

INTERIM REPORT

for the fourth quarter 2023



north
energy

Quarterly highlights

- **North Energy reports comprehensive loss of NOK 21.0 million.** Net income of NOK 13.1 million from associated companies offset by negative change in fair value of financial investments of NOK 31.6 million is the main driver for the result.
- **Reach Subsea with record breaking performance.** Reported fourth quarter and full year EBIT of NOK 79.5 million and NOK 331.8 million, respectively, compared with NOK 34.6 million and NOK 105.3 million last year.
- **Wind Catching Systems preparing draft Environmental Impact Assessment for offshore installation.** The onshore turbine at Mehuken is planned to be installed in 2024 for testing and verification.
- **Touchstone Exploration announced its 2024 capital budget and preliminary guidance.** The company plans to invest approximately \$33 million in 2024, with a significant portion allocated to the Cascadura field and Coho assets.
- **Thor Medical ASA builds lab and pilot facilities at Herøya.** The company has commenced engineering and placed orders for critical production equipment as it is now moving ahead with the establishment of a pilot facility for production of thorium-based alpha emitters at Herøya Industripark.
- **New investment in Heimstaden AB bonds.** North Energy has during the fourth quarter invested NOK 16.9 million in three different EUR denominated bonds issued by Heimstaden AB at significant discounts to par value.

Key figures

NOK mln	Q4 2023	Q4 2022	Year 2023	Year 2022
Operating profit	-21,6	-24,3	24,0	-14,0
Comprehensive income	-21,0	-24,3	24,6	-13,1
Investments	345,3	314,7	327,9	314,7
Total assets	342,3	327,6	342,3	327,6
Equity ratio	94	94	94	94
Interest bearing debt	13,6	7,7	13,6	7,7

Financial information

The financial figures for 2023 and 2022 represent the consolidated financials for the Group consisting of North Energy ASA and the subsidiaries North Industries 1 AS and North Industries 2 AS which were established towards the end of 2022.

Fourth quarter 2023 result

North Energy recorded a comprehensive loss of NOK 21.0 million in the fourth quarter of 2023, compared with a comprehensive loss of NOK 25.1 million in the corresponding quarter of 2022. The loss reported in fourth quarter this year is mainly driven by the negative change in fair value of financial investments of NOK 31.6 million and operating expenses offset by the company's share of net result from associated companies of NOK 14.1 million. Operating expenses were reported at NOK 4.2 million compared with NOK 4.1 million in the same quarter last year. The loss in the fourth quarter last year was driven by a negative change of NOK 23.9 million in the value of financial investments and operating expenses offset by the company's share of net result from associated companies of NOK 2.9 million.

Payroll and related expenses in the fourth quarter were NOK 3.1 million, compared with NOK 2.5 million in the same quarter last year. The increase is due to reclassification of board fees from other operating expenses to payroll and related expenses in 2023.

Other operating expenses are reported at NOK 0.7 million, which is down from NOK 1.1 million in the same quarter last year. The decrease is partly due to

reclassification of board fees from other operating expenses to payroll and related expenses in 2023.

Change in fair value of financial investments amounted to negative NOK 31.6 million, compared with negative NOK 23.9 million in the same quarter last year. The key reason for the decline in value, is lower share prices of Touchstone Exploration and Thor Medical during the fourth quarter.

Net result from investments in associates were NOK 14.1 million, which is up from NOK 2.9 million in the same quarter last year. North Energy's share of the net results in fourth quarter this year was NOK 12.9 million from Reach (including NOK 2.0 million gain from dilution of ownership) and NOK 0.9 million from WCS. The result from WCS includes the recognition of grants received from ENOVA with NOK 3.1 million (North Energy's share). Last year the corresponding figures was NOK 2.5 million from Reach and NOK -1.7 million from WCS.

Net financial items were positive with NOK 0.6 million in the fourth quarter 2023, compared to NOK 0.0 million in the same quarter last year. Financial items consist mainly of interest income on bonds and interest expenses on short-term borrowing and lease liabilities.

Preliminary full year 2023 result

North Energy recorded a comprehensive income of NOK 24.6 million for the year 2023, compared with a comprehensive loss of NOK 13.1 million for 2022. The income reported this year is mainly driven by net positive share of the result from investments in associated companies of NOK 42.5 million offset by operating expense of NOK 18.9 million. The change in fair value of financial investments was only NOK 0.2 million. The loss reported previous year was mainly driven by a change in fair value of financial investments of NOK -37.5 million, primarily Touchstone Exploration, and operating expense of NOK 13.5 million, partly offset by a positive share of the result from investments in associates of NOK 38.4 million.

Payroll and related expenses in 2023 were NOK 14.1 million, compared to NOK 9.3 million last year. The increase is mainly due to reclassification of board fees from other operating expenses to payroll and related expenses in 2023, bonus payment to employees, salary adjustment and increased employer's tax.

Other operating expenses are reported at NOK 3.3 million, which is down from NOK 4.3 million last year. The decrease is partly due to reclassification of board fees from other operating expenses to payroll and related expenses in 2023.

Net financial items were NOK 0.7 million in 2023 while financial items in 2022 were NOK 1.0 million. Financial items consist mainly of interest income on bonds partly offset by interest expenses on short-term borrowing and lease liabilities.

The share price of Reach Subsea ended the year at NOK 4.5, which gives North Energy's shareholding a market value of NOK 228.7 million. The investment in Reach Subsea is accounted for as an associated company with a book value of NOK 196.3 million.

The investment in Wind Catching Systems is accounted for as an associated company as well. The market value of North Energy's shareholding is NOK 68.7 million and is based on the share price used in the latest private placement completed in October 2022. The book value of the investment is NOK 24.0 million.

Total assets at the end of the year were NOK 342.3 million, up from NOK 327.6 million at the end of the same quarter last year. An increase in investment in associates of NOK 53.4 million are partly offset by a decrease in financial investment of NOK 40.1 million.

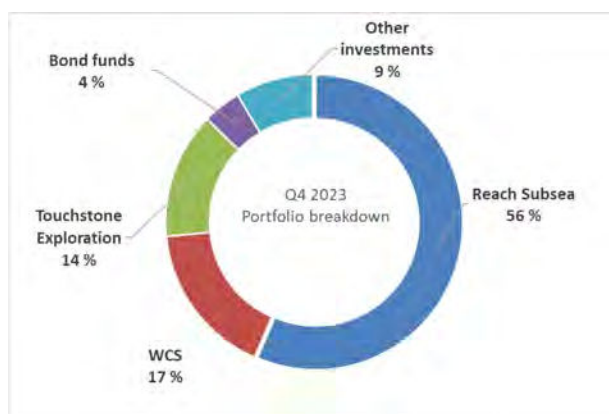
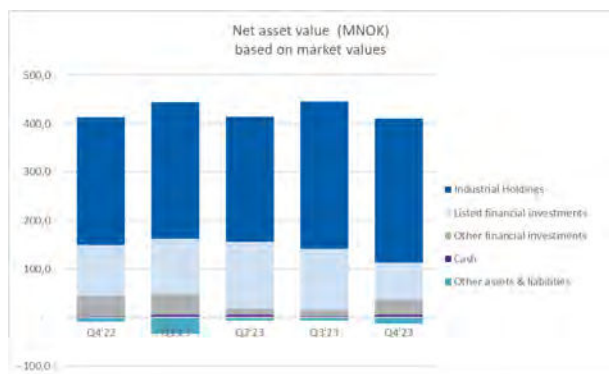
Total equity at the end of the year was NOK 321.1 million, up from NOK 308.2 million at the end of last year. The total comprehensive income of NOK 24.6 million during the year is offset by distributed dividend of NOK 11.7 million. The Company's equity ratio stood at 93.8 percent at the end of the year.

The company has a multicurrency credit facility with DNB in 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.

At the end of the year current borrowing was NOK 13.6 million while available liquidity was NOK 41.4 million, which includes cash and unutilized credit facilities.

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

Net asset value composition



At the end of the quarter, total market value of the investment portfolio amounted to NOK 405.1 million, compared to NOK 409.8 million at the end of last year. The market value of Reach Subsea has, combined with new investment in the company, increased with NOK 35.0 million while Touchstone Exploration has, combined with sale of shares, decreased with NOK 28.2 million and bonds have, combined with purchases and sales, decreased with NOK 12.1 million.

Including cash of NOK 5.9 million and net other assets and liabilities of negative NOK 12.7 million the net asset value for the company was NOK 398.2 million at the end of the year.

NAV per share vs. share price

The net asset value per share was NOK 3.40 while the share price at the end of the quarter was NOK 2.16, representing a discount of 36% compared to the net asset value per share.

Investments

Industrial holdings

Reach Subsea ASA

The main industrial investment is the shareholding in Reach Subsea ASA where North Energy has two representatives on the Board of Directors. The investment was moved from the parent Company North Energy ASA to the newly created subsidiary North Industries 1 AS by the end of last year.

Following the private placement completed in March 2023, where North Energy contributed NOK 20 million, the ownership for North Energy was reduced to 19.9%. After the issuance of new consideration shares in connection with the acquisition of Guardian Geomatics in November and the issuance of new shares under the company's incentive program for employees in December, the ownership for North Energy was further reduced to 18.7%. The ownership in Reach is still reported as an associated company.

The Group expects to continue as a major shareholder in Reach Subsea ASA and further develop the company as a leading subsea service provider, offering solutions to gather and deliver subsea data and solutions for maintaining the integrity of the client's subsurface equipment and infrastructure.

The market value of North Energy's investment in Reach Subsea decreased by NOK 6.1 million (from NOK 234.8 million to NOK 228.7 million) in the fourth quarter of 2023.

As of the end of fourth quarter 2023, the investment in Reach is accounted for at a book value of NOK 196.3 million, up from NOK 183.3 million last quarter. The increase is driven by North Energy's share of comprehensive income of NOK 10.9 million and gain on dilution of ownership of NOK 2.0 million.

The market value is still higher than the book value. Thus, the increase in market value is not recognized in the income statement as the investment in Reach is accounted for as an associated company.

In November, Reach announced the closing of the agreement to acquire 100 percent of the shares of the Australian marine survey company Guardian Geomatics Pty Ltd. As part of the transaction, Reach has issued 15,469,682 new consideration shares to the selling shareholders in the transaction which is leading to a deemed disposal and a gain on dilution of NOK 2.0 million for North Energy.

Reach Subsea ended 2023 with a record breaking performance on all parameters. Revenues reached NOK 2 billion and almost doubled from 2022, while EBIT more than tripled to NOK 332 million leading to a strong ROE of 30%.

The company is well positioned for the future, with key strategic capabilities in place, a strong market outlook as evidenced by a record high backlog of NOK 1.2 billion (NOK 740 million) and tender volume of NOK 8 billion (NOK 2.5 billion), and backed by a strong financial position with NOK 331 million in cash and working capital and financial debt of NOK 68 million.

The company is listed on the Oslo Stock Exchange and as of the end of the fourth quarter, the company had a market capitalization of NOK 1,223 million.

Wind Catching Systems AS

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

In April 2023, WCS filed an application for opening of acreage with the Ministry of Petroleum and Energy in Norway, with the purpose of demonstrating the Wind Catching technology. The company is now preparing the draft Environmental Impact Assessment (EIA) program for public consultation. Public consultation is expected in Q2 2024.

The company has previously received grant of NOK 22 million from ENOVA to support the design, construction and testing of a wind turbine pilot planned at Mehuken wind park on the West Coast of Norway. The turbine is planned to be installed in 2024 for testing and verification. In addition, they have received a second grant of NOK 9.3 million to support the implementation of a full-scale Windcatcher.

Further engineering work has been performed in 2023 with key areas of focus being marine engineering and equipment design in partnership with Tier 1 equipment providers to optimize the operating performance of the unit. A hydrodynamic pool test of the design is now scheduled for Q1 2024, at Stadt Towing Tank. Discussions are also ongoing with respect to strategic partnerships and future client adoption for the WCS concept.

WCS is accounted for as an associated company, hence North Energy consolidates its share of the net result from WCS. For the fourth quarter 2023 North Energy has consolidated an income of NOK 0.9 million in the result. The income is due to recognition of the partial payment of the grant received from ENOVA. At the end of the fourth quarter, book value of the investment was NOK 24.0 million. The estimated market value of the investment was NOK 68.7 million and is based on the share price used in the latest private placement completed in October 2022.

Financial investments

Touchstone Exploration Inc.

The Company's key financial investment is in Touchstone Exploration with an ownership interest of 4.3 per cent by the end of the year. After year-end, North Energy has further reduced its ownership in Touchstone Exploration.

In December, Touchstone announced its 2024 capital budget and preliminary guidance. The company plans to invest approximately \$33 million in 2024, with a

significant portion allocated to the Cascadura field and Coho assets. This budget is aimed at supporting development opportunities that generate positive returns and position the company for sustained success. The 2024 budget reflects a strategy to deploy capital to developmental drilling opportunities and make use of existing natural gas and liquids infrastructure capacity. Touchstone is in advanced discussions with its existing lender to increase debt capacity to support the 2024 budget, and there is currently no firm commitment in place, and changes to the budget may therefore occur.

In October, Touchstone reported they have picked up onshore and nearshore acreage in the last year licensing round while the Trinidad and Tobago's energy minister has opened a new licensing round for shallow water acreage.

Other financial investments

As of fourth quarter 2023 the Company has several minor investments in shares and bonds as part of its liquidity management, with a total market value of NOK 51.4 million.

The investment in Thor Medical has a market value of NOK 18.9 million at year end, equivalent to an ownership of 6.3 percent.

The company has during November and early December made new investments in three different EUR denominated bonds issued by Heimstaden AB, both senior unsecured bonds and subordinated perpetual notes. The total invested amount is NOK 16.9 million and the bonds were purchased at significant discounts to par value with a total nominal amount of EUR 3.5 million. The company has further increased its investment in Heimstaden bonds after year-end.

The investment in Chariot Ltd., done in July, was disposed during the fourth quarter with a realized gain of NOK 0.5 million.

Strategy and outlook

At the end of 2023, the global economy is in better shape than expected. Inflation is falling in several countries in the world and some central bankers have signaled likely interest rate cuts in 2024. However, risks remain as higher interest rates work their way through markets and geopolitical tensions continue to create volatility.

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

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.

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

Financial statements fourth quarter 2023

CONSOLIDATED INCOME STATEMENT

NOK 1 000	Note	Q4 2023 (unaudited)	Q4 2022 (unaudited)	Year 2023 (unaudited)	Year 2022 (audited)
Sales		36	0	72	113
Payroll and related expenses		(3 125)	(2 541)	(14 078)	(9 252)
Depreciation and amortisation		(385)	(378)	(1 467)	(1 537)
Other operating expenses		(664)	(1 142)	(3 319)	(4 273)
Change in fair value of financial investments		(31 563)	(23 909)	245	(37 526)
Net result from investments in associates	10	14 058	3 627	42 521	38 435
Operating profit/(loss)		(21 642)	(24 343)	23 974	(14 041)
Financial income		959	197	2 347	1 308
Financial costs		(332)	(154)	(1 697)	(339)
Net financial items		627	43	650	969
Profit/(loss) before income tax		(21 015)	(24 300)	24 624	(13 072)
Income taxes	7	0	0	0	0
Profit/(loss) for the period		(21 015)	(24 300)	24 624	(13 072)
Attributable to:					
Owners of North Energy ASA		(21 015)	(24 300)	24 624	(13 072)
		(21 015)	(24 300)	24 624	(13 072)
Earnings per share (NOK per share)					
- Basic		-0,18	-0,20	0,21	-0,11
- Diluted		-0,18	-0,20	0,21	-0,11

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK 1 000	Q4 2023 (unaudited)	Q4 2022 (unaudited)	Year 2023 (unaudited)	Year 2022 (audited)
Profit/(loss) for the period	(21 015)	(24 300)	24 624	(13 072)
Other comprehensive income, net of tax				
Total other comprehensive income, net of tax	0	0	0	0
Total comprehensive income/(loss) for the period	(21 015)	(24 300)	24 624	(13 072)
Attributable to:				
Owners of North Energy ASA	(21 015)	(24 300)	24 624	(13 072)
	(21 015)	(24 300)	24 624	(13 072)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOK 1 000	Note	31.12.2023 (unaudited)	31.12.2022 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		155	189
Right-of-use assets	3,11	4 809	6 011
Other receivables		0	0
Investments in associates	10	224 982	171 610
Deferred tax asset	7	0	0
Total non-current assets		229 946	177 810
Current assets			
Trade and other receivables	12	3 483	3 645
Financial investments, current	8,9	102 962	143 069
Cash and cash equivalents		5 952	3 056
Total current assets		112 397	149 770
Total assets		342 343	327 580
EQUITY AND LIABILITIES			
Equity			
Share capital	5	119 047	119 047
Treasury shares	5	(3 411)	(3 411)
Share premium		838 653	850 378
Other paid-in capital		30 691	30 691
Retained earnings		(663 852)	(688 476)
Total equity		321 128	308 229
Liabilities			
Non-current liabilities			
Deferred tax liability	7	0	0
Leasing liabilities	3,11	3 492	4 802
Other non-current liabilities		0	0
Total non-current liabilities		3 492	4 802
Current liabilities			
Leasing liabilities, current	3,11	1 458	1 325
Trade creditors		103	46
Tax payable	7	0	0
Other current liabilities	13	2 587	5 455
Current borrowings	14	13 575	7 723
Total current liabilities		17 723	14 549
Total liabilities		21 215	19 351
Total equity and liabilities		342 343	327 580

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

NOK 1 000	Share capital	Treasury Shares	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity on 1 January 2022	119 047	(3 411)	850 378	30 691	(675 404)	321 301
Total comprehensive income for 01.01.22-31.12.2022					(13 072)	(13 072)
Equity on 31 December 2022	119 047	(3 411)	850 378	30 691	(688 476)	308 229
Total comprehensive income for 01.01.23-31.12.2023					24 624	24 624
Paid dividend			(11 725)			(11 725)
Equity on 31. December 2023	119 047	(3 411)	838 653	30 691	(663 852)	321 128

CONSOLIDATED CASH FLOW STATEMENT

NOK 1 000	Q4 2023 (unaudited)	Q4 2022 (unaudited)	Year 2023 (unaudited)	Year 2022 (audited)
Cash flow from operating activities				
Profit/(loss) before income tax	(21 015)	(24 300)	24 624	(13 072)
Adjustments:				
Depreciation	385	378	1 467	1 537
Pensions	0	0		258
Change in fair value of financial investments	31 563	23 909	(245)	37 526
Net result from investments in associates	(14 058)	(3 627)	(42 521)	(38 435)
Interest costs on lease debt	57	83	241	263
Changes in trade creditors	24	0	57	16
Changes in other accruals	440	80	(3 300)	(13 789)
Net cash flow from operating activities	(2 605)	(3 477)	(19 675)	(25 696)
Cash flow from investing activities				
Purchase of property, plant, and equipment	0	(35)	(17)	(84)
Investments in associates	0	(806)	(20 000)	(3 167)
Dividends from associates	0	0	9 150	8 303
Distribution from associates	0	0	0	3 000
Purchase of financial investments	(26 786)	(19 355)	(41 826)	(89 472)
Proceeds from sales of financial investments	26 999	16 248	82 772	64 094
Net cash flow from investing activities	213	(3 947)	30 078	(17 326)
Cash flow from financing activities				
Dividends paid from North Energy ASA	0	0	(11 725)	0
Increase/decrease bank facility	5 955	7 723	5 852	7 723
Payments of lease debt*	(414)	(401)	(1 634)	(1 633)
Net cash flow from financing activities	5 541	7 322	(7 507)	6 090
Net change in cash and cash equivalents	3 148	(102)	2 896	(36 931)
Cash and cash equivalents at beginning of the period	2 804	3 158	3 056	39 987
Cash and cash equivalents at end of the period	5 952	3 056	5 952	3 056

* The cash flow related to payments of lease debt is reclassified to financing activities for presentation purposes.

Notes to the interim consolidated financial statements fourth quarter 2023

Note 1 - General and corporate information

These financial statements are the unaudited interim condensed consolidated financial statements of North Energy ASA and its subsidiaries (hereafter “the Group”) for the fourth quarter of 2023. North Energy ASA is a public limited company incorporated and domiciled in Norway, with its main office located in Oslo. North Energy ASA's shares were listed on Oslo Axess (now Euronext Expand), an exchange regulated by the Euronext Stock Exchange, on 5 February 2010. The company's ticker is NORTH.

Note 2 - Basis of preparation

The interim accounts were prepared in accordance with IAS 34 Interim Financial Reporting and the supplementary requirements in the Norwegian Securities Trading Act (Verdipapirhandelloven). The interim accounts do not include all the information required in the annual accounts and should therefore be read in conjunction with the annual accounts for 2022. The annual accounts for 2022 were prepared in accordance with the EU's approved IFRS.

Note 3 - Accounting policies

The accounting policies adopted in the preparation of the interim accounts are consistent with those followed in the preparation of the annual accounts for 2022. New standards, amendments, and interpretations to existing standards effective from 1 January 2023 did not have any significant impact on the financial statements.

Note 4 - Critical accounting estimates and judgements

The preparation of the interim accounts entails the use of judgements, estimates and assumptions that affect the application of accounting policies and the amounts recognised as assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances. The actual results may deviate from these estimates. The material assessments underlying the application of the company's accounting policies and the main sources of uncertainty are the same for the interim accounts as for the annual accounts for 2022.

Note 5 - Share capital

Number of outstanding shares on 1 January 2023	119 047 065
New shares issued during the period	0
Number of outstanding shares on 31 December 2023 *	119 047 065
Nominal value NOK per share on 31 December 2023	1
Share capital NOK on 31 December 2023	119 047 065

* Inclusive 1,795,472 treasury shares.

Note 6 - Business segments

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

Note 7 - Income taxes

Specification of income tax	YTD Q4 2023	YTD Q4 2022
Tax payable	0	0
Change deferred tax asset	0	0
Total income taxes	0	0

Specification of temporary differences, tax losses carried forward, deferred tax	31.12.2023	31.12.2022
Property, plant and equipment	4 746	5 914
Pensions	0	21
Leasing liabilities	(4 950)	(6 127)
Financial investments	26 964	51 119
Provisions	0	0
Tax losses carried forward	(98 160)	(118 168)
Total basis for deferred tax asset	(71 400)	(67 240)
Deferred tax asset/(liability) before valuation allowance	15 708	14 793
Not capitalised deferred tax asset/(liability) (valuation allowance)	(15 708)	(14 793)
Deferred tax asset/(liability)	0	0

Reconciliation of effective tax rate	YTD Q4 2023	YTD Q4 2022
Profit/(loss) before income tax	24 624	(13 072)
Expected income tax 22%	5 417	2 876
Adjusted for tax effects (22%) of the following items:		
Permanent differences	(10 412)	11 463
Adjustments previous years	4 020	0
Changed tax rates	0	0
Change in valuation allowance for deferred tax assets	975	(14 339)
Total income taxes	0	0

Note 8 - Financial investments

Financial investments are investments in shares and bonds. The main investments on 31 December 2023 consist of shares in Touchstone Exploration and Thor Medical as well as bonds in Heimstaden and InterOil Exploration & Production.

Note 9 - Fair value of financial instruments

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

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

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

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

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

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

Note 10 - Investment in an associate

Reconciliation and specification of carrying amount of investment in associates:

	31.12.2023	31.12.2022
Opening balance carrying amount of investments in associates	171 610	141 312
Gain on dilution of ownership, Reach Subsea ASA*	2 040	13 842
Gain on dilution of ownership Wind Catching Systems AS*	0	18 325
Acquisition cost shares acquired, Reach Subsea ASA	20 000	0
Acquisition cost shares acquired, Wind Catching Systems AS	0	3 167
Repayment of capital, Tyveholmen AS	0	(3 000)
Share of net result in investment, Reach Subsea ASA	44 395	10 597
Share of net result in investment, Wind Catching Systems AS	(4 213)	(4 552)
Share of net result in investment, Tyveholmen AS	299	222
Dividend received, Reach Subsea ASA	(9 150)	(8 303)
Total carrying amount of investments in associates at balance date	224 982	171 610

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

	Q4 YTD 2023	Q4 YTD 2022
Share of net result in investment, Reach Subsea ASA	44 395	10 597
Share of net result in investment, Wind Catching Systems AS	(4 213)	(4 552)
Share of net result in investment, Tyveholmen AS	299	222
Gain on dilution of ownership, Wind Catching Systems AS*	0	18 325
Gain on dilution of ownership, Reach Subsea ASA*	2 040	13 842
Net result from investments in associates	42 521	38 435

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

The dilution of ownership in Reach Subsea took place on 25 March 2022 and on 15 November 2023.

The dilution of ownership in Wind Catching Systems took place on 9 June 2022 and 28 October 2022."

Note 11 - Leases

Right-of-use assets:

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

Right-of-use assets	Office facilities
Acquisition cost on 1 January 2023	11 840
Addition of right-of-use assets	
Disposals of right-of-use assets	
Changes in estimates	215
Acquisition cost on 31 December 2023	12 055
Accumulated depreciation and impairment on 1 January 2023	(5 829)
Depreciation	(1 417)
Impairment	
Accumulated depreciation and impairment on 31 December 2023	(7 246)
Carrying amount of right-of-use assets on 31 December 2023	4 809

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

Leasing liabilities:

Lease liabilities on 1 January 2023	6 127
Additions lease contracts	0
Changes in estimates	215
Accretion lease liabilities	241
Payments of lease liabilities	(1 634)
Total leasing liabilities on 31 December 2023	4 950
Breakdown of lease debt:	
Short-term	1 458
Long-term	3 492
Total lease debt	4 950

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

	31.12.2023
Within 1 year	1 566
1 to 5 years	3 915
After 5 years	0
Total	5 481

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

Note 12 - Other current receivables

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 3.5 million compared to our original provision has been accounted for as a short-term receivable.

Note 13 - Other current liabilities

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, was paid in January 2023. The closing balance this quarter consist mainly of withholding tax and other employer's taxes as well as provisions for incurred costs.

Note 14 - Current borrowings

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 the end of the fourth quarter 2023 the Company has utilized NOK 13.6 million of the facility.

Note 15 - Events after the balance sheet date

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

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