems. Within our industrial investment Reach Subsea, the transitional climate risk is partly mitigated by increasing services delivered to business sectors benefiting from the energy transition and the introduction of Reach Remote solution that will dramatically reduce the carbon footprint of subsea services and reduce the personnel risk, amongst other.

Human resources and equal opportunities

North Energy had at the end of the year three employees, and the Company office is in Oslo.

North Energy aims to have a good gender balance and is an equal opportunity employer irrespective of gender, religion, race, disability, national origin, or age. Currently there are only male employees, however, future recruitments will be based on the principle of equal opportunity.

At the Company's General Meeting in May 2023, the Board of Directors were re-elected. Out of the three directors elected, one is female.

The rate of absence due to illness during 2023 was below 1 per cent of total hours worked. The Board considers it to be of importance that employees regard North Energy as a safe and motivating workplace.

Remuneration is determined in accordance with the content of the work and the employee's qualifications. The remuneration of the executive management is described in the notes to the financial statements. Also, in accordance with the Public Limited Liability Companies Act § 6-16, the guidelines for remuneration to senior executives in North Energy ASA was adopted by the Annual General Meeting in 2022. The signed remuneration report for 2023 will be put forth the Annual General Meeting in 2024 and is published together with the annual report. The remuneration report can be found on www.northenergy.no

Corporate social responsibility ("CSR")

North Energy's vision is to be a successful and respected investment company with focus on long term value creation. The Company stands forward as an industrial investment company, based on active ownership, and with a growing portfolio of investments.

North Energy's current mandate from shareholders is to own, manage and provide financing for activities within the energy industry, and other industries where the company has relevant competence. The Company is an industrial holding company with a portfolio of independent investments, both listed and unlisted, organized in two segments being Industrial holdings and Financial Investments.

North Energy's most important contribution to society is to create value and invest in companies that operate in an environmentally, ethically, and socially responsible manner. The Board of North Energy gives emphasis to a positive contribution being made by the Company to those sections of society affected by its operations, while simultaneously looking after the interests of its owners. The Company follows this up by integrating social and environmental considerations in its strategy, procedures, and day-to-day operations.

The operations of the company North Energy ASA have negligible effect on the external environment. The company has implemented internal procedures to comply with, amongst other, the Transparency Act in order to secure basic human rights and decent working conditions including a good working environment, equal opportunities and non-discrimination and in addition combating corruption and bribery.

As a significant shareholder in several companies, North Energy works to promote businesses that are responsible and sustainable, including the financial, social, and environmental consequences of the operations. This is demonstrated by the company's main industrial investment, Reach Subsea, with the launch of the Reach Remote solution. This is an innovative service solution which will virtually eliminate carbon footprint when brought to market later in 2024. Further the Company's main financial investment, Touchstone Exploration, emphasizes on recruiting local staff and have a high degree of female employees. Touchstone is committed to working with partners both at national and local levels to ensure high environmental standards in Trinidad.

North Energy has developed a policy statement which further describes its commitment to CSR. The document is published on www.northenergy.no.

Transparency Act

The Transparency Act is intended to help us reduce the risk of businesses causing or contributing to violations of human rights. It also contributes to the fact that we must do our part to ensure decent working conditions with our suppliers, as well as with ourselves.

The Act shall promote companies' respect for basic human rights and decent working conditions. This applies to the company's own business, suppliers and the value chain of the suppliers. The law requires, among other things, the businesses to carry out due diligence assessments in order to understand the risk of possible breaches - and to introduce measures where necessary. Furthermore, the business has a duty to inform about what is used as a basis for the due diligence assessments and the results of these.

North Energy runs its business without this coming at the expense of basic human rights and decent working conditions. Therefore, North Energy has carried out a due diligence assessment of its own and suppliers' operations.

North Energy follow the OECD guidelines for due diligence assessments. In the assessment, we have looked at how large purchases we make from each individual supplier, which countries they operate in and whether they have their own goals and processes to safeguard human rights and good working conditions. The outcome of the assessment will be published within the deadline 30 of June 2024 on www.northenergy.no.

Ownership

North Energy had 1,887 shareholders at year-end 2023 and the top 20 owners together held 65.5 percent of the shares in the North Energy. The share price on the last day of trading in 2023 was NOK 2.07, while on the last day of trading in 2022 the share price was NOK 2.12. The share price peaked at NOK 2.41 on 14 July, while the lowest price in 2023 was NOK 1.895 on 26 June. As per the 27 February 2024, the share price was NOK 2.31 representing a market capitalisation of North Energy of NOK 275 million.

Outlook

As we enter 2024 the global economy is in better shape than expected a year ago. Inflation is falling in most regions of the world and some central banks have signalled likely interest rate cuts in 2024. However, risks remain as higher interest rates work their way through the economy and geopolitical tensions continue to create volatility.

Looking ahead to 2024, the International Monetary Fund (IMF) projects that global growth will rise to 3.1%, up from an estimated 2.9% in 2023. The IMF also states that risks to global growth remain skewed to the downside as inflation remains elevated and interest rates are set to stay higher for a longer period.

At North Energy, we remain committed to broadening our portfolio of industrial and financial investments in the years to come. In this process, identifying new investments at attractive prices remains the core of our investment philosophy. We are continuing to evaluate opportunities in new energy technology, however as evidenced by the challenges seen in the offshore wind industry during the year 2023, the road towards decarbonization is likely to be both long and bumpy, which presents a challenge for many early-phase technology companies which are generally both highly capital intensive and expected to be unprofitable for years to come.

Although the broader policy agenda indicates a gradual shift towards renewable energy production, the pathway towards this goal entails massive inherent complexities. We continue to remain firm believers in a future dominated by energy production that is less carbon intensive, however we are also keenly aware of the massive challenges the world faces in the process of decarbonizing the energy sector.

Going forward we will continue to take a prudent approach in terms of identifying new investments and to focus on opportunities allowing us to further broaden our portfolio of investments. Increased diversification and focus on industries and sectors (other than energy) is likely to be expected as we continue to grow North Energy as an investment company over the years to come.

Oslo, 19 March 2024

Anders Onarheim Chair	Elin Karfjell Director	Jogeir Romestrand Director
Rachid Bendriss co-CEO		Didrik Leikvang co-CEO

Corporate Governance

Pursuant to section 3, sub-section 3b of the Norwegian Accounting Act, North Energy is required to include a description of its principles for good corporate governance in the Directors' report of its Annual Report or, alternatively, refer to where this information can be found. The Norwegian Corporate Governance Board (NCGB) has issued the Norwegian code of practice for corporate governance (the code), which can be found at www.nues.no. Observance of the code is based on the "comply or explain" principle, which means that companies must explain either how they comply with each of the recommendations in the code or why they have chosen an alternative approach.
The Euronext Oslo Stock Exchange requires that listed companies on Oslo Børs and Euronext Expand provide an explanation of their corporate governance policy annually. Current requirements for companies listed on the Oslo Stock Exchange can be found at **https://www.euronext.com/en/markets/oslo**.

The following information is presented according to the same structure as the code and contains the same 15 main elements.

1. Implementation and reporting on corporate governance
It is the executive management's job to ensure that the areas of responsibility, individually and collectively, are prioritized according to the Company's values and business codes. The Company has established clear guidelines for corporate social responsibility. These can be found on the Company's website, **www.northenergy.no**.

2. The business
North Energy's business purpose is to directly or indirectly own, manage and provide financing for activities within the energy industry, and other industries where the company has relevant competence.

North Energy targets to become a successful and respected investment company. The Company will achieve this through solid fundamental analysis and a focus on long-term value creation. Where relevant, the company seeks to create value for the shareholders in a sustainable manner.

North Energy's Articles of Association specify clear parameters for its operations, while its vision, goals and strategies are at the core of its management philosophy and operations.

3. Equity and dividends

The Board of Directors adopted a new dividend policy valid from the accounting year 2022, which states that "The Company intends to distribute an annual dividend that approximates 3% of year end Net Asset Value". In accordance with the policy, the Board intends to propose a dividend of NOK 0.10 per share for 2023. The Company's dividend policy is also outlined on its website.

The Company has a strong financial platform and a solid foundation for executing its strategy as an industrial investment company. Going forward, available financial funds are expected to be deployed to support this core strategy.

All proposals from the Board concerning dividends must be approved by shareholders at the General Meeting to ensure that the Company's equity and dividend are consistent with its objectives, strategies, and risk profile.

Equity as of December 31, 2023, for the group was NOK 321 million, compared with NOK 308 million at year-end 2022, giving an equity ratio of 94 per cent, which is at the same level as year-end 2022.

Equity for the parent company was NOK 369 million at year-end 2023, compared to NOK 397 million at year-end 2022. The decrease in equity from last year is mainly due to a loss of NOK 16.1 million for the year and dividend payment of NOK 11.7 million.

The Company has a multicurrency credit facility with DNB for a total amount of NOK 49 million where the Company uses listed financial investments as collateral. This gives the Company more flexibility when it comes to liquidity management.

Cash and cash equivalents totaled NOK 6 million as of December 31st while the credit facility was utilized with NOK 13.6 million. Available liquidity of NOK 41.4 million, which consist of cash and unutilized credit facility, is regarded as satisfactory in relation to the Company's future obligations.

At the AGM on June 9, 2023, the Company's Board was granted authorization to increase the share capital with 11,904,706 shares, equaling an increase of 10 per cent. At present, this authorization is not used.

4. Equal treatment of shareholders and transactions with close associates

Should North Energy be a party to any transaction that may involve a close associate of the Company or other companies that Directors, senior executives or their close associates have a significant interest in, whether directly or indirectly, the parties concerned must immediately notify the Board. All such transactions must be approved by the Chief Executive Officer and the Board and, where required, a market notification must be sent.

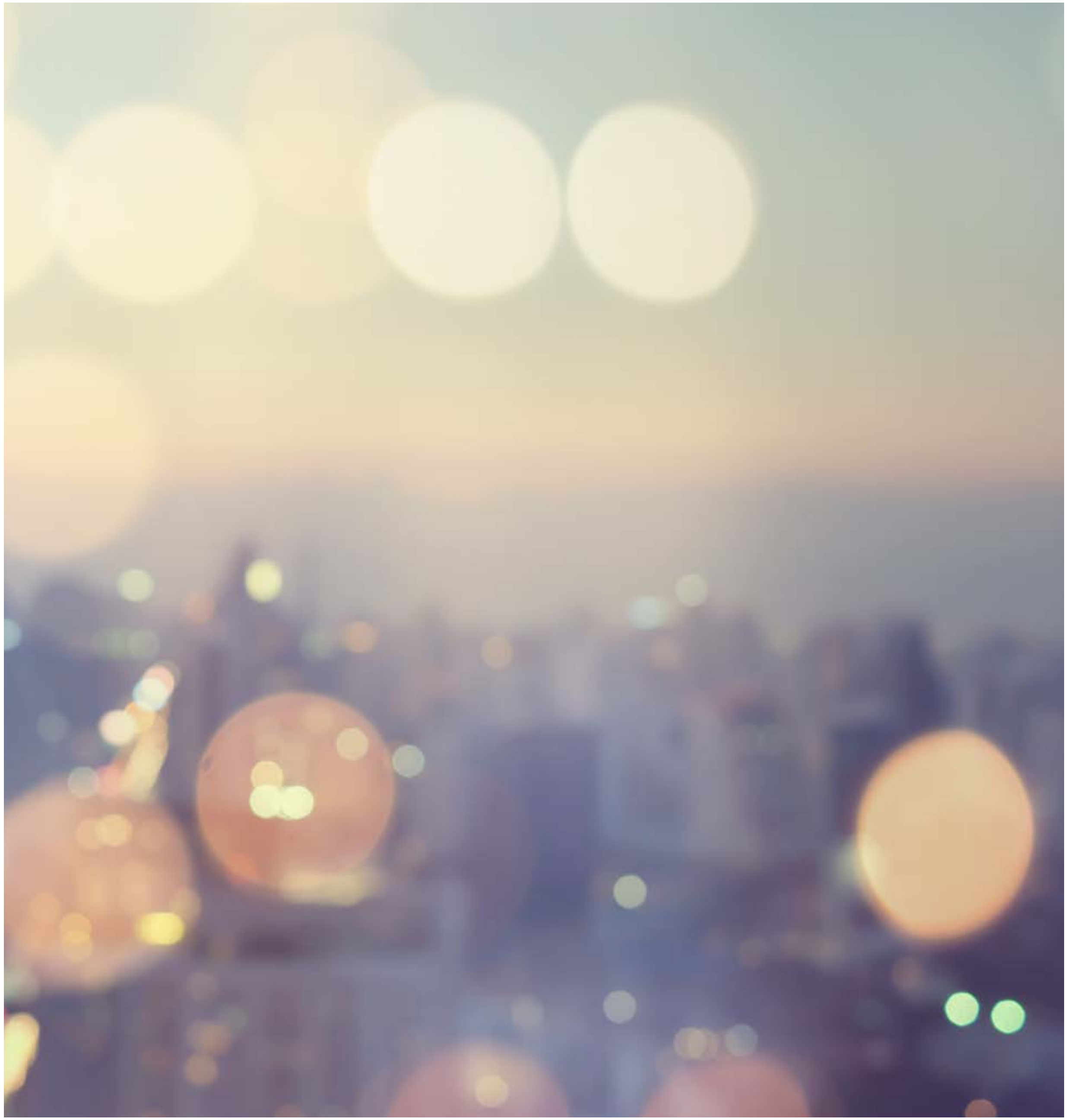
5. Freely negotiable shares

The North Energy share is listed on the Euronext Expand Oslo exchange. All shares are freely negotiable. The Articles of Association impose no restrictions on the negotiability of the share.

6. General Meetings

The AGM is North Energy's highest authority. The Company's AGM in 2023 was held in accordance with the Public Companies Act.

The Board endeavors to ensure that the General Meeting is an effective forum for communication between the Board and the Company's shareholders. Thus, the Board makes provision for the highest possible participation by the Company's owners at the General Meeting. Notice of the meeting and supporting documentation for items on the agenda are made available on the Company's website no later than 21 days before the General Meeting. Provision is also made for shareholders to vote in advance of the Company's General Meeting, and elections are organized such that it is possible to vote individually



for candidates nominated to serve in the Company's elected bodies. Shareholders who cannot attend the General Meeting in person are able to appoint a proxy to vote on their behalf. Proxy forms are provided that allow the proxy to be instructed how to vote on each agenda item.

The Board determines the agenda for the General Meeting. However, the most important items on the agenda are dictated by the Public Companies Act and the Company's Articles of Association. Meeting minutes are published on the Company's website the day after the General Meetings, at latest.

7. Nomination Committee

The Nomination Committee submits recommendations for candidates to be elected, along with a justification, to the General Meeting, as well as nominates the Chair of the Board. Furthermore, the Committee will submit substantiated proposals for the remuneration of Directors and recommend Committee members. Establishment of the Committee is stipulated by the Articles of Association, and its work is regulated by instructions adopted by the General Meeting.

Nomination Committee members serve independently of the Board, and the Company's executive management. Members of the Committee receive a fixed remuneration which is not dependent on results. The General Meeting decides on all recommendations made by the Committee.

The members of the Nomination Committee are Hans Kristian Rød (Head), and Merete Haugli.

8. Board of Directors: composition and independence

Following the recommendation from the Nomination Committee approved at the AGM, the Board consists of two men and one woman who serve as shareholder-elected Directors. All have broad experience. The Directors provide industry-specific professional expertise and experience from national and international companies. More information on each Director is available at www.northenergy.no.

Shareholder-elected Directors are elected for two-year terms. Elections are conducted in such a way that new directors can join the board every year.

Apart from Chairman Anders Onarheim, North Energy regards its Directors as independent of the Company's executive management and significant business partners. At present, all three Directors own shares directly or indirectly in North Energy. No director holds options to buy further shares.
There has been no change in the management of the company during 2023. Mr. Rachid Bendriss and Mr. Didrik Leikvang has fulfilled the roles as co-CEO of the company while Mr. Rune Damm holds the role as CFO.

9. The work of the Board of Directors

The Board's work is regulated by instructions. Its duties consist primarily of managing North Energy, which includes determining the Company's strategy and overall goals, approving its action program, and ensuring an acceptable organization of the business in line with the Company's Articles of Association. The Board can also determine guidelines for the business and issue orders in specific cases. The Board must look after North Energy's interests, and not act as individual shareholders.

A clear division of responsibility has been established between the Board and the executive management. The Chief Executive is responsible for operational management of the Company and reports regularly to the Board. The administration is responsible for preparing matters for board meetings. Ensuring that the work of the Board is conducted in an efficient and correct manner in accordance with relevant legislation is the responsibility of the Chair. The Board ensures that the auditor fulfils a satisfactory and independent control function. It presents the auditor's report to the General Meeting, which also approves the remuneration of the auditor. It was resolved in 2014 that the Audit Committee's duties would be discharged directly by the Board. Likewise, the duties of the Compensation Committee, established by the Board in 2014, is now handled directly by the Board following a resolution in a Board meeting in 2017. The objective of the Compensation Committee is to ensure that compensation arrangements support the Company's strategy and enable it to recruit, motivate and retain managers of a high standard, while complying with requirements set by governing bodies, fulfilling shareholder expectations and being in line with the expectations of the rest of the workforce. The Board conducts an annual evaluation of its work, competence, and performance.

Five board meetings were held in 2023. The meetings were conducted as a combination of physical attendance and attendance by video/audio conferences. The attendance at the meetings from the Board members were 100%.

10. Risk management and internal control

Strict standards are set for the Company's internal control and management system. Work on further development and improvement of North Energy's management system and associated documentation is a priority job in the Company's corporate governance and risk management. Emphasis have been put on developing risk systems and internal control procedures adapted to the Company's strategy as an investment company. The Company's management system is a good tool for the executive management and the workforce and reduces the risk of errors and misunderstandings. The system facilitates collaboration and learning and ensures continuity in the execution of the company's processes.

The executive management regularly follow up conditions which could pose a financial risk to the Company, and reports these to the Board. Reporting to the Board by the Company gives emphasis both to the on-going risk in daily operations and to risk associated with the investment opportunities presented. In addition, the Board carry out an overall risk assessment at least twice a year which takes account of all the Company's activities and the exposure these involve. The Board does also at regular intervals have the auditor's assessments of financial risk presented.

11. Remuneration of the Board of Directors

The Nomination Committee recommends the Directors' fees to the General Meeting, and takes account of their responsibility, qualifications, time spent and the complexity of the business. Directors' fees are not profit-related. North Energy has not issued any options to its shareholder-elected Directors.

None of the shareholder-elected Directors have undertaken special assignments for North Energy other than those presented in this report, and none have received compensation from the Company other than normal Directors' fees.

12. Salary and other remuneration of executive personnel

On 9 May 2022 the AGM adopted the proposal from the Board of Directors for new guidelines for remuneration to senior executive in North Energy ASA. The guidelines are compliant with the requirements as set out in the Public Limited Liability Companies Act § 6-16 a, and the Regulations on guidelines and report on remuneration for senior executives.

The Board determines the remuneration of the senior executives, and the remuneration is determined on the basis of an overall assessment where the main emphasis in the variable part of the remuneration is based on achieved results and implementation of the strategy plan based on the company's values and ethical guidelines, The Board is also considering the responsibility involved, qualifications, the complexity of the work and the results achieved.

The Board issues a yearly remuneration report according to the requirements as set out in the Public Limited Liability Companies Act § 6-16 b, and the Regulations on guidelines and report on remuneration for senior executives § 6. The report should be approved at the Annual General Meeting.

13. Information and communications

North Energy keeps its shareholders and investors regularly informed about its commercial and financial status. The Board is conscientious that all stakeholders shall receive the same information at the same time, and all financial and commercial information is made available on the Company's website simultaneously. Stock exchange announcements are distributed through www.newsweb.no and made available on the Company's website.

The annual financial statements for North Energy are made available on its website at least three weeks before the General Meeting. Interim reports are published within two months after the end of each quarter. North Energy publishes an annual financial calendar which is available on the Oslo Stock Exchange website and on www.northenergy.no. The Board emphasizes openness and equal treatment in relation to all relevant parties in the market and strives always to provide as correct a picture as possible of the Company's financial position.

14. Takeovers

North Energy's Articles of Association contain no restrictions on or defense mechanisms against the acquisition of the Company's shares. In accordance with its general responsibility for the management of North Energy, the Board will act in the best interests of all the Company's shareholders in such an event. Unless special grounds exist, the Board will not seek to prevent takeover offers for the Company's business or shares. Should an offer be made for the shares of North Energy, the Board will issue a statement with its recommendation as to whether shareholders should accept it.

15. Auditor

The annual financial statements are audited by PricewaterhouseCoopers AS. The Board receives and considers the auditor's report after the financial statements for the relevant year have been audited. The auditor submits an annual plan for the conduct of audit work and attends board meetings when the consideration of accounting matters requires their presence. In at least one of these meetings, the auditor makes a presentation to the Board without the executive management being present. The auditor presents a declaration of independence and objectivity. Relations with the auditor are regularly reviewed by the Board to ensure that the auditor exercises an independent and satisfactory control function. The Board presents the auditor's fee to the General Meeting for approval by the shareholders.

Oslo, 19 March 2024

Anders Onarheim Chair	Elin Karfjell Director	Jogeir Romestrand Director
Rachid Bendriss co-CEO		Didrik Leikvang co-CEO

Financial Statements & Notes

Financial Statements

Income statement

PARENT COMPANY				GROUP	
2023	**2022**	*(NOK 1 000)*	**Note**	**2023**	**2022**
72	113	Sales		72	113
(14 078)	(9 252)	Payroll and related expenses	5	(14 078)	(9 252)
(1 467)	(1 537)	Depreciation and amortisation	10, 15	(1 467)	(1 537)
(3 117)	(4 233)	Other operating expenses	6	(3 319)	(4 273)
245	(37 526)	Change in fair value of financial investments	20, 2	245	(37 526)
299	126 223	Net result from investments in associates	18	42 521	38 435
(18 047)	**73 788**	**Operating profit/(loss)**		**23 974**	**(14 041)**
3 602	1 855	Financial income	16	2 347	1 308
(1 697)	(339)	Financial expenses	16	(1 697)	(339)
1 905	**1 515**	**Net financial items**		**650**	**969**
(16 141)	**75 303**	**Profit/(loss) before income tax**		**24 624**	**(13 072)**
0	0	Income tax	14	0	0
(16 141)	**75 303**	**Profit/(loss) for the year**		**24 624**	**(13 072)**
		Attributable to:			
(16 141)	75 303	Owners of North Energy ASA		24 624	(13 072)
(16 141)	75 303			24 624	(13 072)
		Earnings per share (NOK per share)			
(0.14)	0.63	- Basic	12	0.21	(0.11)
(0.14)	0.63	- Diluted	12	0.21	(0.11)

Statement of comprehensive income

PARENT COMPANY				GROUP	
2023	2022	*(NOK 1 000)*	Note	2023	2022
(16 141)	**75 303**	**Profit/(loss) for the year**		**24 624**	**(13 072)**
		Other comprehensive income, net of tax:			
0	**0**	**Total other comprehensive income, net of tax**		**0**	**0**
(16 141)	**75 303**	**Total comprehensive income/(loss) for the year**		**24 624**	**(13 072)**
		Attributable to:			
(16 141)	75 303	Owners of North Energy ASA		24 624	(13 072)
(16 141)	75 303			24 624	(13 072)

Statement of financial position

PARENT COMPANY		ASSETS		GROUP	
31/12/23	31/12/22	*(NOK 1 000)*	Note	31/12/23	31/12/22
		ASSETS			
		Non-current assets			
155	189	Property, plant and equipment	15	155	189
4 809	6 011	Right-of-use assets	10	4 809	6 011
256 128	120	Investments in subsidiaries		0	0
4 640	4 341	Investments in associates	18	224 982	171 610
0	0	Deferred tax asset	14	0	0
0	0	Other receivables		0	0
265 732	**10 661**	**Total non-current assets**		**229 946**	**177 810**
		Current assets			
3 483	3 525	Trade and other receivables	7	3 483	3 645
12 052	255 604	Loan to subsidiaries	13	0	0
102 962	143 069	Financial investments at fair value through profit or loss	20	102 962	143 069
5 720	3 056	Cash and cash equivalents	8	5 952	3 056
124 217	**405 254**	**Total current assets**		**112 397**	**149 770**
389 949	**415 915**	**Total assets**		**342 343**	**327 580**

Statement of financial position

EQUITY AND LIABILITIES

31/12/23	31/12/22	*(NOK 1 000)*	Note	31/12/23	31/12/22
119 047	119 047	Share capital	9	119 047	119 047
(3 411)	(3 411)	Treasury shares	9	(3 411)	(3 411)
838 653	850 378	Share premium		838 653	850 378
30 691	30 691	Other paid-in capital		30 691	30 691
(616 242)	(600 101)	Retained earnings		(663 852)	(688 476)
368 737	**396 604**	**Total equity**		**321 128**	**308 229**
		Liabilities			
		Non-current liabilities			
0	0	Deferred tax liability	14	0	0
3 492	4 802	Leasing liabilities	10	3 492	4 802
0	0	Other non-current liabilities	11	0	0
3 492	**4 802**	**Total non-current liabilities**		**3 492**	**4 802**
		Current liabilities			
13 575	7 723	Current borrowings		13 575	7 723
1 458	1 325	Leasing liabilities, current	10	1 458	1 325
101	46	Trade creditors		103	46
0	0	Tax payable	14	0	0
2 587	5 415	Other current liabilities	11	2 587	5 455
17 721	**14 509**	**Total current liabilities**		**17 723**	**14 549**
21 212	**19 311**	**Total liabilities**		**21 215**	**19 351**
389 949	**415 915**	**Total equity and liabilities**		**342 343**	**327 580**

Oslo, 19 March 2024

Anders Onarheim
Chair

Elin Karfjell
Director

Jogeir Romestrand
Director

Rachid Bendriss
co-CEO

Didrik Leikvang
co-CEO

Statement of changes in equity

GROUP

(NOK 1 000)	Share capital	Treasury shares	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity at 1 January 2022	119 047	(3 411)	850 378	30 691	(675 404)	321 301
Total comprehensive income for 01.01.22-31.12.22					(13 072)	(13 072)
Equity at 31 December 2022	**119 047**	**(3 411)**	**850 378**	**30 691**	**(688 476)**	**308 229**
Total comprehensive income for 01.01.23-31.12.23					24 624	24 624
Paid dividend			(11 725)			(11 725)
Equity at 31 December 2023	**119 047**	**(3 411)**	**838 653**	**30 691**	**(663 852)**	**321 128**

PARENT COMPANY

(NOK 1 000)	Share capital	Treasury shares	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity at 1 January 2022	119 047	(3 411)	850 378	30 691	(675 404)	321 301
Total comprehensive income for 01.01.22-31.12.22					75 303	75 303
Equity at 31 December 2022	**119 047**	**(3 411)**	**850 378**	**30 691**	**(600 101)**	**396 604**
Total comprehensive income for 01.01.23-31.12.23					(16 141)	(16 141)
Paid dividend			(11 725)			(11 725)
Equity at 31 December 2023	**119 047**	**(3 411)**	**838 653**	**30 691**	**(616 242)**	**368 737**

Cash flows statement

PARENT COMPANY				GROUP	
2023	**2022**	*(NOK 1 000)*	**Note**	**2023**	**2022**
		Cash flows from operating activities			
(16 141)	75 303	Income before income tax		24 624	(13 072)
		Adjustments:			
1 467	1 537	*Depreciation*	10, 15	1 467	1 537
0	258	*Pensions*		0	258
(245)	37 526	*Change in fair value of financial investments*	20	(245)	37 526
(299)	(126 223)	*Net result from investments in associates*	18	(42 521)	(38 435)
241	164	*Interest costs on lease debt*		241	164
844	15	*Interest costs on bank facility*	17	844	15
55	16	*Changes in trade creditors*		57	16
(4 636)	(14 186)	*Changes in other items*	11	(3 300)	(13 719)
(18 714)	**(25 589)**	**Net cash flows from operating activities**		**(18 831)**	**(25 709)**
		CASH FLOWS FROM INVESTING ACTIVITIES			
(17)	(84)	Purchase of property, plant and equipment	15	(17)	(84)
0	(3 167)	Investment in associates	18	(20 000)	(3 167)
0	0	Divestment of associates		0	0
0	8 303	Dividends from associates	18	9 150	8 303
0	3 000	Distribution from associates		0	3 000
(41 826)	(89 472)	Purchase of financial investments	17	(41 826)	(89 472)
82 772	64 094	Proceeds from sales of financial investments	17	82 772	64 094
(11 200)	0	Loan to subsidiaries		0	0
0	(120)	Investment in subsidiaries	18	0	0
29 730	**(17 446)**	**Net cash flows from investing activities**		**30 078**	**(17 326)**
		CASH FLOWS FROM FINANCING ACTIVITIES			
(11 725)	0	Dividends paid	9	(11 725)	0
5 852	7 723	Drawdown bank facility	17	5 852	7 723
(844)	(15)	Interest costs on bank facility*	17	(844)	(15)
(1 634)	(1 604)	Lease payments including interests*		(1 634)	(1 604)
(8 351)	**6 104**	**Net cash flows from financing activities**		**(8 351)**	**6 104**
2 665	**(36 931)**	**Net change in cash and cash equivalents**		**2 896**	**(36 931)**
3 056	39 986	Cash and cash equivalents at 1 January	8	3 056	39 986
5 720	**3 056**	**Cash and cash equivalents at 31 December**	**8**	**5 952**	**3 056**

* The cash flow related to interest costs on bank facility and lease payments including interests are reclassified to financing activities for presentation purposes.

NOTE 1 General information

The financial statements of North Energy were approved by the Board of Directors and the Co-CEOs on March 19, 2024.

North Energy ASA is a public limited Group incorporated and domiciled in Norway, with its main office located in Oslo. The Group's shares were listed on former Oslo Axess (now Euronext Expand), an exchange regulated by the Euronext Oslo Stock Exchange, on February 5, 2010. The Group's ticker is NORTH.

In December 2022, North Energy ASA established two new fully owned subsidiaries, North Industries 1 AS and North Industries 2 AS, with the purpose of holding the investments in Reach Subsea ASA and Wind Catching Systems AS respectively. Figures for 2022 and 2023 represent the consolidated financials for the Group as well as the financials for the parent Company.

NOTE 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are laid out below. Unless otherwise stated, these policies have consistently been applied to all periods presented.

2.1 Basis for preparation

The group consolidated and the parent company financial statements have been prepared in accordance with IFRS® Accounting Standards as adopted by the EU (IFRS) and certain requirements in the Norwegian Accounting Act.

The group financial statements for North Energy ASA include the subsidiaries as described in note 1. The accounting policies are applied consistently when consolidating ownership interests in subsidiaries and are based on the same reporting periods as those used for the parent company. When preparing the consolidated financial statements, intragroup transactions and balances, along with gains and losses on transactions between group units, are eliminated.

2.2 Investment in associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

The carrying amount of equity-accounted investments is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the investment's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the investment's fair value less costs of disposal and value in use.

2.3 Foreign currency

Functional currency and presentation currency

The presentation currency in the Group's consolidated financial statements is Norwegian Kroner ("NOK"). The parent company of the Group, North Energy ASA, has NOK as its functional currency.

Transactions in foreign currency

Foreign currency transactions are translated into NOK using the exchange rates on the transaction date. Monetary balances in foreign currencies are translated into NOK at the exchange rates on the date of the balance sheet. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

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2.4 Leases (as lessee)

IFRS 16 defines a lease as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For each contract that meets this definition, IFRS 16 requires lessees to recognize a right-of-use asset and a lease liability in the balance sheet with certain exemptions for short term and low value leases. Lease payments are to be reflected as interest expense and a reduction of lease liabilities, while the right-of-use assets are to be depreciated over the shorter of the lease term and the assets' useful life. Lease liabilities are measured at the present value of remaining lease payments, discounted using the Group's calculated borrowing rate.

2.5 Financial assets

The Group's financial assets are listed and non-listed equity instruments, receivables and cash and cash equivalents. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

<u>Financial assets at amortized cost</u>

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The Groups financial assets at amortized cost includes trade receivables and other short-term deposits.

Receivables are initially recognised at fair value less impairment losses.

<u>Financial assets at fair value through profit and loss</u>

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

The Board and management of the Group is following up all current financial investments at fair value according to the business model of the Group.

2.6 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

2.7 Borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of transaction/issue costs associated with the borrowing. After initial recognition, interests-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Any difference between the consideration received net of transaction/issue costs associated with the borrowing and the redemption value, is recognised in the income statement over the term of the loan.

2.9 Taxes

Income taxes for the period comprises tax payable and changes in deferred tax.

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are calculated based on existing temporary differences between the carrying amounts of assets and liabilities in the financial statements and their tax bases, together with tax losses carried forward at the balance sheet date. Deferred tax assets and liabilities are calculated based on the tax rates and tax legislation that are expected to exist when the assets are realised or the liabilities are settled, based on the tax rates and tax legislation that have been enacted or substantially enacted on the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that is no longer probable that the deferred tax asset can be utilised. Deferred tax assets and liabilities are not discounted. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

2.9 Defined contribution pension plans

The Group's payments under defined contribution pension plans are recognised in the income statement as employee benefits expense for the year to which the contribution applies.

2.10 Provisions

A provision is recognised when the Group has a present legal or constructive obligation resulting from past events, it is probable (i.e. more likely than not) that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision owing to passage of time is recognised as a financial cost.

The Group recognises a provision and an expense for severance payments when there exists a legal obligation to make severance payments.

The Group recognises a provision and an expense for bonuses to employees, when the Group is contractually obliged or where there is a past practice that has created a constructive obligation.

2.11 Trade creditors
Trade creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.12 Revenue recognition
Revenues from sales of services are recorded over time when the service are performed.

2.13 Contingent liabilities
Contingent liabilities are not recognised in the financial statements unless an outflow of resources embodying economic benefit has become probable. Significant contingent liabilities are disclosed, except for contingent liabilities where the probability of the liability occurring is remote.

2.14 Earnings per share
The calculation of basic earnings per share is based on the profit attributable to owners of the Group using the weighted average number of ordinary shares outstanding during the year after deduction of the average number of treasury shares held over the period.

The calculation of diluted earnings per share is consistent with the calculation of the basic earnings per share, but gives at the same time effect to all dilutive potential ordinary shares that were outstanding during the period, by adjusting the profit/loss and the weighted average number of shares outstanding for the effects of all dilutive potential shares, i.e.:

- The profit/loss for the period is adjusted for changes in profit/loss that would result from the conversion of the dilutive potential ordinary shares.
- The weighted average number of ordinary shares is increased by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.15 Segment reporting
The Group reports only one business segment which includes the investment activities. Based on this, no segment note is presented, and this is in accordance with management's reporting.

2.16 Treasury shares
Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognised in equity.

2.17 Cash flow statement
The cash flow statement is prepared by using the indirect method.

2.18 Changes in accounting policies and disclosures
(a) New and amended standards and interpretations adopted by the Group

IASB amended IAs 1 disclosure of accounting policies for 2023 requiring entities to disclose their material rather than their significant accounting policies. The application of the amendment did not have a material impact on the financial statements for 2023.
Other new standards, amendments and interpretations to existing standards effective from 1 January 2023 did not have any significant impact on the financial statements.

(b) New and amended standards and interpretations issued but not adopted by the Group

Certain new standards or amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2024 and have not been applied in preparing these consolidated financial statements. None of these new standards and amendments to standards and interpretations are expected to have any significant impact on the Group's financial statements.

NOTE 3 Financial risk management

3.1 Financial risks

The Group is exposed to a variety of risks, including market risk, credit risk, interest rate risk, liquidity risk and currency risk.

This note presents information about the Group's exposure to each of the aforementioned risks, and the Group's objectives, policies and processes for managing such risks. The note also presents the Group's objectives, policies and processes for managing capital.

(a) Market risk

North Energy is exposed to market risk involving the risk of changing conditions in the specific marketplace in which the Group makes investments. Sources of market risk include changes in market sentiment as well as recessions, political turmoil, changes in interest rates, natural disasters, and terrorist attacks. During 2023, the war in Ukraine combined with limited levels of energy investments over the last years have led to fluctuations in energy prices due to limited supply side.

(b) Credit risk

The Group is mainly exposed to credit risk related to bank deposits. The exposure to credit risk is monitored on an ongoing basis. As all counterparties have a high credit rating, there are no expectations that any of the counterparties will not be able to fulfil their liabilities. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

(c) Interest rate risk

The group's exposure to interest rate risk is related to usage of the Prime Finance credit facility provided by DNB, with floating interest rate conditions. The group is therefore exposed to interest rate risk as part of its normal business activities and the aim is to keep this risk at an acceptable level. The credit facility entitles the Group to borrow up to NOK 49 million secured by a pledge in the Group's financial investments.

(d) Liquidity risk

The Group's liquidity risk is the risk that it will not be able to pay its financial liabilities as they fall due. The Group's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its financial liabilities as they fall due, under normal as well as extraordinary circumstances, without incurring unacceptable losses or risking damage to the Group's reputation. Sufficient liquidity will be held in regular bank accounts at all times to cover expected payments relating to operational activities and investment activities.

The Group's financial liabilities are short-term and fall due within 12 months.

(e) Currency risk

The Group's functional currency is the NOK, and the Group is exposed to foreign exchange rate risk related to the value of NOK relative to other currencies. The Group is exposed to currency risk related to its activities mainly because parts of the Group's investments are USD, CAD, and GBP-based. The Group has not entered into any agreements to reduce its exposure to foreign currencies.

3.2 Capital management

The Group's aim for management of capital structure is to secure the business in order to yield profit to shareholders and contributions to other stakeholders. In addition, a capital structure at its optimum will reduce the costs of capital. To maintain or change the capital structure in the future, the Group can pay dividends to its shareholders, issue new shares or sell assets to reduce debt. The Group may buy its own shares. The point of time for this is dependent on changes in market prices.

The Group monitors its capital structure using an equity ratio, which is total equity divided by total assets. As of December 31, 2023, the equity ratio was 94% which is at the same level as last year.

The Group will handle any increased future capital requirements by selling assets, raising new capital, taking up loans, establishing strategic alliances or any combination of these, and by adjusting the Group's activity level if necessary.

NOTE 4 Critical accounting estimates and judgements

4.1 Critical accounting estimates and assumptions

The preparation of the financial statements in accordance with IFRS requires management to make judgements and use estimates and assumptions that affect the reported amounts of assets and liabilities, income, and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are considered to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis.

Currently, the Group's most important accounting estimates are related to the following items:

a) Other receivables

See note 8 for information about possible implications in connection with a VAT claim from the tax Administration for the years 2016 up to and including 2019.The Company does not agree with the conclusion from the tax administration and has submitted a complaint to the tax administration. The preliminary payment of the claim is higher than the previous provision made, hence a short-term receivable has been accounted for.

NOTE 5 Payroll and related expenses, remuneration of directors and management

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	**2023**	**2022**	**2023**	**2022**
Salaries	10 142	7 592	10 142	7 592
Fees to the board and election committee*	1 144	0	1 144	0
Payroll tax	2 045	1 308	2 045	1 308
Pension costs	656	268	656	268
Other benefits	92	84	92	84
Total	**14 078**	**9 252**	**14 078**	**9 252**
Average number of employees	3.0	3.0	3.0	3.0

* Fees to the board and election committee have been reclassified from Other expenses to Payroll expenses in 2023.

Pensions

The company has a defined contribution pension plan. The pension arrangements fulfil the requirements of the Norwegian Act on mandatory occupational pensions.

Remuneration to directors and management in 2023:

The board of directors shall prepare a declaration in accordance with the Norwegian Public Limited Liability Companies Act (Allmennaksjeloven) §6-16a. The information in accordance with the Norwegian Accounting Act §7-31b are available in a separate report that is published on www.northenergy.no

Amounts in NOK 1 000	Directors' fees	Salaries	Pension	Other *
Management **				
Rachid Bendriss (CEO)		4 178	219	31
Didrik Leikvang (CEO)		4 178	219	31
Rune Damm (CFO)		1 786	219	31
Board of directors				
Anders Onarheim (chair)	550			
Elin Karfjell (director)	275			
Jogeir Romestrand (director)	275			
Total	**1100**	**10 142**	**656**	**92**

* Other includes provision for allowances to cover telephone and internet, group life insurance and travel insurance.
** Figures for remuneration to management are exclusive payroll tax.

Remuneration to directors and management in 2022:

Amounts in NOK 1 000	Directors' fees	Salaries	Pension	Other *
Management **				
Rachid Bendriss (CEO)		3 043	89	28
Didrik Leikvang (CEO)		3 043	89	28
Rune Damm (CFO)		1 507	89	28
Board of directors				
Anders Onarheim (chair)	500			
Elin Karfjell (director)	250			
Jogeir Romestrand (director)	250			
Total	**1000**	**7 592**	**268**	**84**

* Other includes provision for severance payment, allowances to cover telephone and internet, group life insurance and travel insurance.
** Figures for remuneration to management are exclusive payroll tax.

Remuneration to former CEO:

The company's former CEO had an agreement with an annual salary of NOK 2,0 million in 2021. In the event of resignation at the request of the board of directors, the CEO had a right to a severance payment equivalent to two years of gross fixed salary. In december 2021 the former CEO signed an agreement with the board regarding resignation by the end of the year, hence the company made a provision of NOK 5.0 million (including social securities taxes) for a severance payment to the CEO. The severance payment was paid with 50% in 2022 and 50% in 2023.

NOTE 6 Other operating expenses and remuneration to auditor

Other operating expenses consist of:

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	**2023**	**2022**	**2023**	**2022**
Travelling expenses	139	198	139	198
Consultant and other fees	676	1 185	870	1 185
Other administrative expenses	2 303	2 850	2 310	2 890
Total	**3 117**	**4 233**	**3 319**	**4 273**

Remuneration to auditor is allocated as specified below:

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	**2023**	**2022**	**2023**	**2022**
Audit	511	276	558	276
Attestations and other assistance	121	57	164	57
Total, incl. VAT	**632**	**333**	**722**	**333**

NOTE 7 Trade and other receivables

Trade and other receivables consist of:

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	**2023**	**2022**	**2023**	**2022**
Trade receivables	-	39	-	39
Prepaid expenses	130	80	130	80
Premium fund pensions (prepaid premium)	-	21	-	21
Other receivables	3 353	3 384	3 353	3 504
Total	**3 483**	**3 525**	**3 483**	**3 645**

In May 2020 North Energy received a notice from the Norwegian Tax Administration informing that they started a control of North Energy ASA's accounts for the years 2016 up to and including 2019. In December 2021, the company received the report from the control together with a notification of changes of VAT from the control period. In February 2022, the company submitted their response to the notification expressing the company's view regarding the treatment of VAT during the control period which deviates from the view of the tax administration. In April 2022, the tax administration issued their final decision after the control resulting in a claim of NOK 12.9 million which consist of NOK 10.1 million of reclassifying deducted VAT to non-deductible VAT over the four-years period, interests of NOK 0.8 million and additional tax of NOK 2.0 million which is 20 % of the reclassified VAT. The VAT and the interests were settled with NOK 10.9 million in May 2022. The company does not agree with the conclusion from the tax administration and has submitted a complaint to the Tax administration. The additional tax will not fall due until the complaint has been processed and a final decision has been reached. To cover for the claim a provision of total NOK 7.5 million was made during 2021. The excess cash paid of NOK 3.4 million compared to our original provision has been accounted for as a other short-term receivable.

NOTE 8 Cash and cash equivalents

Cash and cash equivalents:

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	**2023**	**2022**	**2023**	**2022**
Bank deposits	5 720	3 056	5 952	3 056
Total cash and cash equivalents	**5 720**	**3 056**	**5 952**	**3 056**
Of this:				
Restricted cash for witheld taxes from employees salaries	**468**	**418**	**468**	**418**

NOTE 9 Share capital and shareholder information

	2023	**2022**
Number of issued shares at 1 January	119 047 065	119 047 065
New shares issued during the year:		
Issued in exchange for cash	0	0
Number of issued shares at 31 December *	**119 047 065**	**119 047 065**
Nominal value NOK per share at 31 December	1.00	1.00
Share capital NOK at 31 December	119 047 065	119 047 065

* Inclusive 1,795,472 treasury shares.

North Energy ASA has one share class with equal rights for all shares.

Main shareholders as of 31 December 2023:

Shareholder	Number of shares	% share
AB INVESTMENT AS	22 893 735	19.2%
CELISA CAPITAL AS	12 028 103	10.1%
ISFJORDEN AS	9 789 668	8.2%
INTERTRADE SHIPPING AS	4 000 000	3.4%
TRIOMAR AS	3 100 000	2.6%
CORUNA AS	3 000 000	2.5%
ARNT HAGEN HOLDING AS	2 883 506	2.4%
SALTEN KRAFTSAMBAND AS	2 419 215	2.0%
BAKKANE ARVID	2 131 264	1.8%
BOYE HANS JØRGEN	2 107 603	1.8%
NORTH ENERGY ASA	1 795 472	1.5%
TAJ HOLDING AS	1 792 030	1.5%
CLEARSTREAM BANKING S.A.	1 651 232	1.4%
ROME AS	1 440 000	1.2%
EIKANGER INVEST AS	1 430 000	1.2%
ORIGO KAPITAL AS	1 343 569	1.1%
AVANZA BANK AB	1 225 795	1.0%
SÆBERG KNUT	1 002 352	0.8%
HEDEN HOLDING AS	1 000 000	0.8%
PEDERSEN ROLF IVAR	988 598	0.8%
Total 20 largest shareholders	**78 022 142**	**65.5%**
Other shareholders	**41 024 923**	**34.5%**
Total	**119 047 065**	**100.0%**

Number of shares owned by management and directors at 31 December 2023:

Management		
Didrik Leikvang (Co-CEO), through Isfjorden AS and privately owned	10 074 668	8.5%
Rachid Bendriss (Co-CEO), through Celisa Capital AS	12 028 103	10.1%
Board of Directors		
Anders Onarheim (chairman), through AB Investment AS, Spitsbergen AS and Liju Invest AS	24 368 424	20.5%
Jogeir Romestrand (director), through Rome AS	1 440 000	1.2%
Elin Karfjell (director), through Elika AS	407 700	0.3%
Total	**48 318 895**	**40.6%**

Number of shares owned by management and directors at 31 December 2022:

Management		
Didrik Leikvang (Co-CEO), through Isfjorden AS and privately owned	9 799 849	8.2%
Rachid Bendriss (Co-CEO), through Celisa Capital AS	11 753 284	9.9%
Board of Directors		
Anders Onarheim (chairman), through AB Investment AS, Spitsbergen AS and Liju Invest AS	24 093 604	20.2%
Jogeir Romestrand (director), through Rome AS	1 440 000	1.2%
Elin Karfjell (director), through Elika AS	407 700	0.3%
Total	**47 494 437**	**39.9%**

NOTE 10 Leases

Right-of-use assets:

The Company leases office facilities. The Company's right-of-use assets are categorised and presented in the table below:

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	**2023**	**2022**	**2023**	**2022**
Right-of-use assets				
Acquisition cost at 1 January	11 840	7 438	11 840	7 438
Addition of right-of-use assets	0	7 256	0	7 256
Disposals of right-of-use assets	0	(2 854)	0	(2 854)
Changes in estimates	215		215	
Acquisition cost 31 December	**12 055**	**11 840**	**12 055**	**11 840**
Accumulated depreciation and impairment 1 January	(5 829)	(4 335)	(5 829)	(4 335)
Depreciation	(1 417)	(1 493)	(1 417)	(1 493)
Impairment	0	0	0	0
Accumulated depreciation and impairment 31 December	**(7 246)**	**(5 829)**	**(7 246)**	**(5 829)**
Carrying amount of right-of-use assets 31 December	**4 809**	**6 011**	**4 809**	**6 011**

Lower of remaining lease term or economic life	3.25 years
Depreciation method	Linear

Leasing liabilities:

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	**2023**	**2022**	**2023**	**2022**
Lease liabilities at 1 January	6 127	3 173	6 127	3 173
Additions new lease contracts	0	7 326	0	7 326
Disposals lease contracts	0	(2 933)	0	(2 933)
Changes in estimates	215	0	215	0
Accretion lease liabilities	241	165	241	165
Payments of lease liabilities	(1 634)	(1 604)	(1 634)	(1 604)
Total leasing liabilities 31 December	**4 950**	**6 127**	**4 950**	**6 127**
Break down of lease debt:				
Short-term	1 458	1 325	1 458	1 325
Long-term	3 492	4 802	3 492	4 802
Total lease debt	**4 950**	**6 127**	**4 950**	**6 127**

Maturity of future undiscounted lease payments under non-cancellable lease agreements:

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	**2023**	**2022**	**2023**	**2022**
Within 1 year	1 566	1 566	1 566	1 566
1 to 5 years	3 915	5 090	3 915	5 090
After 5 years	-	-	-	-
Total	**5 481**	**6 656**	**5 481**	**6 656**

The leases do not impose any restrictions on the Company's dividend policy or financing opportunities.

NOTE 11 Other current and non-current liabilities

Other Current liabilities

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	**2023**	**2022**	**2023**	**2022**
Public duties payable	839	710	839	710
Holiday pay	851	813	851	813
VAT payable	1	1	1	1
Other accruals for incurred costs	896	3 891	896	3 931
Total	**2 587**	**5 415**	**2 587**	**5 455**

NOTE 12 Earnings per share

	PARENT COMPANY		GROUP	
	2023	2022	2023	2022
Profit/(loss) for the year attributable to owners of North Energy ASA (NOK 1 000)	(16 141)	75 303	24 624	(13 072)
		0		
Weighted average number of shares outstanding including treasury shares	119 047 065	119 047 065	119 047 065	119 047 065
Weighted average number of treasury shares outstanding	(1 795 472)	(1 795 472)	(1 795 472)	(1 795 472)
Weighted average number of shares outstanding excluding treasury shares	117 251 593	117 251 593	117 251 593	117 251 593
Earnings per share (NOK per share)				
- Basic	(0.14)	0.63	0.21	(0.11)
- Diluted	(0.14)	0.63	0.21	(0.11)

NOTE 13 Related parties

The Company's transactions with related parties:

Overview of subsidiaries

In December 2022 North Energy established two new subsidiaries, North Industries 1 AS and North Industries 2 AS, with the purpose of owning North Energy's investments in Reach Subsea ASA and Wind Catching Systems AS respectively. The investments were transferred from the parent company to the subsidiaries through sale-purchase agreements. In connection with the transfer, North Energy signed loan agreements with the subsidiaries.
In January 2023 the loan agreements were converted to equity in the subsidiaries. In January 2023 the loan agreements were converted to equity in the subsidiaries.

In February a new loan agreement totalling NOK 20 million was established between North Energy and North Industries 1 AS in connection with the purchase of new shares in Reach Subsea ASA. The loan was partly repaid in June 2023 when North Industries 1 AS received dividend from Reach Subsea. At the end of the year the loan balance is NOK 11 million.
In August 2023 a new loan agreement totalling NOK 0.2 million was established between North Energy and North Industries 2 AS to be used for operational expenses.

The interest rate payable for both loans are based on market rates (monthly NOWA) plus a margin of 3%.

Loan to subsidiaries

Amounts in NOK 1 000		PARENT COMPANY 2023	2022
North Industries 1 AS	Loan balance	11 000	186 351
North Industries 1 AS	Accrued interest	847	392
North Industries 2 AS	Loan balance	200	68 707
North Industries 2 AS	Accrued interest	5	154
Total		**12 052**	**255 604**

NOTE 14 Tax

Specification of income tax:

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	**2023**	**2022**	**2023**	**2022**
Tax payable	0	0	0	0
Change deferred tax	0	0	0	0
Total income tax credit	**0**	**0**	**0**	**0**

Specification of temporary differences, tax losses carried forward and deferred tax

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	**2023**	**2022**	**2023**	**2022**
Property, plant and equipment and Right-of-use assets	4 746	5 914	4 746	5 914
Pensions	0	21	0	21
Leasing liabilities	(4 950)	(6 127)	(4 950)	(6 127)
Financial investments	26 964	51 119	26 964	51 119
Provisions	0	0	0	0
Tax losses carried forward, onshore	(96 392)	(118 168)	(98 160)	(118 168)
Total basis for deferred tax	(69 632)	(67 240)	(71 400)	(67 240)
Deferred tax asset/liability before valuation allowance	15 319	14 793	15 708	14 793
Uncapitalised deferred tax asset (valuation allowance)	(15 319)	(14 793)	(15 708)	(14 793)
Deferred tax asset/(liability)	**0**	**0**	**0**	**0**

Reconciliation of effective tax rate:

Amounts in NOK 1 000	PARENT COMPANY 2023	PARENT COMPANY 2022	GROUP 2023	GROUP 2022
Profit/(loss) before income tax	(16 141)	75 303	24 624	(13 072)
Expected income tax 22%	(3 551)	(16 567)	5 417	2 876
Adjusted for tax effects (22%) of the following items:				
Permanent differences	(1 184)	30 717	(10 412)	11 463
Adjustments previous years	4 020	0	4 020	0
Changed tax rates	0	0	0	0
Change in valuation allowance for deferred tax assets	715	(14 150)	975	(14 339)
Total income tax credit	**0**	**(0)**	**0**	**(0)**

* Relates to changes from annual report 2022 and tax papers 2022 related to the assessment of the exemption method used by the Norwegian Tax Administration.

NOTE 15 Property, plant and equipment

Amounts in NOK 1 000	Equipment, office machines, etc			
	PARENT COMPANY		GROUP	
	2023	**2022**	**2023**	**2022**
Cost:				
At 1st of January	560	476	560	476
Additions	17	84	17	84
Disposals	0	0	0	0
At 31st of December	**577**	**560**	**577**	**560**
Depreciation and impairment:				
At 1st of January	(371)	(328)	(371)	(328)
Depreciation this year	(50)	(43)	(50)	(43)
Impairment this year	0	0	0	0
Disposals	0	0	0	0
At 31st of December	**(421)**	**(371)**	**(421)**	**(371)**
Carrying amount at 31 of December	**155**	**189**	**155**	**189**

Economic life	3-10 years
Depreciation method	linear

NOTE 16 Finance income and costs

Finance income:

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	**2023**	**2022**	**2023**	**2022**
Interest income bank deposits	102	140	103	140
Interest income on bonds	1 413	974	1 413	974
Foreign exchange gain	832	142	832	142
Other finance income	0	52	0	52
Interest income from subsidiaries	1 256	546	0	0
Total finance income	**3 602**	**1 855**	**2 347**	**1 308**

Finance costs:

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	**2023**	**2022**	**2023**	**2022**
Other interest expenses	1 168	260	1 168	260
Foreign exchange loss	529	79	529	79
Other finance costs	0	0	0	0
Total finance costs	**1 697**	**339**	**1 697**	**339**

NOTE 17 Financial instruments

(a) Categories of financial instruments at 31 December 2023:

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	Financial assets measured at amortised cost	Financial assets at fair value through profit or loss	Financial assets measured at amortised cost	Financial assets at fair value through profit or loss
Assets:				
Financial investments at fair value through profit and loss		102 962		102 962
Loan to subsidiaries	12 052			
Cash and cash equivalents	5 720		5 952	
Total	**17 772**	**102 962**	**5 952**	**102 962**

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	Financial assets measured at amortised cost	Financial assets at fair value through profit or loss	Financial assets measured at amortised cost	Financial assets at fair value through profit or loss
Liabilities:				
Current borrowings, credit facility*	13 575		13 575	
Trade creditors	101		103	
Total	**13 676**	**0**	**13 678**	**0**

at 31 December 2022:

Amounts in NOK 1 000	PARENT COMPANY Financial assets measured at amortised cost	PARENT COMPANY Financial assets at fair value through profit or loss	GROUP Financial assets measured at amortised cost	GROUP Financial assets at fair value through profit or loss
Assets:				
Financial investments at fair value through profit and loss		143 069		143 069
Loan to subsidiaries	255 604			
Cash and cash equivalents	3 056		3 056	
Total	**258 660**	**143 069**	**3 056**	**143 069**

Amounts in NOK 1 000	PARENT COMPANY Financial liabilities measured at amortised cost	PARENT COMPANY Financial liabilities at fair value through profit or loss	GROUP Financial liabilities measured at amortised cost	GROUP Financial liabilities at fair value through profit or loss
Liabilities:				
Current borrowings, credit facility*	7 723		7 723	
Trade creditors	46		46	
Total	**7 769**	**0**	**7 769**	**0**

* In the third quarter of 2022 the Company established a new multicurrency credit facility with DNB for a total amount of NOK 49 million. The Company uses listed financial investments as collateral for the credit facility.

NOTE 17 Financial instruments (continued)

(b) Fair value of financial instruments

The carrying amount of cash and cash equivalents and other current receivables is approximately equal to fair value, since these instruments have a short term to maturity. Similarly, the carrying amount of trade creditors and other current liabilities is approximately equal to fair value, since the effect of discounting is not significant, due to short term to maturity.

Fair value of the stock exchange-listed shares is the stock market price at the balance sheet date (level 1 in the fair value hierarchy). Fair value of bonds is based on quoted market prices at the balance sheet date (level 2 in the fair value hierarchy). Fair value of other non-listed investments are valued using the best information available in the circumstances including the entities' own data. (level 3 in the fair value hierarchy).

Specification of financial instruments based on level in the fair value hierarchy

PARENT COMPANY

Fair Value 31.12.2023	Level 1	Level 2	Level 3	Total
Shares	78 205			78 205
Bonds		24 757		24 757
Total fair value	**78 205**	**24 757**	**0**	**102 962**

There has been no transfer between level 1 and level 2 during 2023.

Reconciliation of level 3 in the fair value hierarchy	Level 3
Opening balance	0
Movement during the period	0
Closing balance	**0**

GROUP

Fair Value 31.12.2023	Level 1	Level 2	Level 3	Total
Shares	78 205			78 205
Bonds		24 757		24 757
Total fair value	**78 205**	**24 757**	**0**	**102 962**

There has been no transfer between level 1 and level 2 during 2023.

Reconciliation of level 3 in the fair value hierarchy	Level 3
Opening balance	0
Movement during the period	0
Closing balance	**0**

Cash and cash equivalents

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	**2023**	**2022**	**2023**	**2022**
Bank deposits	5 720	3 056	5 952	3 056
Credit rating				
No external credit rating	0	0	0	0
A	0	0	0	0
AA-	5 720	3 056	5 952	3 056
Total	**5 720**	**3 056**	**5 952**	**3 056**

Reconciliation of cash flows from financing activities

The table shows a reconciliation between the opening and the closing balances in the statement of financial position for liabilities arising from financing activites.

2023	31/12/2022	Cash flows	Non-cash flows Interests	Other*	31/12/2023
Paid dividends		(11 725)			
Current borrowings	7 723	5 852			13 575
Paid interests bank facility		(844)			
Leasing liabilities	6 127	(1 634)	241	215	4 950
Total	**13 850**	**(8 351)**	**241**	**215**	**18 525**

2022	31/12/2021	Cash flows	Non-cash flows Interests	Other*	31/12/2022
Paid dividends					
Current borrowings	0	7 723			7 723
Paid interests bank facility		(15)			
Leasing liabilities	3 173	(1 604)	165	4 393	6 127
Total	**3 173**	**6 104**	**165**	**4 393**	**13 850**

* Other includes additions and disposals of lease contracts and changes in estimates of lease liabilities

(d) Financial risk factors

See note 3 for financial risk factors and risk management, sensitivity analysis and capital management.

NOTE 18 Investment in subsidiaries and associates

Reconciliation and specification of carrying amount of investments in subsidiaries and associates:

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	**2023**	**2022**	**2023**	**2022**
Opening balance carrying amount of investments in associates	4 461	141 312	171 610	141 312
Gain on dilution of ownership, Reach Subsea ASA*	0	13 842	2 040	13 842
Gain on dilution of ownership Wind Catching Systems AS*	0	18 325	0	18 325
Acquisition cost shares acquired, Reach ASA	0	0	20 000	0
Acquisition cost shares acquired, Wind Catching Systems AS	0	3 167	0	3 167
Repayment of capital, Tyveholmen AS	0	(3 000)	0	(3 000)
Share of net result in investment, Reach Subsea ASA	0	10 168	44 395	10 597
Share of net result in investment, Wind Catching Systems AS	0	(4 241)	(4 213)	(4 552)
Share of net result in investment, Tyveholmen AS	299	222	299	222
Dividend received, Reach Subsea ASA	0	(8 303)	(9 150)	(8 303)
Investment in subsidiaries	256 008	120	0	0
Sale of investments to subsidiaries	0	(167 150)	0	0
Total carrying amount of investments in subsidiaries and associates at balance date	**260 768**	**4 461**	**224 982**	**171 610**
Consist of:				
Reach Subsea ASA	0	0	196 298	139 012
Tyveholmen AS	4 640	4 341	4 640	4 341
Wind Catching Systems AS	0	0	24 044	28 257
North Industries 1 AS	187 098	60		
North Industries 2 AS	69 029	60		
Total carrying amount of investments in associates at balance date	**4 640**	**4 341**	**224 982**	**171 610**
Total carrying amount of investments in subsidiaries at balance date	**256 128**	**120**	**0**	**0**

Specification of net result from investments in associates recognised in the income statement:

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	2023	2022	2023	2022
Share of net result in investment, Reach Subsea ASA	0	10 168	44 395	10 597
Share of net result in investment, Wind Catching Systems AS	0	(4 241)	(4 213)	(4 552)
Share of net result in investment, Tyveholmen AS	299	222	299	222
Gain on dilution of ownership, Wind Catching Systems AS*	0	13 842	0	13 842
Gain on dilution of ownership, Reach Subsea ASA*	0	18 325	2 040	18 325
Gain on sale of shares to subsidiary, Reach Subsea ASA	0	47 768	0	0
Gain on sale of shares to subsidiary, Wind Catching Systems AS	0	40 139	0	0
Net result from investments in associates	**299**	**126 223**	**42 521**	**38 435**

* The gain on dilution of ownership is an accounting effect triggered by private placements and issuing of consideration shares resulting in increased equity in the associated companies. North Energy has in some private placements participated with a lower share than the original ownership and not participated in other private placements, hence North Energy's ownership percentage has been reduced while the value of the investment has increased. Gain on the deemed disposals arises because the amount per share subscribed by the third party was greater than North Energy's carrying value per share prior to the event.

The dilution of ownership in Reach Subsea took place on 25 March 2022 and on 15 November 2023.
The dilution of ownership in Wind Catching Systems took place on 9 June 2022 and 28 October 2022.

Ownership interests in subsidiaries and associates at 31 December:

	PARENT COMPANY		GROUP	
	2023	2022	2023	2022
Reach Subsea ASA	0.00 %	0.00 %	18.70 %	20.43 %
Tyveholmen AS	50.00 %	50.00 %	50.00 %	50.00 %
Wind Catching Systems AS	0.00 %	0.00 %	22.03 %	22.19 %
North Industries 1 AS	100.00 %	100.00 %		
North Industries 2 AS	100.00 %	100.00 %		

Financial figures for the associated company Reach Subsea ASA:

Amounts in NOK 1 000 (100% basis, unaudited)	**2023**	**2022**
Revenues	1 966 584	1 162 821
Operating result	331 786	105 255
Pre-tax profit	289 534	98 023
Liquidity	436 423	191 591
Net working capital	(105 259)	70 809
Net interest bearing debt	(369 000)	(163 573)
Equity	928 005	579 442

The share price of Reach Subsea at year and was NOK 4.5 per share, equivalent to a market value of NOK 1,223 million. North Energy's relative share of this was NOK 228.7 million, based on the ownership of 18.7%.

The investment in Reach is accounted for as an associated company, using the equity method. North regards Reach as an associated company based on the representation in the Board of Directors in Reach Subsea ASA and based on the 18,7% ownership. Thus, North Energy consolidates its share of the net result from Reach, adjusted for any impairment or reversal of impairment due to share price fluctuations. The market value of Reach Subsea at year end 2023 was higher than the book value, hence there was no need for any impairment.

Financial figures for the associated company Wind Catching Systems AS (WCS)

Amounts in NOK 1 000 (100% basis, unaudited)	2023	2022
Revenues	0	0
Operating profit	(21 736)	(18 355)
Profit after tax	(18 955)	(17 350)
Liquidity	65 708	94 373
Total assets	96 739	104 005
Equity	90 054	101 506

WCS is accounted for as an associated company, using the equity method. The figures for WCS includes adjustments necessary to transform the figure from NGAAP to IFRS. Book value of North Energy's investment is 24.0 million. The market value of WCS is estimated based on the share price used in the recent private placement that took place in October 2022. The company is progressing well towards the plan to finanlize and commercialize the WCS technology. The construction and testing of a wind turbine pilot at Mehuken is planned to take place in 2024. North Energy's relative share, based on an ownership of 22.03%, was NOK 68.7 million, hence there is no need for any impairment.

WCS has, in the shareholder agreement from November 2020, issued warrants (subsciption rights) for a total of 45.000 shares to the shareholders Armada AS, Nasjonalparken AS and Homan AS for a period of 5 years from 30 March 2021. The price for each share under the warrants is NOK 110. North Energy's ownership of WCS was on a fully diluted basis 18.19 per cent per 31 December 2023.

Financial figures for the associated company Tyveholmen AS:

Amounts in NOK 1 000 (100% basis, unaudited)	2023	2022
Revenues	6 245	5 520
Operating profit	729	397
Profit after tax	598	442
Liquidity	3 198	2 820
Total assets	8 557	8 227
Equity	8 311	7 544

Tyveholmen is accounted for as an associated company, using the equity method. Book value of North Energy's 50% share of the company is NOK 4.6 million.Tyveholmen has investments in bonds accounted at historic cost price. Unrealized gains on the bonds, not recognized in the financial statement, are NOK 1.1 million. Based on this North Energy do not see a need for any impairment of the investment.

NOTE 19 Contingent liabilities

As of 31 December 2023 the company is not involved in any other legal or financial disputes. Please see note 8 for information on other receivables regarding the VAT claim received from the tax authority.

NOTE 20 Financial investments at fair value through profit and loss

Financial investments include:

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	**2023**	**2022**	**2023**	**2022**
Stock exchange-listed shares	78 205	106 203	78 205	106 203
Bonds	24 757	36 867	24 757	36 867
Total carrying amount financial investments, current	**102 962**	**143 069**	**102 962**	**143 069**

The main financial investments at 31 December 2023 consist of shares in Touchstone Exploration and Thor Medical ASA (former Nordic Nanovector ASA) as well as bonds in Heimstaden AB, Interoil Exploration and various other minor investments. The main investments at 31 December 2022 consisted of shares in Touchstone Exploration and Nordic Nanovector ASA as well as bonds in DNB ASA, Interoil Exploration and various interest bonds.

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	**2023**	**2022**	**2023**	**2022**
Change in fair value recognised in income statement under operating items	245	(37 526)	245	(37 526)
Interest income bonds recognised as finance income	1 413	974	1 413	974

NOTE 21 Restructuring impact

During 2022 North Energy restructured from a single company, North Energy ASA, to a group of companies consisting of North Energy ASA as the parent company and the two new subsidiaries North Industries 1 AS and North Industries 2 AS. The purpose of the new subsidiaries is to own the group's investments in Reach Subsea ASA and Wind Catching Systems AS respectively. The investments were sold from the parent company to the subsidiaries during December 2022 at estimated market price. At the same time the parent company issued loans to the subsidiaries for the same amounts. The loans are interest bearing and the interest is calculated using market rates. The parent company reported a gain of NOK 87.9 millions in 2022 on the sale which was been eliminated in the group figures.

The financial impact on the parent company:

Amounts in NOK 1 000	**2023**	**2022**
Income statement:		
Net result from investment in associated company, gain on sale		87 907
Financial income, interests on loans to subsidiaries	1 256	546
Financial Position:		
Investment in subsidiaries	256 128	120
Loan to subsidiaries	12 052	255 604

NOTE 22 Events after the balance sheet date

There are no subsequent events with significant accounting impacts that have occurred between the end of the reporting period and the date of this report that are not already reflected or disclosed in these financial statements.

Responsibility statement by the Board of Directors and CEO

We declare, to the best of our judgement, that the annual financial statements for the period from 1 January to 31 December 2023 have been prepared in accordance with the applicable accounting standards, and that the information in the accounts fairly reflects the Company's assets, liabilities, financial position, and results as a whole.

We also declare that the Directors' report provides a true and fair view of the Company's and Group's performance, results, and position, along with a description of the most important risk and uncertainty factors facing the Company.

.

Oslo, 19 March 2024

Anders Onarheim Chair	Elin Karfjell Director	Jogeir Romestrand Director
Rachid Bendriss co-CEO		Didrik Leikvang co-CEO

Shareholder information

North Energy is listed on the Euronext Expand Oslo marketplace. The Company has one share class, and each share carries one vote at the general meetings.

Table: Top 20 shareholder as of March 1, 2024

Investor	Number of shares	% of total	Type	Country
1 AB INVESTMENT AS	24 436 454	20.53 %	Ordinary	Norway
2 CELISA CAPITAL AS	12 314 417	10.34 %	Ordinary	Norway
3 ISFJORDEN AS	10 356 448	8.70 %	Ordinary	Norway
4 INTERTRADE SHIPPING AS	4 100 000	3.44 %	Ordinary	Norway
5 TRIOMAR AS	3 100 000	2.60 %	Ordinary	Norway
6 CORUNA AS	3 000 000	2.52 %	Ordinary	Norway
7 ARNT HAGEN HOLDING AS	2 883 506	2.42 %	Ordinary	Norway
8 SALTEN KRAFTSAMBAND AS	2 419 215	2.03 %	Ordinary	Norway
9 BAKKANE ARVID	2 196 000	1.84 %	Ordinary	Norway
10 CLEARSTREAM BANKING S.A.	2 147 204	1.80 %	Nominee	Luxem-bourg
11 BOYE HANS JØRGEN	2 107 603	1.77 %	Ordinary	Norway
12 NORTH ENERGY ASA	1 795 472	1.51 %	Ordinary	Norway
13 TAJ HOLDING AS	1 792 030	1.51 %	Ordinary	Norway
14 ROME AS	1 440 000	1.21 %	Ordinary	Norway
15 EIKANGER INVEST AS	1 430 000	1.20 %	Ordinary	Norway
16 ORIGO KAPITAL AS	1 343 569	1.13 %	Ordinary	Norway
17 Avanza Bank AB	1 233 039	1.04 %	Nominee	Sweden
18 SÆBERG KNUT	1 002 352	0.84 %	Ordinary	Norway
19 PEDERSEN ROLF IVAR	988 598	0.83 %	Ordinary	Norway
20 KG26 EIENDOM AS	900 000	0.76 %	Ordinary	Norway
Total number owned by top 20	*80 985 907*	*68.03 %*		
Total number of shares	**119 047 065**	**100.0 %**		

In 2023, the North Energy share price depreciated by 2.4 per cent. In comparison, an investment in the Oslo Børs Benchmark Index over the same period provided a positive return of 9.9 per cent, while the energy index yielded a positive return of 6.4 per cent. During the year, 20.3 million North Energy shares changed hands on the Oslo Stock Exchange, down from 27.1 million in 2022, representing a daily average trading volume of 81,300 shares.

Dividend policy

In 2022, the Board of Directors adopted a new dividend policy, which states that "The Company intends to distribute an annual dividend that approximates 3% of year end Net Asset Value". In accordance with the policy, the Board intends to propose a dividend of NOK 0.10 per share for 2023.

Ownership structure

At the end of 2023 North Energy had 1,887 shareholders, down from 2,081 shareholders at the end of 2022. Approximately 5.1 per cent of the Company's shares were owned by foreign investors at the end of 2023, which is at the same level as last year. The Company's employees, management, and Board held in total 40.6 per cent of the shares in the Company by the end of the year. North Energy's 20 largest shareholders held 65.5 per cent of the shares as of 31 December 2023.

Share capital

North Energy's share capital on 31 December 2023 was NOK 119,047,065 divided into 119,047,065 shares, each with a nominal value of NOK 1. The Company holds 1,795,472 treasury shares equivalent to 1.5 per cent of the Company's total share capital.

Auditors' report

To the General Meeting of North Energy ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of North Energy ASA, which comprise:

- the financial statements of the parent company North Energy ASA (the Company), which comprise the statement of financial position as at 31 December 2023, the income statement, statement of comprehensive income, statement of changes in equity and cash flows statement for the year then ended, and notes to the financial statements, including material accounting policy information, and
- the consolidated financial statements of North Energy ASA and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2023, the income statement, statement of comprehensive income, statement of changes in equity and cash flows statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

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

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 17 years from the election by the general meeting of the shareholders on 1 November 2007 for the accounting year 2007 with a renewed election on 25 April 2014.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

We have determined that there are no key audit matters to communicate in our report.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

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

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

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

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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. We 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 and the Group'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 and the Group'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 and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion
As part of the audit of the financial statements of North Energy ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name NORTHASA-2023-12-31-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the

Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities
Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities
For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Stavanger, 19 March 2024
PricewaterhouseCoopers AS

Tom Notland

Tom Notland
State Authorised Public Accountant

North Energy ASA- Financial Calendar for 2024

North Energy ASA will present financial statements on the following dates in 2024:

Q1 2024 interim financial report: 14 May 2024

Half-yearly 2024 interim financial report: 29 August 2024

Q3 2024 interim financial report: 13 November 2024

Q4 2024 interim financial report: 14 February 2025

The annual General Meeting is planned to be held on 10 April 2024

All dates are subject to change.

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