Annual report 2022

Contents

North Energy at a glance

North Energy ASA ("North Energy" or "Company") is an industrial investment company seeking to provide shareholders with an attractive return on its shares based on a strategy of active ownership. The Company is investing within the energy value chain and other industries and its vision is to be a successful and respected investment company with focus on long term value creation.

In 2022 the main industrial investments of North Energy have been shares in Reach Subsea ASA ("REACH") and Wind Catching Systems AS ("WCS"). The main financial investment has been shares in Touchstone Exploration Inc ("TXP"). In addition, the Company has taken steps to optimize excess liquidity by the establishment of a new multicurrency credit facility with DNB where the Company uses listed financial investments as collateral and placed excess cash in NOK denominated investment grade bonds. This gives the Company more flexibility when it comes to liquidity management.

From 1st of January 2022 the former senior advisors have been employed by the Company in the roles as co-CEO and by the end of 2022, the Company counted 3 full time employees. North Energy's head office is in Oslo. The Company is listed on the Euronext Expand Oslo Stock Exchange with the ticker "NORTH".

Key figures

MNOK	2022	2021
Earnings before tax	-13,1	-46,2
Tax	0	18,4
Net result	-13,1	-27,8
Total Assets	327,6	339,0
Equity	308,2	321,3
Equity %	94%	95%
Net asset value	403,4	352,9
Market capitalisation 31.12	252,4	319,0

Dear Shareholders!

The year 2022 in brief:

- Comprehensive income of -13.1 MNOK
- Net asset value growth of 14%
- New team of co-CEOs started in January 2022
- Continued work on developing our portfolio of investments

Global markets and economy

The year 2022 has been a year of mostly weak performance in global financial markets. Global international share indices have declined significantly with the S&P 500 index declining by approximately -20% over the year. The technology heavy Nasdaq 100 index was particularly weak with a decline of -34%. Oslo Stock Exchange (OSEBX) benchmark index was roughly flat over the year as energy shares significantly outperformed versus global shares.

Growth in the global economy continued to hold up reasonably well however with the backdrop of inflation rising materially and continuing to be significantly above central bank targets. To bring inflation down, global central banks embarked on a campaign of historically unprecedented rises in interest rates with the US Federal Reserve raising its Federal Funds Rate by 450 basis points during 2022. This is the fastest pace of interest rate increases we have seen since the 1970s, both on an absolute and relative basis.

Energy markets in 2022

The year 2022 was an extremely volatile year for energy markets with high prices in general as well as periodic price spikes to extreme levels. In the aftermath of Russian invasion of Ukraine in February 2022, energy prices rose to unprecedented levels, particularly for natural gas. The resulting prices and significant uncertainties resulted a changing landscape for energy use. To keep lights on in Europe the continent has relied on coal which marks a set-back in the progress towards use of energy sources with lower carbon footprints. The phase-out of Russian pipeline gas in a very short period of time, will also change the energy landscape in Europe for decades to come.

Brent crude oil benchmark ended the year at $86/bbl versus $80/bbl at the start of the year but saw periodic spikes in excess of $120/bbl during the year. Natural gas prices were also very strong, particularly in Europe, with Dutch TTF natural gas prices increasing from €65/MWh to a peak of over €300/MWh in H1. Favorable weather in combination with significant shut-ins of industrial energy use has brought prices down through the year but there continues to be significant risk of higher energy prices in the coming years.

Perspectives on the future

As we stated in our annual report for 2021, innovation in energy technology continues to be a focus for North Energy. We are continuously searching for investment opportunities that provide energy solutions in a more cost-effective way with a reduced carbon emission footprint. This applies both to developing our existing portfolio of investments as well as new opportunities.

The year 2022 has been a transformational year for Reach Subsea with significant growth in business volumes as well as advances in the Reach Remote project. Wind Catching Systems completed significant milestones through the year, most importantly through completing their Series A financing of USD 10 million.

Although there has been a significant reality check with respect to how quickly the world can transition to greener sources of energy, we continue to believe there are significant technological risks related to the energy transition as the long-term demand outlook for carbon intensive energy sources such as oil and gas is uncertain. As we have previously stated, demand for conventional energy will ultimately start to decline at some point as the world transition towards a decarbonized society. Electric mobility continues to power forward and will at some point significantly impact demand for crude oil. This may be some years ahead however the transition to battery electric vehicles continues to outperform versus expectations just a few years ago. As producers of trucks and cars roll out new electric models, we expect electric vehicles to have an increasingly broad appeal to consumers and companies around the world.

The year 2022 has been a year of increased geopolitical polarization. As inflation keeps being at elevated levels there is a significant risk that this will continue as there are multiple factors underpinning a world with structurally higher inflation in the years to come. Deglobalization is one of these and increased geopolitical competition, principally between China and the US, is likely to cause a structural shift upwards for inflation. Strategic autonomy over chip production, increased scarcity of both energy and other commodities as well as the green transition are all likely to underpin higher inflation than the realities of the last few decades. Within this strategic backdrop we intend to develop our portfolio of industrial holdings in accordance with our stated philosophy as value oriented and contrarian investors. There has been a significant adjustment of valuations for a number early phase companies through the year, however we continue to find valuations to be at elevated levels for many opportunities. We will continue to take a prudent approach in terms of identifying new investments and broaden our portfolio of industrial investments as opportunities emerge.

Rachid Bendriss
co-CEO
North Energy ASA

Didrik Leikvang
co-CEO
North Energy ASA

Directors' report

Board of Directors' Report 2022

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.

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.

The global economy has during 2022 been impacted by a mix of increasing geopolitical tension, fuelled by the war in Ukraine and escalating trade and political tensions between China and the Western world, and rapidly rising inflation and, consequently, rising interest rates as central banks embarked on a mission to combat inflation. In the wake of this backdrop, global capital markets experienced a synchronised correction in both equity and bond markets. The value of North Energy's investments, on the other hand, have in total increased during 2022.

Our investment in Reach Subsea has performed well with a total return of 44% on market values, equivalent to a value contribution of NOK 61.8 million. The strong performance of the Reach Subsea share was fuelled by the company's record results for 2022, exceeding the previous record set in 2021. .

Wind Catching Systems continued making good progress in developing its innovative solution for floating offshore wind production and attracted further support through new equity capital from GM Ventures and a strategic collaboration agreement with GM, as well as grants from Enova. Through the transaction with GM Ventures, and other investors, the value of our investment increased by NOK 40.5 million.

Touchstone Exploration entered 2022 with expectations that commencement of production at Coho and Cascadura would transform the company into a major gas producer with substantial cash flows. However, continued delays in development and commissioning pushed the start-up to October for Coho 2022 and to June 2023 for the larger Cascadura field. Thus, the Touchstone share price depreciated by 39%, measured in NOK, during the year leading to a NOK 54.3 million value reduction for North Energy.

Our portfolio of other minor investment, consisting of both bonds and shares, had a market value of NOK 63.3 million at year-end 2022 and contributed with a 2022 return of NOK 17.4 million.

At the end of the year, North Energy had 3 full-time employees, which is one more than at the end of 2021.

Important events

Market development

The year 2022 was a challenging year in financial markets with substantial losses from a combination of higher interest rates, higher inflation and weaker economic prospects. Towards the end of the year the global economy continued to hold up reasonably well, despite significant interest rate rises.

Inflation globally during 2022 has been substantially above inflation targets set by central banks globally and we would likely need to see a combination of reduced demand and improved supply side dynamics for inflation to reach target levels.

Corporate matters

In December 2021, 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 were appointed to the roles as co-CEOs in the Company collectively responsible for managing the business. Both Mr. Bendriss and Mr. Leikvang had since 2016 been engaged as strategic and financial advisors for the company. Further, Mr. Rune Damm, Finance Manager since 2015, assumed the role as CFO from 1 January 2022.

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 2021. The result is driven by high utilization, improved pricing, and successful project execution. 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 have planned delivery late 2023 in order to be ready for commercial operations in the 2024 season.

At the beginning of the year, Reach announced two major strategic initiatives with the acquisition of offshore survey specialist iSurvey Group AS, and the strategic co-operation with Wilhelmsen New Energy on Reach Remote. The agreement with Wilhelmsen New Energy involved a directed equity issue of NOK 150 million, providing equity funding for the first two Reach Remote unmanned service vessels. Through these initiatives, Reach strengthened its in-house capabilities on data management and processing, an important feature of Reach Remote, and strengthened the set-up for commercialisation of Reach Remote.
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 260 million in cash and working capital at the end of 2022.

After year-end 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 and now holds an ownership stake of 19.9%.

The Reach-share has during the year provided a total return, including dividends, of 44%, based on market value of the share. North Energy had a shareholding of 20% in Reach at year-end and is represented with two members in the board of the company.

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 2022 focused on development and commissioning activities in order to bring the Coho and Cascadura fields on stream.

The year 2022 has been a year of delays for Touchstone. Despite projects taking longer than expected, the company brought the Coho-1 discovery onto production, which is a key milestone for the company as it roughly doubles production for the company on a per barrel basis. The Coho-1 well has performed in-line with expectations, producing in its initial phase net 6.6 MMCF of natural gas per day.

The two Cascadura wells are targeted for production in the middle of 2023. The company estimates the net initial production rate from Cascadura to be 55 MMCF per day, or equivalent to roughly 9,200 barrels 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.

In the fourth quarter of 2022 Touchstone completed a new equity issue of USD 13m to accelerate its drilling program in the Ortoire block. The company has also through a swap-agreement increased its license area and has applied for additional acreage in the onshore bidding round announced in 2022.

The Touchstone share has in 2022 depreciated by 39%, measured in NOK. North Energy has a shareholding of slightly more than 5% in the company and is not represented in any of Touchstone's governing bodies.

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 In 2022 Wind Catching Systems completed its Series A financing of USD 10 million with a new significant investment from GM Ventures ("GMV"), a subsidiary of General Motors. In addition to GMV, current investors Ferd AS and North Energy ASA has participated in the round. New investors include the Bergesen family through Havfonn AS. North Energy participated with a total of 3.2 MNOK in the Series A financing.

During 2022 the company has continued to develop its technology for floating offshore wind.

The company was awarded a NOK 22 million technology grant from Enova for development of turbine technology to be used in the Wind Catcher.

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

Other investments

North Energy has several minor investments with a combined market value of approximately NOK 63.3 million at the end of 2022, of which NOK 30 million are investment grade bonds as part of liquidity management.

During the year North Energy accumulated a 15.8% stake in Nordic Nanovector ASA, a clinical trial oncology company, which in light of its failed clinical trial is in need of a new business model. North Energy monitors the situation closely while evaluating strategic alternatives to the benefit of the company's shareholders.

Tyveholmen AS, a co-working office facility which is 50% owned and accounted for as an associated company, contributed with a profit of NOK 0.2 million in 2022.

As per year-end 2022, North Energy had NOK 409.8 million in total investments measured at market value, while the net asset value was NOK 403.4 million. The corresponding figures from 2021 were NOK 326.6 million in investments and NOK 352.9 million in net asset value.

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 2023.

Comments on the annual financial statements

The consolidated financial statements of North Energy ASA have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and in accordance with the additional requirements pursuant to the Norwegian Accounting Act. The consolidated figures are for the Group consisting of North Energy ASA and the newly established subsidiaries North Industries 1 AS and North Industries 2 AS. Comparison figures presented for 2021 are the financial figures for North Energy ASA.

The Board is not aware of any significant considerations that affect the assessment of the Company's position as of December 31, 2022, 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 2022 was NOK 0.1 million while the revenues reported in 2021 was NOK 0.2 million. The revenue for 2022 is related to consultancy services. Payroll and related expenses in 2022 were NOK 9.3 million, compared to NOK 9.2 million in 2021. Previous year the company made a provision for a severance payment to the former CEO of NOK 5 million. Excluding this provision, the underlaying payroll expenses was NOK 4.2 million last year. The increase this year compared to the underlaying expenses last year is due to the new management structure in place from 1 January 2022 where the two former advisors have been employed as co-CEOs. A corresponding offset is seen in consultancy expenses reported under other operating expenses. Other operating expenses in 2022 were NOK 4.3 million, down from NOK 18.4 million in 2021. The decrease is partly due to a provision of NOK 7.5 million booked last year for a possible claim from the Norwegian Tax administration related to VAT stemming from the period from 2016 to 2019 and partly less consultancy expenses as two former advisors have been employed as co-CEOs.

Operating loss for 2022 was at NOK 14.0 million, versus an operating loss of NOK 46.7 million for 2021. The loss this year is mainly the result of decreased market value of investments partly offset by income from associated companies. The market value of the investment in Touchstone Exploration dropped by NOK 54.3 million through the year, while the investment in the associated company Reach Subsea contributed with a net result through profit and loss of NOK 24.4 million and the associated company Wind Catching Systems contributed with a net result of NOK 13.8 for the year.

Net financial items for 2022 were positive at NOK 1.0 million, versus NOK 0.5 million for 2021. The positive figure this year, as well as last year, is related to interest income.

The result before tax in 2022 is a loss of NOK 13.1 million compared to a loss of NOK 46.2 million reported last year. The loss is mainly due to a negative change in fair value of investments of NOK 37.5 million and operating expenses of NOK 15.0 offset by a positive result from investments in associates of NOK 38.4 million.

Change in deferred tax in 2022 was nil, while 2021 was an income of NOK 18.4 million. The company has deferred tax assets of NOK 14.6 million that are not recognised in the balance sheet at the end of the year.

Loss for the year 2022 was NOK 13.1 million, compared to a loss for the year 2021 of NOK 27.8 million. The loss amounts to both basic and diluted earnings per share of negative NOK 0.11 this year, versus negative NOK 0.24 per share in 2021.

Total book value of assets at year-end were NOK 327.6 million, down from NOK 339.0 million at year-end 2021. The decrease is mainly due to a reduction in cash and a reduction in the value of financial investments, partly offset by an increase in book value of associated companies.

Total equity at the end of the year was NOK 308.2 million, down from NOK 321.3 million at the end of 2021. The decrease is explained by total comprehensive loss of NOK 13.1 million for 2022. The Company's equity ratio stood at 94.0 percent at the end of the year.

During the year, 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. At year-end the Company has utilised NOK 7.7 million of the facility.

North Energy recorded NOK 3.1 million in cash at the end of the year. This is down from NOK 40.0 million at the end of last year. The net negative cash flow of NOK 36.9 million in 2022, is mainly due to cash used in investing activities of NOK 17.3 million as well as cash flow from operating activities of NOK 27.3 million partly offset by the drawdown on the bank facility of NOK 7.7 million. Available liquidity, which includes cash, liquid investment grade bonds, and unutilised credit facility, amounted to NOK 74.3 million

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

Financial statements for North Energy ASA

The parent company reported an income of NOK 75.3 million for the year compared to a loss of NOK 27.8 million last year. The profit this year is mainly due to the gain on the sale of the investments in Reach Subsea and Wind Catching Systems to the newly created subsidiaries North Industries 1 AS and North Industries 2 AS.

Net cash flow for the parent company was negative by NOK 36.9 million compared to NOK 79.3 million last year. The negative cash flow is mainly driven by cash spent on operating activities of NOK 27.2 million and net cas spent on investing activities of NOK 17.4 million, partly offset by drawdown on the new bank facility of NOK 7.7 million.

The main difference in the statement of financial position between the parent company and the group is related to sale of the investments in Reach Subsea ASA and Wind Catching Systems AS to 2 wholly owned subsidiaries financed with intercompany loans.

The Board regards the Company's financial position as of end 2022 as solid.

Allocation of net profit

The Board of North Energy proposes that the net loss of NOK 27.8 million in the company is transferred to other equity. Further, based on the new dividend policy, the Board proposes to distribute a cash dividend of NOK 0.10 per share to shareholders. The total proposed dividend of 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 accounting 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 2022, the war in Ukraine and growing political tensions between China and the western world has created uncertainty about the outlook for growth in global trade. At the same time, inflation has surged to levels not seen since the 80s, leading central banks to embark on a journey of tightening monetary policies. Although the global economy has held up well through 2022, recession risks are mounting and it is uncertain how markets will cope.

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 2022 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 2022 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 2022. 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 renewables companies such as Wind Catching Systems. Within our industrial investment Reach Subsea, the transitional climate risk is partly mitigated by increasing services delivered to the renewable business sector and the introduction of Reach Remote solution that will dramatically reduce the carbon footprint, 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 2022, the Board of Directors were re-elected. Out of the three directors elected, one is female.

The rate of absence due to illness during 2022 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 2022 will be put forth the Annual General Meeting in 2023 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. North Energy’s most important contribution to society is to create value and invest in forward looking 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 and day-to-day operations. The operations of the company North Energy ASA have negligible effect on the external environment.

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 2023. 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 entered into force on 1 July 2022. 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 and with our owners, 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 so-called 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 must run its business without this coming at the expense of basic human rights and decent working conditions. Therefore, North Energy carries out a due diligence assessment of its own and suppliers’ operations.

North Energy strives to follow the OECD guidelines for due diligence assessments. In this assessment, we look 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 1 of July 2023 on www.northenergy.no.

Ownership

North Energy had 2,081 shareholders at year-end 2022 and the top 20 owners together held 64.6 percent of the shares in the North Energy. The share price on the last day of trading in 2022 was NOK 2.12, while on the last day of trading in 2021 the share price was NOK 2.68. The share price peaked at NOK 2.9 on 24 August, while the lowest price in 2022 was NOK 2.005 on 13 December. As per the 24 February 2023, the share price was NOK 2.17 representing a market capitalisation of North Energy of NOK 258.3 million.

Outlook

As we enter 2023 the outlook for the global economy looks mixed as central banks have raised interest rates to combat inflation, while most parts of the global economy continue to perform reasonably well. Although certain signs of moderation are evident in goods inflation, the key underlying wage and services inflation is still substantially above inflation targets set by central banks globally. The full effects on the economy of higher interest rates are most likely to be observed in the next 6-12 months.

Energy prices moderated somewhat during the second half of 2022, but continue to be high compared with historical levels. Low levels of energy investments over the last decade, as well as the war in Ukraine, will limit supply side growth and support prices. Natural gas prices have seen dramatic declines over the winter most likely caused by a combination of factors related to both demand destruction and some improvement in supply. Energy companies globally have reported record profits for 2022 as higher realized prices feed through to financial statements.

Developments in global financial markets stabilized in Q4 2022 as the early shock of dramatically higher interest rates has been absorbed by the markets. Early 2023 has seen strong performance supported by emerging optimism of a near term peak in both inflation and interest rates.

We still expect a muted outlook for global growth in 2023, with increasing recession risks, as the global economy continues to face significant headwinds on multiple fronts. The full impact of higher interest rates has most likely not been felt across the global economy and this will continue to play out during the first half of 2023.

North Energy intends to further develop the company in accordance with its strategy and 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.

Oslo, 30 March 2023

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 has from the accounting year 2022 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 new policy, the Board intends to propose a dividend of NOK 0.10 per share for 2022. 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, 2022, for the group was NOK 308 million, compared with NOK 321 million at year-end 2021, giving an equity ratio of 94 per cent, which is at the same level as year-end 2021.

Equity for the parent company was NOK 397 million at year-end 2022, compared to NOK 321 million at year-end 2021. The increase from last year is mainly due to the realized profit from the sale of the investments in Reach Subsea and Wind Catching Systems from the parent company to the newly established subsidiaries.

The Company established during the year a new 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 3 million as of December 31st while the credit facility was utilized with NOK 7.7 million. Available liquidity of NOK 74.3 million, which consist of cash, liquid investment grade bonds, and unutilized credit facility, is regarded as satisfactory in relation to the Company's future obligations.

At the AGM on May 9, 2022, 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 2022 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. Two of these Directors are elected independently by the Company's shareholders. 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.

On December 8, 2021, the company announced changes to the management whereas Mr. Knut Sæberg retired from his position as CEO on December 31, 2021, and as of January 1, 2022, Mr. Rachid Bendriss and Mr. Didrik Leikvang accepted roles as co-CEO in the company. At the same date the former advisory agreements were terminated.

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.

Ten board meetings were held in 2022, out of which four meetings were conducted via e-mail circulation while the rest of the meetings were conducted physically or 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, 30 March 2023

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	
2022	**2021**	*(NOK 1 000)*	**Note**	**2022**	**2021**
113	178	Sales		113	178
(9 252)	(9 165)	Payroll and related expenses	5	(9 252)	(9 165)
(1 537)	(1 096)	Depreciation and amortisation	11, 16	(1 537)	(1 096)
(4 233)	(18 351)	Other operating expenses	6	(4 273)	(18 351)
(37 526)	(45 152)	Change in fair value of financial investments	21, 2	(37 526)	(45 152)
126 223	26 862	Net result from investments in associates	19	38 435	26 862
73 788	**(46 724)**	**Operating profit/(loss)**		**(14 041)**	**(46 724)**
1 855	593	Financial income	17	1 308	593
(339)	(80)	Financial expenses	17	(339)	(80)
1 515	**512**	**Net financial items**		**969**	**512**
75 303	**(46 212)**	**Profit/(loss) before income tax**		**(13 072)**	**(46 212)**
0	18 383	Income tax	15	0	18 383
75 303	**(27 829)**	**Profit/(loss) for the year**		**(13 072)**	**(27 829)**
		Attributable to:			
75 303	(27 829)	Owners of North Energy ASA		(13 072)	(27 829)
75 303	(27 829)			(13 072)	(27 829)
		Earnings per share (NOK per share)			
0.63	(0.24)	- Basic	13	(0.11)	(0.24)
0.63	(0.24)	- Diluted	13	(0.11)	(0.24)

Statement of comprehensive income

PARENT COMPANY				GROUP	
2022	2021	*(NOK 1 000)*	Note	2022	2021
75 303	(27 829)	Profit/(loss) for the year		(13 072)	(27 829)
		Other comprehensive income, net of tax:			
0	0	Total other comprehensive income, net of tax		0	0
75 303	(27 829)	Total comprehensive income/(loss) for the year		(13 072)	(27 829)
		Attributable to:			
75 303	(27 829)	Owners of North Energy ASA		(13 072)	(27 829)
75 303	(27 829)			(13 072)	(27 829)

Statement of financial position

PARENT COMPANY				GROUP	
		ASSETS			
31/12/22	31/12/21	*(NOK 1 000)*	Note	31/12/22	31/12/21
		ASSETS			
		Non-current assets			
189	148	Property, plant and equipment	16	189	148
6 011	3 103	Right-of-use assets	11	6 011	3 103
120	0	Investments in subsidiaries		0	0
4 341	141 312	Investments in associates	19	171 610	141 312
0	0	Deferred tax asset	15	0	0
0	120	Other receivables	7	0	120
10 661	**144 683**	**Total non-current assets**		**177 810**	**144 683**
		Current assets			
3 525	195	Trade and other receivables	8	3 645	195
255 604	0	Loan to subsidiaries		0	0
143 069	154 129	Financial investments at fair value through profit and loss	21	143 069	154 129
3 056	39 986	Cash and cash equivalents	9	3 056	39 986
405 254	**194 311**	**Total current assets**		**149 770**	**194 311**
415 915	**338 993**	**Total assets**		**327 580**	**338 993**

Statement of financial position

EQUITY AND LIABILITIES

31/12/22	31/12/21	*(NOK 1 000)*	Note	31/12/22	31/12/21
		EQUITY			
119 047	119 047	Share capital	10	119 047	119 047
(3 411)	(3 411)	Treasury shares	10	(3 411)	(3 411)
850 378	850 378	Share premium		850 378	850 378
30 691	30 691	Other paid-in capital		30 691	30 691
(600 101)	(675 404)	Retained earnings		(688 476)	(675 404)
396 604	**321 301**	**Total equity**		**308 229**	**321 301**
		Liabilities			
		Non-current liabilities			
0	0	Deferred tax liability	15	0	0
4 802	2 537	Leasing liabilities	11	4 802	2 537
0	2 513	Other non-current liabilities	12	0	2 513
4 802	**5 050**	**Total non-current liabilities**		**4 802**	**5 050**
		Current liabilities			
7 723	0	Current borrowings		7 723	0
1 325	636	Leasing liabilities, current	11	1 325	636
46	30	Trade creditors		46	30
0	0	Tax payable	15	0	0
5 415	11 977	Other current liabilities	12	5 455	11 977
14 509	**12 643**	**Total current liabilities**		**14 549**	**12 643**
19 311	**17 693**	**Total liabilities**		**19 351**	**17 693**
415 915	**338 993**	**Total equity and liabilities**		**327 580**	**338 993**

Oslo, 30 March 2023

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 2021	119 047	(3 411)	903 141	30 691	(647 575)	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)**	**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**

PARENT COMPANY

(NOK 1 000)	Share capital	Treasury shares	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity at 1 January 2021	119 047	(3 411)	903 141	30 691	(647 575)	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)**	**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**

Cash flows statement

PARENT COMPANY				GROUP	
2022	**2021**	*(NOK 1 000)*	**Note**	**2022**	**2021**
		CASH FLOWS FROM OPERATING ACTIVITIES			
75 303	(46 212)	Income before income tax		(13 072)	(46 212)
		Adjustments:			
1 537	1 096	*Depreciation*	11,16	1 537	1 096
258	138	*Pensions*		258	138
37 526	45 152	*Change in fair value of financial investments*	21	37 526	45 152
(126 223)	(26 862)	*Net result from investments in associates*	19	(38 435)	(26 862)
16	0	*Changes in trade creditors*		16	0
(15 625)	11 087	*Changes in other accruals*	12	(15 159)	11 087
(27 208)	**(15 600)**	**Net cash flows from operating activities**		**(27 328)**	**(15 600)**
		CASH FLOWS FROM INVESTING ACTIVITIES			
(84)	(42)	Purchase of property, plant and equipment	16	(84)	(42)
(3 167)	(10 000)	Investment in associates	19	(3 167)	(10 000)
0	0	Divestment of associates		0	0
8 303	6 919	Dividends from associates	19	8 303	6 919
3 000	0	Distribution from associates		3 000	0
(89 472)	(13 385)	Purchase of financial investments	18	(89 472)	(13 385)
64 094	5 526	Proceeds from sales of financial investments	18	64 094	5 526
(120)	0	Investment in subsidiaries	12	0	0
(17 446)	**(10 982)**	**Net cash flows from investing activities**		**(17 326)**	**(10 982)**
		CASH FLOWS FROM FINANCING ACTIVITIES			
0	(52 763)	Dividends paid	10	0	(52 763)
0	**0**	Loan to subsidiaries		**0**	**0**
7 723	**0**	Drawdown bank facility		**7 723**	**0**
7 723	**(52 763)**	Net cash flows from financing activities		**7 723**	**(52 763)**
(36 931)	**(79 345)**	**Net change in cash and cash equivalents**		**(36 931)**	**(79 345)**
39 986	119 332	Cash and cash equivalents at 1 January	9	39 986	119 332
3 056	**39 986**	**Cash and cash equivalents at 31 December**	**9**	**3 056**	**39 986**

NOTE 1 General information

The financial statements of North Energy were approved by the Board of Directors and the Co-CEOs on March 30, 2023.

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 represent the consolidated financials for the Group as well as the financials for the parent Group. Comparison figures for 2021 are the figures for North Energy ASA.

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 the Norwegian Accounting Act and International Financial Reporting Standards as adopted by the EU ("IFRS").

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 Property, plant and equipment

Property, plant and equipment are stated at historical cost, less accumulated depreciation and any impairment charges. Depreciation is calculated on a straight-line basis over the asset's expected useful life and adjusted for any impairment charges. Expected useful lives of long-lived assets are reviewed annually, and where they differ from previous estimates, depreciation periods are changed accordingly. Ordinary repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred. The costs of major renovations are included in the asset's carrying amount when it is probable that the Group will derive future economic benefits. Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in operating profit. Major assets with different expected useful lives are reported as separate components. Each component is depreciated on a straight-line basis over its expected useful life.

Property, plant and equipment are reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs required to sell the asset and its value in use. The value in use is determined by reference to discounted future net cash flows expected to be generated by the asset. The difference between the asset's carrying amount and its recoverable amount is recognised in the income statement as impairment. Property, plant and equipment that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.5 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.

2.6 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. The Group classified its financial assets in four categories:

- Financial assets at amortized cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit and loss

Financial assets at amortized cost

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.

Financial assets at fair value through profit and loss

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.

2.7 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.

2.8 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.

2.10 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.

2.11 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.

2.12 Trade creditors

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

2.13 Financial investments

Financial investments are measured at fair value. Changes in fair value are recognized in profit and loss under operating items. The Board and management of the Group is following up all investments at fair value according to the business model of the Group.

2.14 Revenue recognition

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

2.15 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.

2.16 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.

2.17 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.

2.18 Cost of equity transactions

Transaction costs directly linked to an equity transaction are recognised directly in equity, net after deducting tax.

2.19 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.

2.20 Cash Flows Statement

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

2.21 Events after the balance sheet date

The financial statements are adjusted to reflect events after the balance sheet date that provide evidence of conditions that existed at the balance sheet date (adjusting events). The financial statements are not adjusted to reflect events after the balance sheet date that are indicative of conditions that arose after the balance sheet date (non-adjusting events). Non-adjusting events are disclosed if significant.

2.22 Changes in accounting policies and disclosures

(a) New and amended standards and interpretations adopted by the Group

New standards, amendments and interpretations to existing standards effective from 1 January 2022 did not have any significant impact on the financial statements.

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

A number of new standards or amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2023 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 2022, the war in Ukraine combined with limited levels of energy investments over the last years have led to increased 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, 2022, the equity ratio was 94.1% 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	**2022**	**2021**	**2022**	**2021**
Salaries	7 592	3 293	7 592	3 293
Payroll tax	1 308	626	1 308	626
Pension costs	268	161	268	161
Other benefits	84	5 085	84	5 085
Total	**9 252**	**9 165**	**9 252**	**9 165**
Average number of employees	3.0	2.0	3.0	2.0

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 2022:

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)		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	**1 000**	**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	2022	2021	2022	2021
Travelling expenses	198	12	198	12
Consultant and other fees	1 185	10 335	1 185	10 335
Other administrative expenses	2 850	8 004	2 890	8 004
Total	**4,233**	**18,351**	**4,273**	**18,351**

Remuneration to auditor is allocated as specified below:

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	2022	2021	2022	2021
Audit	276	313	276	313
Attestations and other assistance	57	270	57	270
Total, incl. VAT	**333**	**583**	**333**	**583**

NOTE 7 Other non-current receivables

Other non-current receivables consist of:

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	2022	2021	2022	2021
Premium fund pensions (prepaid premium)	0	120	0	120
Total	**0**	**120**	**0**	**120**

NOTE 8 Trade and other receivables

Trade and other receivables consist of:

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	2022	2021	2022	2021
Trade receivables	39	-	39	
Prepaid expenses	80	63	80	63
Premium fund pensions (prepaid premium)	21	132	21	132
Other receivables	3 384	-	3 504	-
Total	**3 525**	**195**	**3 645**	**195**

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 short-term receivable.

NOTE 9 Cash and cash equivalents

Cash and cash equivalents:

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	**2022**	**2021**	**2022**	**2021**
Bank deposits	3 056	39 986	3 056	39 986
Total cash and cash equivalents	3 056	39 986	3 056	39 986
Of this:				
Restricted cash for witheld taxes from employees salaries	**418**	**181**	**418**	**181**

NOTE 10 Share capital and shareholder information

	2022	2021
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 2022:

Shareholder	Number of shares	% share
AB INVESTMENT AS	22 618 915	19,0%
CELISA CAPITAL AS	11 753 284	9,9%
ISFJORDEN AS	9 514 849	8,0%
INTERTRADE SHIPPING AS	3 750 000	3,2%
TRIOMAR AS	3 100 000	2,6%
CORUNA AS	3 000 000	2,5%
ARNT HAGEN HOLDING AS	2 672 142	2,2%
SALTEN KRAFTSAMBAND AS	2 419 215	2,0%
BAKKANE ARVID	2 111 909	1,8%
BOYE HANS JØRGEN	2 026 264	1,7%
HEDEN HOLDING AS	1 865 718	1,6%
NORTH ENERGY ASA	1 795 472	1,5%
TAJ HOLDING AS	1 792 030	1,5%
CLEARSTREAM BANKING S.A.	1 472 391	1,2%
ROME AS	1 440 000	1,2%
ORIGO KAPITAL AS	1 343 569	1,1%
AVANZA BANK AB	1 248 543	1,0%
SÆBERG KNUT	1 002 352	0,8%
PEDERSEN ROLF IVAR	976 098	0,8%
SPITSBERGEN AS	975 939	0,8%
Total 20 largest shareholders	**76 878 690**	**64,6%**
Other shareholders	**42 168 375**	**35,4%**
Total	**119 047 065**	**100,0%**

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%**

Number of shares owned by management and directors at 31 December 2021:

Management		
Knut Sæberg (CEO up to 31.12.2021)	1 002 352	0.8%
Didrik Leikvang (Advisor up to 31.12.2021) through Isfjorden AS	8 750 651	7.4%
Rachid Bendriss (Advisor up to 31.12.2021), through Celisa Capital AS	10 888 145	9.1%
Board of Directors		
Anders Onarheim (chairman), through AB Investment AS, Spitsbergen AS and Liju Invest AS	23 428 465	19.7%
Jogeir Romestrand (director), through Rome AS	1 440 000	1.2%
Elin Karfjell (director), through Elika AS	407 700	0.3%
Total	**45 917 313**	**38.6%**

NOTE 11 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:

Amounts in NOK 1 000	PARENT COMPANY	GROUP
Right-of-use assets	**Office facilities**	
2022		
Acquisition cost at 1 January 2022	7 438	7 438
Addition of right-of-use assets	7 256	7 256
Disposals of right-of-use assets	(2 854)	(2 854)
Acquisition cost 31 December 2022	**11 840**	**11 840**
Accumulated depreciation and impairment 1 January 2022	(4 335)	(4 335)
Depreciation	(1 493)	(1 493)
Impairment	0	0
Accumulated depreciation and impairment 31 December 2022	(5 829)	(5 829)
Carrying amount of right-of-use assets 31 December 2021	**6 011**	**6 011**
2021		
Acquisition cost at 1 January 2021	4 638	4 638
Addition of right-of-use assets	3 046	3 046
Disposals of right-of-use assets	(246)	(246)
Acquisition cost 31 December 2021	**7 438**	**7 438**
Accumulated depreciation and impairment 1 January 2021	(3 264)	(3 264)
Depreciation	(1 071)	(1 071)
Impairment	0	0
Accumulated depreciation and impairment 31 December 2021	(4 335)	(4 335)
Carrying amount of right-of-use assets 31 December 2021	**3 103**	**3 103**
Lower of remaining lease term or economic life	5.25 years	
Depreciation method	Linear	

	PARENT COMPANY		GROUP	
Leasing liabilities:	**2022**	**2021**	**2022**	**2021**
Lease liabilities at 1 January	3 173	1 466	3 173	1 466
Additions new lease contracts	7 326	3 046	7 326	3 046
Disposals lease contracts	(2 933)	(296)	(2 933)	(296)
Accretion lease liabilities	165	78	165	78
Payments of lease liabilities	(1 604)	(1 122)	(1 604)	(1 122)
Total leasing liabilities 31 December	**6 127**	**3 173**	**6 127**	**3 173**
Break down of lease debt:				
Short-term	1 325	642	1 325	642
Long-term	4 802	2 531	4 802	2 531
Total lease debt	**6 127**	**3 173**	**6 127**	**3 173**

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

	PARENT COMPANY		GROUP	
	2022	**2021**	**2022**	**2021**
Within 1 year	1 566	874	1 566	874
1 to 5 years	5 090	2 640	5 090	2 640
After 5 years	-	330	-	330
Total	**6 656**	**3 844**	**6 656**	**3 844**

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

NOTE 12 Other current and non-current liabilities

Other Current liabilities

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	**2022**	**2021**	**2022**	**2021**
Public duties payable	710	368	710	368
Holiday pay	813	361	813	361
VAT payable	1	(46)	1	(46)
Other accruals for incurred costs	3 891	11 294	3 931	11 294
Total	**5 415**	**11 977**	**5 455**	**11 977**

Other non-current liabilities

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	**2022**	**2021**	**2022**	**2021**
Severance payment liability	0	2 513	0	2 513
Total	**0**	**2 513**	**0**	**2 513**

In December 2021, the Board of North Energy announced that Mr. Knut Sæberg would retire from his position as CEO on 31 December 2021 and the Company made a provision of NOK 5.0 million (including employment tax) to cover for a severance payment to the former CEO. Half of the provision was paid in January 2022 while the rest of the provision, NOK 2.5 million, will be paid in January 2023 and is classified as other current liabilities.

NOTE 13 Earnings per share

	PARENT COMPANY		GROUP	
	2022	**2021**	**2022**	**2021**
Profit/(loss) for the year attributable to owners of North Energy ASA (NOK 1 000)	75 303	(27 829) 0	(13 072)	(27 829)
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	0,63	(0,24)	(0,11)	(0,24)
- Diluted	0,63	(0,24)	(0,11)	(0,24)

NOTE 14 Related parties and non-controlling interests

The Company's transactions with related parties:

Amounts in NOK 1 000

(a) Purchases of services

Purchase of services from	Description of services	PARENT COMPANY 2022	PARENT COMPANY 2021	GROUP 2022	GROUP 2021
North Advisors AS	Consultancy services	0	3 750	0	3 750
Isfjorden AS	Consultancy services	0	3 750	0	3 750

On 1st of July 2020, North Energy ASA entered into advisory agreements with Isfjorden AS (owned by Didrik Leikvang) and Celisa Capital AS (owned by Rachid Bendriss) in replacement of the previous agreement with North Advisors AS to provide strategic and financial advisory services to North Energy ASA. The agreements were terminated by the end of 2021. Starting from 1st of January 2022, the advisors Didrik Leikvang and Rachid Bendriss have been appointed as co-CEOs in the Company.

(b) 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 have been converted to equity in the subsidiaries.

NOTE 15 Tax

Specification of income tax:

Amounts in NOK 1 000	PARENT COMPANY 2022	PARENT COMPANY 2021	GROUP 2022	GROUP 2021
Tax payable	0	0	0	0
Change deferred tax	0	18 383	0	18 383
Total income tax credit	**0**	**18 383**	**0**	**18 383**

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

Amounts in NOK 1 000	PARENT COMPANY 2022	PARENT COMPANY 2021	GROUP 2022	GROUP 2021
Property, plant and equipment and Right-of-use assets	5 914	2 939	5 914	2 939
Pensions	21	252	21	252
Leasing liabilities	(6 127)	(3 173)	(6 127)	(3 173)
Financial investments	51 119	104 448	51 119	104 448
Provisions	0	(7 500)	0	(7 500)
Tax losses carried forward, onshore	(118 168)	(99 029)	(118 168)	(99 029)
Total basis for deferred tax	(67 240)	(2 063)	(67 240)	(2 063)
Deferred tax asset/liability before valuation allowance	14 793	454	14 793	454
Uncapitalised deferred tax asset (valuation allowance)	(14 793)	(454)	(14 793)	(454)
Deferred tax asset/(liability)	**0**	**0**	**0**	**0**

The financial investments in Touchstone Exploration as well as certain bonds are treated outside of the exemption method used by the Norwegion Tax Administration and hence subject to tax. Touchstone Exploration has headquarters in Canada with operations in Trinidad.

The change in deferred tax is mainly due to a reduction in the unrealised gain on financial investments outside the exemption method and an increase in the tax losses carried forward due the current year loss.

Reconciliation of effective tax rate:

Amounts in NOK 1 000	PARENT COMPANY 2022	2021	GROUP 2022	2021
Profit/(loss) before income tax	75 303	(46 212)	(13 072)	(46 212)
Expected income tax 22%	(16 567)	10 167	2 876	10 167
Adjusted for tax effects (22%) of the following items:				
Permanent differences	30 717	6 170	11 463	6 170
Adjustments previous years	0	2 500	0	2 500
Changed tax rates	0	0	0	0
Change in valuation allowance for deferred tax assets	(14 150)	(454)	(14 339)	(454)
Total income tax credit	**(0)**	**18 383**	**(0)**	**18 383**

NOTE 16 Property, plant and equipment

Amounts in NOK 1 000	Equipment, office machines, etc PARENT COMPANY	CONSOLIDATED
2022		
Cost:		
At 1.1.2022	476	476
Additions	84	84
Disposals	0	0
At 31.12.2022	**560**	**560**
Depreciation and impairment:		
At 1.1.2022	(328)	(328)
Depreciation this year	(43)	(43)
Impairment this year	0	0
Disposals	0	0
At 31.12.2022	**(371)**	**(371)**
Carrying amount at 31.12.2022	**189**	**189**
2021		
Cost:		
At 1.1.2021	434	434
Additions	42	42
Disposals	0	0
At 31.12.2021	**476**	**476**

Depreciation and impairment:		
At 1.1.2021	(303)	(303)
Depreciation this year	(25)	(25)
Impairment this year	0	0
Disposals	0	0
At 31.12.2021	**(328)**	**(328)**
Carrying amount at 31.12.2021	**148**	**148**
Economic life		3-10 years
Depreciation method		linear

NOTE 17 Finance income and costs

Finance income:

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	**2022**	**2021**	**2022**	**2021**
Interest income bank deposits	140	13	140	13
Interest income on bonds	974	572	974	572
Foreign exchange gain	142	7	142	7
Other finance income	52	0	52	0
Interest income from subsidiaries	546	0	0	0
Total finance income	**1 855**	**593**	**1 308**	**593**

Finance costs:

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	**2022**	**2021**	**2022**	**2021**
Other interest expenses	260	0	260	0
Foreign exchange loss	79	2	79	2
Other finance costs	0	78	0	78
Total finance costs	**339**	**80**	**339**	**80**

NOTE 18 Financial instruments

(a) Categories of financial instruments at 31 December 2022:

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	Financial assets measured at amortised cost	Financial assets at fair value through profit and loss	Financial assets measured at amortised cost	Financial assets at fair value through profit and 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**

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	Financial assets measured at amortised cost	Financial assets at fair value through profit and loss	Financial assets measured at amortised cost	Financial assets at fair value through profit and 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. At year-end the Company has utilised NOK 7.7 million of the facility.

at 31 December 2021:

Amounts in NOK 1 000	PARENT COMPANY Financial assets measured at amortised cost	Financial assets at fair value through profit and loss	GROUP Financial assets measured at amortised cost	Financial assets at fair value through profit and loss
Assets:				
Financial investments, current		154 129		154 129
Other current receivables (see note 8)	0		0	
Cash and cash equivalents	39 986		39 986	
Total	**39 986**	**154 129**	**39 986**	**154 129**

Amounts in NOK 1 000	PARENT COMPANY Financial liabilities measured at amortised cost	Financial liabilities at fair value through profit or loss	GROUP Financial liabilities measured at amortised cost	Financial liabilities at fair value through profit or loss
Liabilities:				
Trade creditors	30		30	
Total	**30**	**0**	**30**	**0**

NOTE 18 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 31.12.2022	Level 1	Level 2	Level 3	Total
Shares	106 203			106 203
Bonds		36 867		36 867
Total fair value	**106 203**	**36 867**	**0**	**143 069**

There has been no transfer between level 1 and level 2 during 2022.

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 31.12.2022	Level 1	Level 2	Level 3	Total
Shares	106 203			106 203
Bonds		36 867		36 867
Total fair value	**106 203**	**36 867**	**0**	**143 069**

There has been no transfer between level 1 and level 2 during 2022.

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	2022	2021	2022	2021
Bank deposits	3 056	39 986	3 056	39 986
Credit rating				
No external credit rating	0	0	0	0
A	0	0	0	0
AA-	3 056	39 986	3 056	39 986
Total	**3 056**	**39 986**	**3 056**	**39 986**

(d) Financial risk factors

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

NOTE 19 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	**2022**	**2021**	**2022**	**2021**
Opening balance carrying amount of investments in associates	141 312	111 369	141 312	111 369
Gain on dilution of ownership, Reach Subsea ASA*	13 842	0	13 842	0
Gain on dilution of ownership Wind Catching Systems AS*	18 325	10 000	18 325	10 000
Acquisition cost shares acquired, Wind Catching Systems AS	3 167	0	3 167	0
Repayment of capital, Tyveholmen AS	(3 000)	30 279	(3 000)	30 279
Share of net result in investment, Reach Subsea ASA	10 168	(3 729)	10 597	(3 729)
Share of net result in investment, Wind Catching Systems AS	(4 241)	312	(4 552)	312
Share of net result in investment, Tyveholmen AS	222	(6 919)	222	(6 919)
Dividend received, Reach Subsea ASA	(8 303)	0	(8 303)	0
Investment in subsidiaries	120			
Sale of investments to subsidiaries	(167 150)			
Total carrying amount of investments in associates at balance date	4 461	141 312	171 610	141 312
Consist of:				
Reach Subsea ASA	0	124 193	139 012	124 193
Tyveholmen AS	4 341	7 119	4 341	7 119
Wind Catching Systems AS	0	10 000	28 257	10 000
North Industries 1 AS	60	0		
North Industries 2 AS	60	0		
Total carrying amount of investments in associates at balance date	4 461	141 312	171 610	141 312

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

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	**2022**	**2021**	**2022**	**2021**
Share of net result in investment, Reach Subsea ASA	10 168	30 279	10 597	30 279
Share of net result in investment, Wind Catching Systems AS	(4 241)	(3 729)	(4 552)	(3 729)
Share of net result in investment, Tyveholmen AS	222	312	222	312
Gain on dilution of ownership, Reach Subsea ASA*	13 842	0	13 842	0
Gain on dilution of ownership, Wind Catching Systems AS*	18 325	0	18 325	0
Gain on sale of shares to subsidiary, Reach Subsea ASA	47 768	0		
Gain on sale of shares to subsidiary, Wind Catching Systems AS	40 139	0		
Net result from investments in associates	126 223	26 862	38 435	26 862

* The gain on dilution of ownership is an accounting effect triggered by private placements resulting in increased equity in the associated companies. North Energy participated in the private placements but with a lower share than the original ownership, hence North Energy's ownership percentage has been reduced while the value of the investment has increased. A gain on the deemed disposal 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 25 March 2022 and the dilution of ownership in Wind Catching Systems took place 9 June and 28 October 2022.

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

	PARENT COMPANY		GROUP	
	2022	**2021**	**2022**	**2021**
Reach Subsea ASA	0,00 %	32,13 %	20,43 %	32,13 %
Tyveholmen AS	50,00 %	50,00 %	50,00 %	50,00 %
Wind Catching Systems AS	0,00 %	30,47 %	22,19 %	30,47 %
North Industries 1 AS	100,00 %			
North Industries 2 AS	100,00 %			

Financial figures for the associated company Reach Subsea ASA:

Amounts in NOK 1 000	**2022**	**2021**
Revenues	1 162 821	686 601
Operating result	105 255	79 064
Pre-tax profit	98 023	73 046
Liquidity	191 591	149 035
Net working capital	70 809	57 746
Net interest bearing debt	(163 573)	(118 876)
Equity	579 442	286 806

The share price of Reach Subsea at year and was NOK 4.2 per share, equivalent to a market value of NOK 944.6 million. North Energy's relative share of this was NOK 193.7 million, based on the ownership of 20.43%.

The investment in Reach is accounted for as an associated company, using the equity method. 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 2022 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	**2022**	**2021**
Revenues	0	0
Operating profit	(18 355)	(12 260)
Profit after tax	(17 350)	(12 236)
Liquidity	94 373	16 634
Total assets	104 005	21 109
Equity	101 506	18 208

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 28.3 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. North Energy's realtive share, based on an ownership of 22.19%, 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 19.7 per cent per 31 December 2022.

Financial figures for the associated company Tyveholmen AS:

Amounts in NOK 1 000	**2022**	**2021**
Revenues	5 520	5 402
Operating profit	397	762
Profit after tax	442	625
Liquidity	2 820	2 853
Total assets	8 227	13 738
Equity	7 544	13 278

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 4.3 million.Tyveholmen has investments in bonds accounted at historic cost price. Unrealized gains on the bonds, not recognized in the financial statement, are NOK 0,6 million. Based on this North Energy do not see a need for any impairment of the investment.

NOTE 20 Contingent liabilities

As of 31 December 2022 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 21 Financial investments at fair value through profit and loss

Financial investments include:

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	**2022**	**2021**	**2022**	**2021**
Stock exchange-listed shares	106 203	147 956	106 203	147 956
Bonds	36 867	6 173	36 867	6 173
Total carrying amount financial investments, current	**143 069**	**154 129**	**143 069**	**154 129**

The main financial investments at 31 December 2022 consist of shares in Touchstone Exploration and Nordic Nanovector ASA as well as bonds in DNB ASA, Interoil Exploration and various interest bonds. The main investments at 31 December 2021 consisted of shares in Touchstone Exploration and Chariot Ltd. as well as bonds in Interoil Exploration.

	PARENT COMPANY		GROUP	
Amounts in NOK 1 000	**2022**	**2021**	**2022**	**2021**
Change in fair value recognised in income statement under operating items	(37 526)	(45 152)	(37 526)	(45 152)
Interest income bonds recognised as finance income	974	572	974	572

NOTE 22 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 based on an arm-length principle. The parent company has reported a gain of NOK 87.9 millions on the sale which has been eliminated in the group figures.

The financial impact on the parent company:

Amounts in NOK 1 000	**2021**
Income statement:	
Net result from investment in associated company, gain on sale	87 907
Financial income, interests accrued on loans to subsidiaries	546
Financial Position:	
Investment in subsidiaries	120
Loan to subsidiaries	255 604

NOTE 23 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 2022 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, 30 March 2023

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 21, 2023

	Investor	Number of shares	% of total	Type	Country
1	AB INVESTMENT AS	22 618 915	19,00 %	Ordinary	Norway
2	CELISA CAPITAL AS	11 753 284	9,87 %	Ordinary	Norway
3	ISFJORDEN AS	9 514 849	7,99 %	Ordinary	Norway
4	INTERTRADE SHIPPING AS	3 750 000	3,15 %	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	2 703 793	2,27 %	Ordinary	Norway
8	SALTEN KRAFTSAMBAND AS	2 419 215	2,03 %	Ordinary	Norway
9	BAKKANE ARVID	2 100 009	1,76 %	Ordinary	Norway
10	BOYE HANS JØRGEN	2 026 264	1,70 %	Ordinary	Norway
11	HEDEN HOLDING AS	1 919 340	1,61 %	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	CLEARSTREAM BANKING S.A.	1 534 601	1,29 %	Nominee	Luxembourg
15	ROME AS	1 440 000	1,21 %	Ordinary	Norway
16	ORIGO KAPITAL AS	1 343 569	1,13 %	Ordinary	Norway
17	NORDNET LIVSFORSIKRING AS	1 273 392	1,07 %	Ordinary	Norway
18	Avanza Bank AB	1 267 787	1,06 %	Nominee	Sweden
19	SÆBERG KNUT	1 002 352	0,84 %	Ordinary	Norway
20	PEDERSEN ROLF IVAR	976 098	0,82 %	Ordinary	Norway
	Total number owned by top 20	*77 330 970*	*64,96 %*		
	Total number of shares	**119 047 065**	**100,0 %**		

In 2022, the North Energy share price depreciated by 20.9 per cent. In comparison, an investment in the Oslo Børs Benchmark Index over the same period provided a positive return of 2.0 per cent, while the energy index yielded a positive return of 42.5 per cent. During the year, 27.1 million North Energy shares changed hands on the Oslo Stock Exchange, down from 58.4 million in 2021, representing a daily average trading volume of 107,270 shares.

Dividend policy

The Board of Directors has 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 new policy, the Board intends to propose a dividend of NOK 0.10 per share for 2022.

Ownership structure

At the end of 2022 North Energy had 2,081 shareholders, down from 2,202 shareholders at the end of 2021. Approximately 5.1 per cent of the Company's shares were owned by foreign investors at the end of 2022, which is up from 6.1 per cent last year.

The Company's employees, management, and Board held in total 39.9 per cent of the shares in the Company by the end of the year.

North Energy's 20 largest shareholders held 64.6 per cent of the shares as of 31 December 2022.

Share capital

North Energy's share capital on 31 December 2022 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 2022, 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 a summary of significant accounting policies, 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 2022, 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 a summary of significant accounting policies.

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 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting 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 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting 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.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

We have been the auditor of the Company for 16 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.

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 appear 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 International Financial Reporting 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, related safeguards.

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 NORTH-2022-12-31-en 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, 30 March 2023
PricewaterhouseCoopers AS

Tom Notland

Tom Notland
State Authorised Public Accountant

North Energy ASA- Financial Calendar for 2023

North Energy ASA will present financial statements on the following dates in 2023:

Q1 2023 interim financial report: 10 May 2023

Half-yearly 2023 interim financial report: 24 August 2023

Q3 2023 interim financial report: 8 November 2023
All dates are subject to change.

The annual General Meeting is planned to be held on 1 June 2023

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