

INTERIM REPORT

for the fourth quarter 2021



north
energy

Quarterly highlights

North Energy reports a loss of NOK 24.1 million.

North Energy recorded a loss of NOK 24.1 million in the fourth quarter 2021 due to the negative development in the market value of the company's investment in Touchstone Exploration offset by a positive share of the result from Reach Subsea. The cash position ended at NOK 40.0 million, down with NOK 14.6 million during the quarter.

New financial investment in Chariot Ltd.

In December, North Energy invested NOK 8.9 million in a private placement in Chariot Ltd. (Chariot), which is an Africa-based transitional energy company aiming to be a provider of cleaner energy across the African continent via its Transitional Gas and Transitional Power business streams. The company has a high value gas project in Morocco and an exciting new venture in renewable hybrid energy focused on Africa. Chariot Ltd.'s shares are traded on the London stock exchange.

New management structure

In December, the Board of North Energy announced the following changes in the Management team. Mr. Knut Sæberg retired from his position as CEO on 31 December 2021. Effective from 1 January 2022 Mr. Rachid Bendriss and Mr. Didrik Leikvang accepted roles as co-CEOs in the Company collectively responsible for managing the business. Both Mr. Bendriss and Mr. Leikvang have since 2016 been engaged as strategic and financial advisors for the company. Further, Mr. Rune Damm, Finance manager since 2015, has from 1 January 2022 assumed the role as CFO.

Key figures

NOK mln	Q4 2021	Q4 2020	Year 2021	Year 2020
Operating profit	-31,7	86,3	-46,7	135,5
Profit loss after tax	-24,1	70,5	-27,8	120,4
Investments	295,5	302,6	295,5	302,6
Total assets	339,1	424,1	339,1	424,1
Equity ratio	95	95	95	95
Interest bearing debt	0	0	0	0

Financial information

After completion of the intra-group merger between North Energy ASA and North Energy Capital AS in the third quarter 2020, North Energy ASA is the only remaining Company in the former Group. Figures presented for 2020 are the consolidated figures for the former Group.

Fourth quarter 2021 result

North Energy recorded a comprehensive loss of NOK 24.1 million in the fourth quarter of 2021, compared with a comprehensive income of NOK 70.5 million in the corresponding quarter of 2020. The loss reported in fourth quarter 2021 is mainly driven by a decrease of NOK 27.6 million in the valuation of financial investments, primarily Touchstone Exploration, and operating expense of NOK 8.9 million, partly offset by a positive share of the result from Reach Subsea of NOK 7.4 million. The income in the fourth quarter last year was driven partly by an increase in the valuation of Touchstone Exploration as well as income from the investment in Reach Subsea.

The market value of North Energy's investment in Reach Subsea has decreased by NOK 0.5 million (from NOK 140.7 million to NOK 140.2 million) in the fourth quarter of 2021. The market value is still higher than the book value, therefore the decrease is not recognized in the income statement as the investment in Reach is accounted for as an associated company. Hence, the comprehensive income effect from our investment in Reach is our share of the comprehensive income from Reach, NOK 7.4 million. The book value of Reach is NOK 122.9 million per end of the fourth quarter.

Payroll and related expenses in the fourth quarter were NOK 6.1 million, compared with NOK 1.0 million in the same quarter last year. The increase is due to a provision for a severance payment to the former CEO.

Other operating expenses are reported at NOK 2.7 million, which is down from NOK 3.2 million in the same quarter last year.

Net financial items were NOK 0.0 million in the fourth quarter 2021.

Preliminary full year 2021 result

North Energy recorded a comprehensive loss of NOK 27.8 million for 2021, compared with a comprehensive income of NOK 120.4 million for 2020. The income reported this year is mainly driven by a decrease of NOK 45.2 million in the valuation of financial investments, primarily Touchstone Exploration, and operating expense of NOK 27.5 million, partly offset by a positive share of the result from Reach Subsea of NOK 30.3 million. The income reported last year was driven partly by a significant increase in the valuation of Touchstone Exploration as well as income from the investment in Reach Subsea.

Payroll and related expenses in 2021 were NOK 9.2 million, up from NOK 4.2 million last year. The increase is due to a provision for a severance payment to the former CEO.

Other operating expenses are reported at NOK 18.6 million, which is up from NOK 12.2 million last year. The increase is mainly due to a provision for potential liabilities.

Net financial items were NOK 0.5 million in 2021 while financial items in 2020 were NOK 2.7 million. Financial items consist mainly of interest income on bonds.

At the end of 2021, total market value of investments amounted to NOK 326.6 million, compared to NOK 305.5 million at the end of 2020 and NOK 334.3 million last quarter. The increase in investments compared to last year is partly due to an increase in the market value of Reach and partly new investments, offset by a reduced market value of Touchstone Exploration. The decrease in investments from last quarter is due to the drop in market value of Touchstone Exploration.

The share price of Reach Subsea ended the year at NOK 3.04, which gives North Energy's shareholding a market value of NOK 140.2 million. The investment in Reach Subsea is accounted for as an associated company. Thus, as the market value is higher than the book value (defined as the sum of historical purchase cost, plus our share of accumulated result since investment, less dividends received since investment) at the end of the year, the investment is reported at book value of NOK 122.9 million.

Total assets at the end of the year were NOK 339.0 million, down from NOK 424.1 million at the end of last year. The decrease is mainly due to reduction in cash of

NOK 79.3 million of which payment of dividend amounts to NOK 52.8 million and a net reduction of the investment portfolio of NOK 7.1 million.

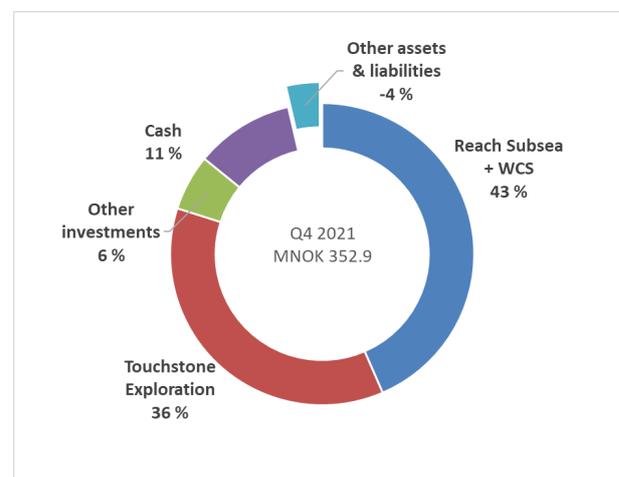
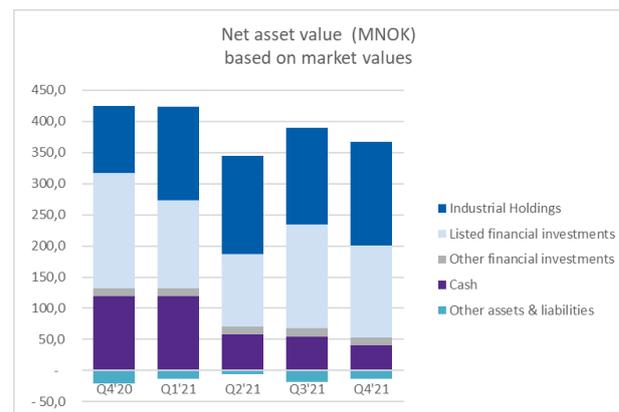
Total equity at the end of the year was NOK 321.3 million, down from NOK 401.9 million at the end last year. The decrease is explained by total comprehensive loss of NOK 27.8 million last twelve months and by dividend payment to shareholders of NOK 52.8 million. The Company's equity ratio stood at 95.0 percent at the end of the year.

The Company has no interest-bearing debt.

North Energy recorded NOK 40.0 million in cash at the end of the year. This is down from NOK 119.3 million at the end of last year mainly due to dividend payment of NOK 52.8 million, new investments of NOK 19 million and operating cash burn.

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

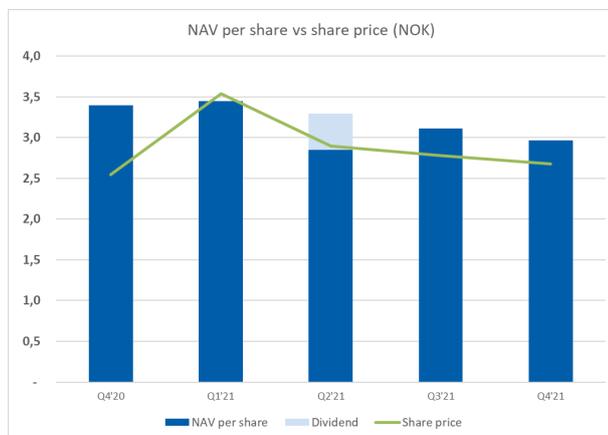
Net asset value composition



Total market value of the investment portfolio was NOK 326.6 million at the end of the year. Including cash of NOK 40.0 million and net other assets and liabilities of

negative NOK 13.7 million the net asset value for the company was NOK 352.9 million at the end of the year.

NAV per share vs. share price



The net asset value per share was NOK 2.96 while the share price at the end of the year was NOK 2.68, representing a discount of 10% compared to the net asset value per share.

Investments

The year 2021 was a year of rebound and recovery in the global capital markets. The value of North Energy's investments has in addition been affected by a 44% increased market value (including dividends) of Reach Subsea, offset by a 24% decline in the market value of Touchstone Exploration.

Industrial holdings

Reach Subsea ASA

The main industrial investment is the 32% shareholding in Reach Subsea ASA where North has two representatives on the Board of Directors. The Company expects to continue as a major shareholder in Reach Subsea ASA and further develop the company as 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.

On the 18th of January 2021 Reach announced a new project called "Reach Remote", which is a new and future-proof, sustainable solution for subsea services. The project is carried out in cooperation with the renowned industrial partners Kongsberg Maritime and

Massterly and is also supported by a grant from Innovasjon Norge. The company highlights that this solution is expected to significantly reduce the cost, and virtually eliminate the carbon footprint, associated with subsea services. Reach plans to bring the solution to market in 2023.

As of the end of 2021, the investment in Reach is accounted for at a book value of NOK 122.9 million, up from NOK 115.5 million last quarter. The increase is driven by North Energy's share of comprehensive income of NOK 7.4 million.

For the fourth quarter, Reach reported comprehensive income of NOK 23.3 million, which is up from the NOK 13.9 million reported the same quarter last year. The increase is due to the acquisition of Octio, which contributed NOK 10 million to comprehensive income, including NOK 13.4 million in bargain purchase gain. For the full year Reach reported a record comprehensive income of NOK 94.5 million, up from NOK 43,8 million the same period last year. The strong improvement was partly due to a stronger underlying performance, but also impacted by the abovementioned Octio effect, as well as NOK 20 million in capitalization of deferred tax benefit.

Reach has financially had a strong year and announces that it is seeing healthy demand across all sectors for 2022, driven by higher oil & gas prices as well as strong demand from the renewable energy sector.

On Reach Remote, the initiative to revolutionize the way subsea services are delivered, the company states it is on track for 2023 delivery and re-iterates the strong client and partner interest in the concept.

After quarter end, Reach announced that it has received an offer from an undisclosed strategic partner to enter into a comprehensive agreement covering both an equity investment in Reach and a strategic cooperation on commercialization of Reach Remote. The Board of Reach is positive to the proposed offer, which entails raising NOK 150 million in new equity at NOK 3.25 per share as well as issuing warrants at NOK 4.00 per share and will work towards finalizing and concluding an agreement with the strategic partner. In the event the proposed offer is concluded, and excluding any warrant exercise, North Energy and the strategic partner will be joint major shareholders of Reach with an ownership interest of 24% each.

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 more than NOK 200 million in cash and working capital before the potential NOK 150 million equity injection from the strategic partner.

The company is listed on the Oslo Stock Exchange and as of the end of the year, the company had a market capitalization of NOK 439.5 million.

Wind Catching Systems AS

Wind Catching Systems holds a new innovative technology for floating offshore wind systems ("WCS technology"). The wind turbines are designed for all weather conditions, with the potential to produce electricity at a significantly lower cost and with substantially less use of space than any other known technology today. Together with its key technology partner Aibel AS and IFE (Institute for Energy Technology), and with support from Innovasjon Norge, the company intends to finalize and commercialize the WCS technology.

WCS is accounted for as an associated company, hence NE consolidates its share of the net result from WCS. For the full year North Energy has consolidated a loss of NOK 3.7 million in the result. At the end of the year, book value of the investment was NOK 11.3 million.

The company continues to develop its organization in parallel with maturing the technology and concept together with its key technology partners Aibel and IFE.

The development of the Windcatching technology is progressing as expected. The first stage of the wind tunnel testing in Milano, aimed at verifying some of the key design features, was completed during the summer of 2021. The results were encouraging, and the company has now verified that the tested design features revealed results on par with, or better than, assumptions used in the wind energy model. Further engineering work will continue in 2022 with key areas of focus being marine engineering and equipment design in partnership with Tier 1 equipment providers to optimize the operating performance of the unit. Discussions are also ongoing with respect to future client adoption for the WCS concept.

Financial investments

Touchstone Exploration Inc.

The Company's key financial investment is in Touchstone Exploration with an ownership interest of 6.0 per cent by the end of the fourth quarter.

During last quarter, the company announced the completion of drilling of the Royston-1 exploration well and the drilling results. The well, which is the deepest exploration well drilled by Touchstone to date, encountered substantial hydrocarbon accumulations. An aggregate of 393 gross feet of hydrocarbon pay was identified in two unique thrust sheets in the Herrera GR7 and GR7bc sands. The results from Royston-1 exceeded pre-drill expectations, but the extent and commercial assessment of the discovery is pending production testing.

During the fourth quarter Touchstone announced the result of all the three planned production tests of Royston-1, which confirmed a light oil discovery both in the lowermost section and the upper most section of the well. The company plans to perform an extended production test designed to assess optimal flowing conditions to maximize production and data collection. Additional information from the long-term production test is anticipated during the first quarter 2022.

Middle Miocene turbidite deposits have historically been prolific producers onshore Trinidad. As highlighted by the company, the Royston-1 well did not target the best sands in the lower intermediate Herrera GR7a sheet and future wells are likely to be optimized to target these sections. A light oil discovery in Royston-1 also bodes well for the Krakken well planned for 2022, in which the company intends to target a very large cretaceous turbidite play similar to the Guyana/Suriname discoveries.

The company aims to bring the Coho-1 discovery onto production in early 2022. Coho-1 was the first well drilled in the 5-well programme on the Ortoire Block. The company estimates the net future production rate from Coho-1 to be in the range from 1,300 - 1,600 barrels of oil equivalent (boe) per day, which will double the company's overall production.

The two Cascadura wells are targeted for production in the third quarter of 2022. The company estimates the net future production rate from Cascadura to be in the

range of 10,000 – 13,000 boe per day, with additional upside from future development wells.

Touchstone expects production from the Ortoire block to increase cash flow significantly and contribute to a substantial reduction in volatility of future earnings. Based on the natural gas sales agreement with the National Gas Company of Trinidad and Tobago, Touchstone has secured offtake for all natural gas produced from the Ortoire license.

Other financial investments

As of third quarter 2021 the Company has several minor investments in shares and bonds as part of its liquidity management, with a total value of NOK 13.7 million.

Strategy and outlook

Although developments in global capital markets have been strong in 2021, the Board expects that full economic normalisation will still take time for many sectors with particularly high uncertainty related to supply chain challenges and normalization of interest rate policies globally. Also, elevated long term valuation levels leaves less room for future returns to be derived from yield compression and multiple expansion.

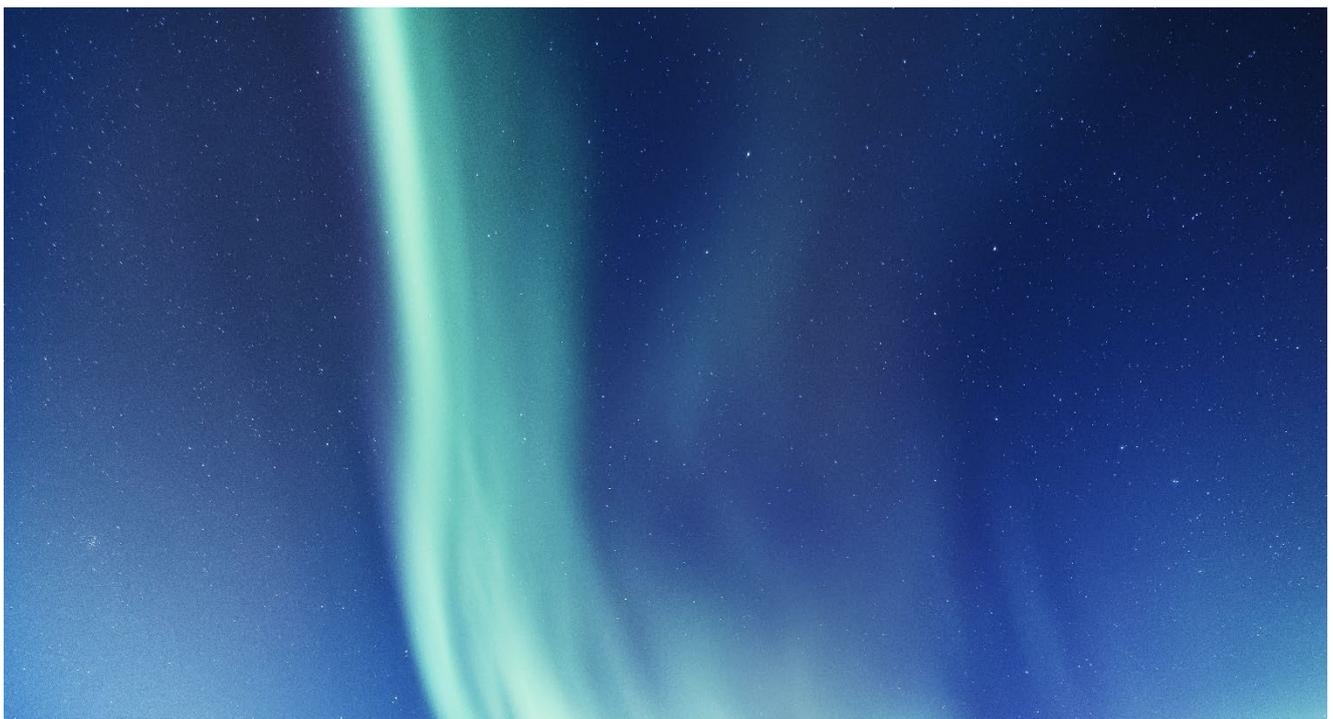
Energy market balances have been tight in 2021 resulting in rising prices for both crude oil, natural gas

and electricity. The Board believes the outlook for energy prices to be good due to significant underinvestments in conventional energy supply over the last few years. Despite a clear global trend towards cleaner energy sources, the demand for conventional energy continues to be strong, which will likely support high prices going forward.

North Energy intends to further develop the company in accordance with its strategy, balancing investments in conventional energy markets with renewable energy opportunities. Through its holdings in Reach Subsea, Touchstone Exploration and Wind Catching Systems the Board believes the company is well positioned to take advantage of continued strong demand for energy from both conventional and renewable sources.

The Company will seek to maintain optionality in order to successfully execute its long-term strategy and actively seek opportunities to develop and expand the industrial portfolio. However, in light of the significant uncertainties the Board still expect to take a cautious approach in the time to come. North Energy will remain focused on protecting health of employees and communities and continue to follow advice from public health officials.

For further elaboration of the Company's strategy, reference is made to the Company's webpage: www.northenergy.no



Financial statements fourth quarter 2021

INCOME STATEMENT

NOK 1 000	Note	Q4 2021 (unaudited)	Q4 2020 (unaudited)	YTD Q4 2021 (unaudited)	YTD Q4 2020 (audited)
Sales		26	69	178	112
Payroll and related expenses		(6 134)	(1 003)	(9 165)	(4 207)
Depreciation and amortisation		(252)	(420)	(1 096)	(1 466)
Other operating expenses		(2 734)	(3 176)	(18 351)	(12 223)
Change in fair value of financial investments		(27 607)	65 822	(45 152)	126 883
Net result from investments in associates	11	4 987	25 007	26 862	26 391
Operating profit/(loss)		(31 714)	86 300	(46 724)	135 490
Financial income		57	256	593	2 931
Financial costs		(79)	4	(80)	(210)
Net financial items		(22)	260	512	2 720
Profit/(loss) before income tax		(31 736)	86 560	(46 212)	138 210
Income taxes	8	7 624	(16 050)	18 383	(17 783)
Profit/(loss) for the period		(24 112)	70 510	(27 829)	120 427
Attributable to:					
Owners of North Energy ASA		(24 112)	70 510	(27 829)	122 048
Non-controlling interests		0	0	0	(1 621)
		(24 112)	70 510	(27 829)	120 427
Earnings per share (NOK per share)					
- Basic		(0,21)	0,60	(0,24)	1,04
- Diluted		(0,21)	0,60	(0,24)	1,04

STATEMENT OF COMPREHENSIVE INCOME

NOK 1 000	Q4 2021 (unaudited)	Q4 2020 (unaudited)	YTD Q4 2021 (unaudited)	YTD Q4 2020 (audited)
Profit/(loss) for the period	(24 112)	70 510	(27 829)	120 427
Other comprehensive income, net of tax				
Total other comprehensive income, net of tax	0	0	0	0
Total comprehensive income/(loss) for the period	(24 112)	70 510	(27 829)	120 427
Attributable to:				
Owners of North Energy ASA	(24 112)	70 510	(27 829)	122 048
Non-controlling interests	0	0	0	(1 621)
	(24 112)	70 510	(27 829)	120 427

STATEMENT OF FINANCIAL POSITION

NOK 1 000	Note	31.12.2021 (unaudited)	31.12.2020 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		148	131
Right-of-use assets	3,12	3 103	1 374
Other receivables		120	258
Investments in associates	11	141 312	111 369
Deferred tax asset	8	0	0
Total non-current assets		144 683	113 132
Current assets			
Trade and other receivables		195	181
Financial investments, current	9	154 129	191 422
Cash and cash equivalents		39 986	119 332
Total current assets		194 311	310 935
Total assets		338 993	424 067
EQUITY AND LIABILITIES			
Equity			
Share capital	5	119 047	119 047
Treasury shares	5	(3 411)	(3 411)
Share premium		850 378	903 141
Other paid-in capital		30 691	30 691
Retained earnings		(675 404)	(647 575)
Non-controlling interests		0	0
Total equity		321 301	401 893
Liabilities			
Non-current liabilities			
Deferred tax liability	8	0	18 383
Leasing liabilities	3,12	2 537	304
Other non-current liabilities	13	2 513	0
Total non-current liabilities		5 050	18 687
Current liabilities			
Leasing liabilities, current	3,12	636	1 163
Trade creditors		30	30
Tax payable	8	0	0
Other current liabilities	13	11 977	2 296
Total current liabilities		12 643	3 488
Total liabilities		17 693	22 175
Total equity and liabilities		338 993	424 067

STATEMENT OF CHANGES IN EQUITY

NOK 1 000	Share capital	Treasury Shares	Share premium	Other paid-in capital	Retained earnings	Non-controlling interests	Total equity
Equity at 1 January 2020	119 047	(3 411)	903 141	30 691	(732 070)	(14 653)	302 746
Paid dividend from subsidiary to non-controlling interests *						(21 280)	(21 280)
Change in non-controlling interests *					(37 553)	37 553	0
Total comprehensive income for 01.01.20-31.12.20					122 048	(1 621)	120 427
Equity at 31 December 2020	119 047	(3 411)	903 141	30 691	(647 575)	0	401 893
Total comprehensive income for 01.01.21-31.12.21					(27 829)		(27 829)
Paid dividend			(52 763)				(52 763)
Equity at 31 December 2021	119 047	(3 411)	850 378	30 691	(675 404)	0	321 301

* On 8 April 2020 the General Meeting in North Energy Capital AS, a company owned 80% by North Energy ASA, approved a proposal for distribution of dividend of NOK 106.4 million, representing the total available equity in the company. Subsequent to the dividend distribution, an agreement was signed where North Energy ASA acquired the remaining 20% interest in North Energy Capital AS. From this date North Energy Capital AS was owned 100% by North Energy ASA. In August 2020 North Energy Capital AS was merged with North Energy ASA.

CASH FLOW STATEMENT

NOK 1 000	Q4 2021 (unaudited)	Q4 2020 (unaudited)	YTD Q4 2021 (unaudited)	YTD Q4 2020 (audited)
Cash flow from operating activities				
Profit/(loss) before income tax	(31 651)	86 560	(46 126)	138 210
Adjustments:				
Depreciation	252	420	1 096	1 466
Pensions	35	34	138	92
Change in fair value of financial investments	27 607	(65 822)	45 152	(126 883)
Net result from investments in associates	(5 073)	(25 007)	(26 947)	(26 391)
Changes in current payables, receivables and other accruals	3 145	124	11 087	(3 295)
Net cash flow from operating activities	(5 686)	(3 692)	(15 600)	(16 800)
Cash flow from investing activities				
Investments in associates	0	(5 045)	(10 000)	(5 045)
Dividends from associates	0	0	6 919	800
Purchase of financial investments	(8 939)	(4 723)	(13 385)	(25 285)
Proceeds from sales of financial investments	0	5	5 526	158 930
Net cash flow from investing activities	(8 939)	(9 763)	(10 982)	129 399
Cash flow from financing activities				
Dividends paid from North Energy ASA	0	0	(52 763)	0
Dividends paid from subsidiary to non-controlling interests	0	0	0	(21 280)
Net cash flow from financing activities	0	0	(52 763)	(21 280)
Net change in cash and cash equivalents	(14 625)	(13 455)	(79 345)	91 319
Cash and cash equivalents at beginning of the period	54 611	132 787	119 332	28 013
Cash and cash equivalents at end of the period	39 986	119 332	39 986	119 332

Notes to the interim financial statements for fourth quarter 2021

Note 1 - General and corporate information

These financial statements are the unaudited interim condensed financial statements of North Energy ASA for the fourth quarter of 2021. (Comparison figures from last year are the consolidated financial statements of North Energy ASA and its former subsidiaries (hereafter the "Group")). After completion of the intra-group merger between North Energy ASA and North Energy Capital AS in third quarter 2020, North Energy ASA is the only remaining Company in the former Group.

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

Note 2 - Basis of preparation

The interim accounts have been prepared in accordance with IAS 34 Interim Financial Reporting and the supplementary requirements in the Norwegian Securities Trading Act (Verdipapirhandelloven). The interim accounts do not include all the information required in the annual accounts and should therefore be read in conjunction with the annual accounts for 2020. The annual accounts for 2020 were prepared in accordance with the EU's approved IFRS.

Note 3 - Accounting policies

The accounting policies adopted in the preparation of the interim accounts are consistent with those followed in the preparation of the annual accounts for 2020. New standards, amendments, and interpretations to existing standards effective from 1 January 2021 did not have any significant impact on the financial statements.

Note 4 - Critical accounting estimates and judgements

The preparation of the interim accounts entails the use of judgements, estimates and assumptions that affect the application of accounting policies and the amounts recognised as assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances. The actual results may deviate from these estimates. The material assessments underlying the application of the company's accounting policies and the main sources of uncertainty are the same for the interim accounts as for the annual accounts for 2020.

Note 5 - Share capital

Number of outstanding shares at 1 January 2021	119 047 065
New shares issued during the period	0
Number of outstanding shares at 31 December 2021 *	119 047 065
Nominal value NOK per share at 31 December 2021	1
Share capital NOK at 31 December 2021	119 047 065

* Inclusive 1,795,472 treasury shares.

Note 6 - Business segments

The Group reports only one business segment which includes the investment activities.

Note 7 - Related parties

The company's transactions with related parties:

Purchase of services from	Description of services	YTD Q4 2021	YTD Q4 2020
North Advisors AS	Consultancy services		3 705
Celisa Capital AS	Consultancy services	3 750	1 875
Isfjorden AS	Consultancy services	3 750	1 875

Note 8 - Income taxes

Specification of income tax	YTD Q4 2021	YTD Q4 2020
Tax payable	0	0
Change deferred tax asset	18 837	(17 783)
Of this, deferred tax asset related to equity transactions recognised directly in equity	0	0
Total income taxes	18 837	(17 783)

Specification of temporary differences, tax losses carried forward, deferred tax	31.12.2021	31.12.2020
Property, plant and equipment	2 939	1 116
Pensions	287	390
Leasing liabilities	(3 173)	(1 466)
Financial investments	104 448	151 220
Provisions	(7 500)	0
Tax losses carried forward, onshore	(99 065)	(67 701)
Total basis for deferred tax asset	(2 063)	83 559
Deferred tax asset/(liability) before valuation allowance	454	(18 383)
Not capitalised deferred tax asset (valuation allowance)	(454)	0
Deferred tax asset/(liability)	0	(18 383)

Reconciliation of effective tax rate	YTD Q4 2021	YTD Q4 2020
Profit/(loss) before income tax	(46 126)	138 210
Expected income tax 22%	10 148	(30 406)
Adjusted for tax effects (22%) of the following items:		
Permanent differences	6 189	4 586
Adjustments previous years	2 500	(2 500)
Changed tax rates	0	0
Change in valuation allowance for deferred tax assets	0	10 537
Total income taxes	18 837	(17 783)

Note 9 - Financial investments

Financial investments are investments in shares and bonds. The main investments on 31 December 2021 consist of shares in Touchstone Exploration Ltd, Chariot Ltd and bonds in InterOil Exploration.

Note 10 - 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 is 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

Fair Value 31.12.2021	Level 1	Level 2	Level 3	Total
Shares	147 956		0	147 956
Bonds		6 173		6 173
Total fair value	147 956	6 173	0	154 129

There has been no transfer between level 1 and level 2 during 2021.

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

Note 11 - Investment in an associate

Reconciliation and specification of carrying amount of investment in associates:

	31.12.2021	31.12.2020
Opening balance carrying amount of investments in associates	111 369	80 733
Acquisition cost additional shares acquired, Reach Subsea ASA	0	0
Acquisition cost shares acquired, Wind Catching Systems AS	10 000	5 045
Impairment/reversal of investment, Reach Subsea ASA	0	12 108
Share of net result in investment, Reach Subsea ASA	30 278	14 068
Share of net result in investment, Wind Catching Systems AS	(3 729)	-
Share of net result in investment, Tyveholmen AS	312	215
Dividend received, Reach Subsea ASA	(6 919)	0
Dividend received, Tyveholmen AS	0	(800)
Total carrying amount of investments in associates at balance date	141 312	111 369

Specification of net result from investment in an associate recognised in the income statement:

	YTD Q4 2021	YTD Q4 2020
Impairment / reversal of impairment of investment, Reach Subsea	0	12 108
Share of net result in investment, Reach Subsea	30 278	14 068
Share of net result in investment, Wind Catching Systems AS	(3 729)	0
Share of net result in investment, Tyveholmen	312	215
Net result from investments in associates	26 862	26 391

Note 12 - Leases

Right-of-use assets:

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

Right-of-use assets	Office facilities
Acquisition cost at 1 January 2021	4 638
Addition of right-of-use assets	3 046
Disposals of right-of-use assets	(246)
Acquisition cost at 31 December 2021	7 437
Accumulated depreciation and impairment 1 January 2021	(3 264)
Depreciation	(1 071)
Impairment	0
Accumulated depreciation and impairment 31 December 2021	(4 335)
Carrying amount of right-of-use assets 31 December 2021	3 103

Lower of remaining lease term or economic life	5.25 years
Depreciation method	Linear

Leasing liabilities:

Lease liabilities at 1 January 2021	1 466
Additions lease contracts	3 046
Disposals lease contracts	(296)
Accretion lease liabilities	78
Payments of lease liabilities	(1 122)
Total leasing liabilities 31 December 2021	3 172
Break down of lease debt:	
Short-term	636
Long-term	2 537
Total lease debt	3 173

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

	31.12.2021
Within 1 year	874
1 to 5 years	2 640
After 5 years	330
Total	3 844

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

Note 13 - Other current liabilities

On 6 May 2020 North Energy received a notice from the Norwegian Tax Administration informing that they are starting a control of North Energy ASA's accounts for the years 2016 up to and including 2019. On 13 December 2021 the company received the report from the control together with a notification of changes of VAT from the control period. The company is currently preparing a response to the notification. To cover for a possible settlement of the claim a provision of NOK 7.5 million, as other operating expenses, has been made in 2021.

In December, the Board of North Energy announced that Mr. Knut Sæberg would retire from his position as CEO on 31 December 2021. The Company has made a provision of NOK 5.0 million (including employment tax) to cover for a severance payment to the former CEO. NOK 2.5 million of the provision is classified as non-current liabilities.

Note 14 - 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 interim financial statements.

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Jogeir Romestrand
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