



# BlueNord ASA

Third Quarter 2023

# Highlights of the Quarter

Compared to second quarter 2023

---

## Revenue

**\$200m**

+5%

---

## EBITDA

**\$106m**

+8%

---

## Operating cash flow

**\$113m**

+94%

---

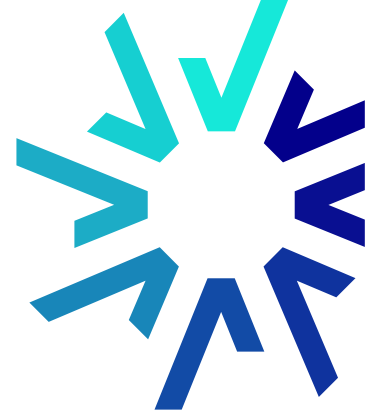
## Total liquidity (cash and undrawn facilities)

**\$506m**

+4%

"During the third quarter our base assets continued to demonstrate their importance, maintaining strong operational performance throughout and delivering production in the upper range of our guidance for the period. We expect strong production to be a continuing theme, driven by proactive optimization work carried out by the operator. Our focus and commitment to bringing Tyra onstream continues, and we have made substantial recent headway. As we get closer to first gas, it has become clear that completing more work prior to the introduction of hydrocarbons will result in a significantly shorter ramp-up to plateau production. BlueNord is therefore announcing today a revised start-up strategy where we expect to achieve first gas in early Q1 2024 and plateau production in Q2 2024. This will see greater volumes than previously expected being delivered by Tyra in 2024, and consequently our long-term production profile is currently under review. Once onstream, Tyra will help us deliver our goal of producing over 55mboe/d net by 2025 and, in doing so, be positioned to provide a material return of capital to our shareholders."

Euan Shirlaw, Chief Executive Officer



# Contents

---

<b>01</b>	Summary of the Quarter	<b>4</b>
	Financial Review	<b>5</b>
	Operational Review	<b>9</b>
<b>02</b>	Condensed Consolidated Statement of Comprehensive Income	<b>15</b>
	Condensed Consolidated Statement of Financial Position	<b>16</b>
	Condensed Consolidated Statement of Changes in Equity	<b>17</b>
	Condensed Consolidated Statement of Cash Flows	<b>18</b>
<b>03</b>	Note 1: Accounting principles	<b>20</b>
	Note 2: Revenue	<b>21</b>
	Note 3: Production expenses	<b>21</b>
	Note 4: Financial income and expenses	<b>22</b>
	Note 5: Tax	<b>23</b>
	Note 6: Intangible assets	<b>25</b>
	Note 7: Property, plant and equipment	<b>26</b>
	Note 8: Non-current receivables, trade receivables and other current assets	<b>27</b>
	Note 9: Inventories	<b>27</b>
	Note 10: Restricted cash, bank deposits, cash and cash equivalents	<b>27</b>
	Note 11: Borrowings	<b>28</b>
	Note 12: Trade payables and other current liabilities	<b>29</b>
	Note 13: Financial instruments	<b>30</b>
	Note 14: Asset retirement obligations	<b>36</b>
	Note 15: Shares and share capital	<b>36</b>
	Note 16: Subsequent events	<b>36</b>
<b>04</b>	Alternative performance measures	<b>38</b>
	Information about BlueNord	<b>39</b>
	Appendix	<b>40</b>

# Introduction



01





# Third Quarter 2023 Summary

## Operational:

- Strong operating performance, with hydrocarbon production of 24.7 mboepd in the third quarter in the higher range of BlueNord's quarterly guidance of 24.0-25.0 mboepd.
- The planned Halfdan re-route was completed ahead of schedule, eliminating routine flaring in the DUC.
- On the Tyra Redevelopment project, BlueNord is supportive of a new start-up strategy with first gas in early Q1 2024, with a faster ramp-up, resulting in an earlier plateau production, meaning a positive production contribution for 2024.
- All subsea work has been completed, reconnecting all satellite fields to the Tyra hub. All weather critical structural work required for first gas have also been completed despite challenging conditions during the past summer.
- Leak Testing on Tyra have been completed on the most complex systems, the closed drain systems and the flare systems. Recent progress has been good on remaining critical process system required to be completed for export. Clean up runs have also been completed on main machinery assembly with Export train B and IP compressor.
- In June the HBA27B well was spudded, the first infill well drilled on the DUC since 2019. While completion of this well was expected in the autumn, the well is behind plan due to drilling technical issues and it is unlikely to contribute to production during Q4.

## Financial and Corporate:

- Total revenues of USD 200.2 million in the third quarter compared to USD 190.7 million in the previous quarter.
- EBITDA of USD 106.1 million in the third quarter compared to USD 98.7 million in the previous quarter.
- Cash flow from operating activities of USD 112.9 million in the third quarter compared to USD 58.2 million in the previous quarter.
- Total liquidity of USD 505.6 million at the end of the period with cash on balance sheet of USD 305.6 million and undrawn RBL capacity of USD 200.0 million.
- Appointment of Jacqueline Lindmark Boye as Chief Financial Officer (previously EVP Finance) and Cathrine Torgersen as Chief Corporate Affairs Officer (previously EVP Investor Relations and ESG), recognising their strong contribution to BlueNord.

Financial and operational summary	Unit	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
Total revenue	USDm	200.2	190.7	293.5	611.5	737.2
<b>EBITDA<sup>1)</sup></b>	<b>USDm</b>	<b>106.1</b>	<b>98.7</b>	<b>197.6</b>	<b>326.4</b>	<b>471.4</b>
<b>Adj. EBITDA<sup>1)</sup></b>	<b>USDm</b>	<b>109.8</b>	<b>101.0</b>	<b>199.0</b>	<b>334.6</b>	<b>475.2</b>
<b>Result before tax</b>	<b>USDm</b>	<b>32.0</b>	<b>31.1</b>	<b>136.5</b>	<b>137.0</b>	<b>161.4</b>
Net result for the period	USDm	(6.3)	19.4	(12.0)	54.7	(106.1)
Cash flow from operating activities	USDm	112.9	58.2	215.3	327.7	485.7
Investments in oil and gas assets	USDm	89.0	80.9	65.3	232.0	178.8
Abandonment spent <sup>1)</sup>	USDm	1.1	5.1	4.5	7.6	11.2
Reserve-based lending facility, drawn	USDm	800.0	800.0	800.0	800.0	800.0
Net interest-bearing debt <sup>1)</sup>	USDm	889.1	910.0	892.1	889.1	892.1
Oil production	mboepd	18.8	18.0	19.6	18.9	20.9
Gas production	mboepd	5.9	5.7	5.6	6.1	5.8
<b>Total production</b>	<b>mboepd</b>	<b>24.7</b>	<b>23.7</b>	<b>25.1</b>	<b>25.0</b>	<b>26.7</b>
Over/under-lift	mboepd	0.3	3.4	0.7	1.1	0.7
Realised Oil price	USD/boe	89.7	79.3	103.4	84.3	105.9
+/- Effect of hedges	USD/boe	(15.2)	(16.5)	(23.6)	(17.3)	(28.7)
<b>Effective Oil price<sup>1)</sup></b>	<b>USD/boe</b>	<b>74.5</b>	<b>62.7</b>	<b>79.8</b>	<b>67.0</b>	<b>77.2</b>
Realised Gas price	EUR/MWh	37.3	36.8	192.8	39.6	125.6
+/- Effect of hedges	EUR/MWh	31.0	34.1	(33.2)	39.9	(28.9)
<b>Effective Gas price<sup>1)</sup></b>	<b>EUR/MWh</b>	<b>68.3</b>	<b>70.9</b>	<b>159.6</b>	<b>79.5</b>	<b>96.7</b>

1) See the description of "Alternative performance measures" at the end of this report for definitions.



# Financial Review

## Selected data from consolidated statement of comprehensive income

USD million	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
Total revenue	200.2	190.7	293.5	611.5	737.2
EBITDA	106.1	98.7	197.6	326.4	471.4
EBIT	81.3	73.7	167.6	250.5	369.6
Result before tax	32.0	31.1	136.5	137.0	161.4
Net result for the period	(6.3)	19.4	(12.0)	54.7	(106.1)
Earnings per share	(0.2)	0.7	(0.5)	2.1	(4.3)

**The Company had revenues** of USD 200.2 million in the third quarter of 2023, mainly related to oil and gas sales from the Danish Underground Consortium (DUC) fields, compared to USD 190.7 million in the previous quarter. The increase compared to last quarter was related to higher realised commodity prices on oil net of hedging and higher volumes on gas, with an increase of 18.7 percent and 3.8 percent, respectively. Offset by 10.1 percent lower oil volumes and 2.0 percent decreased gas prices net of hedging.

**Production expenses:** The current level of field operating costs is being maintained to support the stable production level. This includes the continuation of activities related to well recovery such as “Well Reservoir Opportunity Management” (WROM) and Integrity Recovery Project. In the current quarter USD 72.3 million was directly attributable to the lifting and transport of the Company’s oil and gas production, equating to USD 31.9<sup>1)</sup> per boe. This was USD 64.5 million in the previous quarter, equating to USD 29.9<sup>1)</sup> per boe. The net increase is primarily related to increased activity level on general maintenance and inspections, which is within the planned activities for 2023. Adjusted for concept studies, insurance and changes in stock and inventory, total production expenses amounted to USD 88.0 million compared to USD 82.9 million in the previous quarter.

**Operating result (EBITDA)** in the third quarter of 2023 was a profit of USD 106.1 million, compared to USD 98.7 million in previous quarter. This increase mainly relates to increased revenue due to higher commodity prices on oil net of hedging and higher gas volumes, offset by decreased volumes of oil lifted, lower commodity prices on gas net of hedging and increased production cost due to increased activity levels related to general maintenance and inspections.

**Net Financial items** amounted to an expense of USD 49.3 million for the third quarter of 2023, compared to an expense of USD 42.6 million in the previous quarter. Mainly influenced by increased negative effect on the fair value adjustment related to embedded derivatives on BNOR15/13 and unwinding of the ineffective part of the interest swap, offset by net foreign exchange gain in current quarter compared to net loss in previous quarter.

**Income tax** amounted to USD 38.3 million for the third quarter of 2023 compared to USD 11.7 million for the previous quarter. The increase in income tax is primarily due to prior year adjustments associated with resolution of several prior year tax matters, as well as an update to current year tax expense for this quarter’s operating results as well as the restriction on interest deduction. YTD 2023 current income tax amounted to a cost of USD 94,8 million and deferred tax movements amounted to positive USD 12,5 million, which corresponds to a statutory tax rate of 64 percent on result before tax on hydrocarbon income, adjusted with the effects of investment uplift, interest restriction and prior year adjustments. The current tax accrual includes 33 percent “solidarity contribution”, - the EU-regulated temporary tax to be levied on fossil fuel companies in 2023 in Denmark. As this contribution may be offset against hydrocarbon tax, the charge does not lead to an increase in the overall tax percentage applied. Effective 0 percent tax on result before tax in Norway and UK and effective 22 percent tax on result before tax on ordinary income in Denmark.

**Net result** for the third quarter of 2023 was a loss of USD 6.3 million, compared to USD 19.4 million gain for the previous quarter.

1) Q3 2023 includes estimates for the last days in September, cost per boe will be updated with actual production in Q4 2023. Q2 2023 updated with actual production, as the published cost per boe included estimates for the end of June 2023.

## Selected data from the consolidated statement of financial position

USD million	30.09.2023	30.06.2023	30.09.2022
Total non-current assets	2,806.2	2,706.7	2,723.6
Total current assets	540.7	556.9	488.5
Total assets	3,346.9	3,263.6	3,212.1
Total equity	662.2	710.6	483.6
Interest bearing debt	1,137.6	1,124.6	1,106.7
Asset retirement obligations	984.5	975.5	1,044.4
Total current liabilities	255.8	236.8	146.3

**Total non-current assets** amounted to USD 2.8 billion at the end of third quarter of 2023 compared to USD 2.7 billion in the previous quarter. Increased due to increase in property, plant and equipment and deferred tax asset offset by decreased fair value of commodity derivative following the strengthening of oil price at the end of current quarter. Total non-current assets consist of USD 2.1 billion related to property, plant and equipment, intangible assets of USD 153.3 million, deferred tax asset of USD 366.5 million, derivatives related to the RBL interest swap and gas hedges of USD 0.9 million and USD 208.2 million in restricted cash, relating to cash pledged to Total as security for DUC cash call obligations and security against Nini/Cecilie abandonment costs.

**Total current assets** amounted to USD 540.7 million at the end of third quarter of 2023 compared to USD 556.9 million at the end of previous quarter. Decreased trade receivables and value of commodity derivatives due to realization of gas price hedges and interest swap derivatives during the quarter. Partly offset by increased cash and oil inventory in current quarter. Total current assets consist of USD 86.2 million in derivatives related to the RBL interest swap and gas hedges, USD 74.4 million in trade receivables and accrued revenue, mainly related to oil and gas revenue, USD 14.5 million in prepayments mainly related to insurance, USD 305.6 million of cash and USD 57.4 million of inventory.

**Total equity** amounted to USD 662.2 million at the end of the third quarter of 2023, compared to USD 710.6 million at the end of previous quarter. Decrease in equity was mainly related to loss from fair value adjustment of hedges and the negative result for the period.

**Interest-bearing debt** amounted to USD 1.1 billion at the end of third quarter of 2023 which is consistent with previous quarter. The convertible bond loan BNOR15 and BNOR13 had a book value of respectively USD 196.0 million and USD 0.2 million at the end of the third quarter of 2023. The bond loans are measured at amortised cost and the embedded derivatives are accounted for as a derivative liability at fair value through profit and loss. BlueNord's USD 1.1 billion RBL facility, drawn at USD 800.0 million on 30 September 2023 and with maximum cash drawing capacity of USD 1.0 billion, had a book value of USD 769.1 million at the end of the third quarter. The senior unsecured bond loan BNOR14 had a book value of USD 172.4 million at the end of the period. The RBL facility and the unsecured bond loan are measured at amortised cost.

**Asset retirement obligations** amounted to USD 984.5 million at the end of the third quarter of 2023, compared to USD 975.5 million at the end of the previous quarter. The increase is primarily due to accretion expense for the period. USD 919.9 million relates to the DUC assets, USD 60.5 million to Nini/Cecilie, USD 2.4 million to Lulita and USD 1.7 million to the Tyra F-3 pipeline. The Nini/Cecilie asset retirement obligation is secured through an escrow account of USD 60.5 million.

**Total current liabilities** amounted to USD 490.5 million at the end of third quarter of 2023 compared to USD 421.8 million last quarter. Increase relates to increased value of derivatives due to increased volume hedged on oil and increased fair value due to strengthening of oil price at the end of current quarter, increase in tax payables related to tax payables for the current period and for prior periods and increase in trade payables. Total current liabilities consist of USD 255.8 million in taxes payable, USD 98.2 million of current derivatives related to oil price hedges (non-current amounted to USD 88.9 million), USD 72.7 million in liabilities to DUC operator, USD 16.8 million related to VAT payable, USD 23.8 million in accrued cost including accrued interest expenses and USD 1.4 million related to trade payables.

**Selected data from the consolidated statement of cash flows**

USD million	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
Cash flow from operating activities	112.9	58.2	215.3	327.7	485.7
Cash flow used in investing activities	(90.1)	(86.0)	(70.6)	(262.7)	(190.9)
Cash flow from financing activities	(1.9)	(16.0)	(113.5)	(27.7)	(144.3)
Net change in cash and cash equivalents	20.9	(43.8)	31.2	37.2	150.5
Cash and cash equivalents	305.6	284.7	273.1	305.6	273.1

**Cash flow from operating activities** amounted to USD 112.9 million for the third quarter of 2023, compared to USD 58.2 million for the previous quarter. The increase was mainly related to increased oil revenue, in addition previous quarter had a tax payment of USD 40.4 million in repayment of tax benefit related to chapter 3b. Current quarter had a positive effect from working capital of USD 5.6 million compared to a negative effect of USD 1.3 million in previous quarter, this includes changes on trade payables, pre-payments and a reduction in the oil inventory. Cash flow from operating activities excluding changes in working capital amounted to USD 107.3 million for the third quarter of 2023, compared to USD 59.5 million for the previous quarter.

**Cash flow used in investing activities** amounted to an outflow of USD 90.1 million for the quarter, compared to USD 86.0 million for the previous quarter. The cash flow used in investing activities was mainly related to investments in the DUC asset of which USD 56.4 million related to the Tyra Redevelopment, USD 9.1 million in preparation work related to the Tyra Hub and satellites, USD 14.5 million for the ongoing drilling of infill well on Halfdan, USD 9.1 million related to Dan/Halfdan reroute and other minor projects, in addition USD 1.1 million in abandonment cost related running Abex on Halfdan and Gorm.

**Cash flow from financing activities** amounted to an outflow of USD 1.9 million for the third quarter of 2023, compared to USD 16.0 million for the previous quarter. The cash out flow in the current quarter was mainly related to the interest payment on the RBL facility, in addition the previous quarter had an interest payment on BNOR14. Offset by interest income and foreign exchange adjustment.

**Net change in cash and cash equivalents** amounted to positive USD 20.9 million at the end of the quarter compared to negative USD 43.8 million for the previous quarter. Cash and cash equivalents were in total USD 305.6 million at the end of third quarter 2023.



## Financial Risk Mitigation

The Company actively seeks to reduce exposure to the risk of fluctuating commodity prices, in addition to interest rate and foreign exchange risk as required, through the establishment of hedging arrangements. To achieve this, BlueNord has executed a hedging policy in the market and entered into forward contracts. More details on BlueNord's hedging policy can be found in note 13.4 as well as further detail on BlueNord's financial risk management is outlined in note 2 to the financial statements in the 2022 Annual Report which is available at [www.bluenord.com/reports-and-presentations/](http://www.bluenord.com/reports-and-presentations/).

The Company has a USD 1.0 billion swap to fix the floating interest rate exposure under the RBL facility from 1 Nov 2021 until 30 June 2024. The Company pays interest on RBL cash drawings equal to 0.4041 percent plus the applicable margin until expiry of the contracts.

During Q1 and Q3 2023 the company entered foreign exchange hedges to secure fixed USD to DKK exchange rates for selected future payments in relation to taxes, VAT and cash calls.

The table below summarises the quantity of volume hedged and average price at the end of the third quarter.

	Volume hedged oil (boe)	Average hedged price (\$/bbl)	Volume hedged gas (MWh)	Average hedged price (EUR/MWh)
2023 (Oct-Dec)	870,105	55.5	330,000	112.3
2024	3,564,000	66.4	1,260,000	68.1
2025	2,340,000	73.3	450,000	50.9
2026	300,000	76.3	-	-



# Operational Review

## Production

Key figures	Unit	Q3 2023 <sup>1)</sup>	Q2 2023 <sup>2)</sup>	Q3 2022	YTD 2023	YTD 2022
Dan hub	mboepd	8.3	7.0	6.8	7.8	7.8
Gorm hub	mboepd	4.4	4.3	4.5	4.4	4.8
Halfdan hub	mboepd	12.0	12.3	13.8	12.8	14.1
Tyra hub	mboepd	-	-	-	-	-
<b>Total production</b>	<b>mboepd</b>	<b>24.7</b>	<b>23.7</b>	<b>25.1</b>	<b>25.0</b>	<b>26.7</b>
Over/under-lift	mboepd	0.3	3.4	0.7	1.1	0.7
<b>Net sales</b>	<b>mboepd</b>	<b>24.9</b>	<b>27.1</b>	<b>25.8</b>	<b>26.1</b>	<b>27.4</b>
Oil sales	mboepd	19.1	21.4	20.2	20.0	21.6
Gas sales	mboepd	5.9	5.7	5.6	6.1	5.8
<b>Operating efficiency<sup>3)</sup></b>	<b>%</b>	<b>84.7 %</b>	<b>78.7 %</b>	<b>88.7 %</b>	<b>84.1 %</b>	<b>90.5 %</b>

- 1) Includes estimated production and operating efficiency for the last days in September, will be updated with actuals in Q4 2023.
- 2) Production and operating efficiency updated with actuals. Numbers published in Q2 2023 included estimates end of June due to early cut off.
- 3) Operating efficiency is calculated as: delivered production / (delivered production + planned shortfalls + unplanned shortfalls), Nogat shutdown in September included in the Operating efficiency for 2022.

Average production in Q3 2023 was in the upper end of the third quarter guidance of 24.0-25.0 mboepd. The re-route of Halfdan oil to Dan for final stabilization has been completed, consequently eliminating routine flaring in DUC. In addition, there were minor shut-downs on Gorm and Halfdan that have been fully addressed, and now the hubs are back at regular production levels. No further shutdowns are planned for the rest of the year. August 2023 production was high, mainly due to better-than-expected production from Halfdan which is believed to be driven by flush production after the partial shutdown of Halfdan for the reroute work. September 2023 production was stable and only impacted by issue at the Den Helder gas plant preventing gas export through the Nogat pipeline for approximately 3 days mainly impacting gas production from Halfdan.

### Dan hub

Third quarter average production was impacted by the completion of planned maintenance of the DFG IP/HP compressor with a duration of 21 days in September causing minor shortfalls and increased flaring from the Dan hub. There was also a rig move (Noble Reacher) in connection with the ongoing WROM campaign on Dan. In August, water handling capacity issues on Dan was observed due to increased scaling and asphaltene precipitation post implementation of Halfdan reroute. This was causing reduced production from several Dan wells. In July, replacement of the aftercooler on Dan impacted the production negatively.

Ten well interventions have been carried out by the WROM rig YTD 2023 and eight more interventions are planned with the rig for the remaining of 2023, including the restimulations.

### Gorm hub

Third quarter average production was good but slightly impacted by compressor issues and maintenance on Gorm hub in September. In August there was compressor maintenance on Gorm. As of end July it is possible to line pack excess gas production from the Gorm hub in the pipeline between Halfdan B and Gorm. This will limit future reduction of Gorm production for flare optimization. Further, the stored gas can be used for fuel purposes when the Gorm hub is gas deficient, thus reducing the need for gas import. Emergency S/Ds on Gorm on two occasions in July affected the entire DUC production for several days.

### Halfdan hub

Third quarter average production was high despite the issues at the Den Helder gas plant preventing gas export through the Nogat pipeline for approximately 3 days mainly impacting Halfdan gas production. In July, the planned work on Halfdan in connection to Halfdan reroute work was completed with a duration 14 days with partial C/I of Halfdan. The Halfdan reroute work eliminates routine flaring in DUC. Production after the reroute has been above expectation for Halfdan.

### Tyra hub

The Tyra Redevelopment project is, to date, the largest project carried out on the Danish Continental Shelf and is expected to increase net production by approximately 90 percent and unlock gross reserves in excess of 200 mboe. Tyra II will decrease direct field opex to below USD 13 per barrel and lower emissions intensity at the field by 30 percent. In addition, the project will extend field life by 25 years. Once operational, Tyra is expected to deliver 2.8 billion cubic meters of gas per year, making Denmark again self-sufficient and a net-exporter of natural gas.

## Field Development

### Tyra Redevelopment Q3 2023 Highlights

The highlight of the quarter is that subsea work has been completed and all satellite fields are now reconnected to the Tyra hub. Good progress has also been made over the summer months with weather critical structural work required for first gas on Tyra East completed. Leak Testing started according to schedule in mid-July. The most complex leak tests: the closed drain systems and the flare systems have been successfully completed and re-instated, however Leak test progress is behind plan. Well reinstatement on the Tyra West Well Head Platforms is progressing as per schedule. The operator TotalEnergies is reporting continued good offshore productivity, good use of available bed capacity and a strong safety culture. BlueNord expects that with a new start-up strategy with first gas in early Q1 2024, a faster ramp-up to plateau production is achievable meaning a positive production contribution for 2024.

**Tyra East Wellhead and Riser Platforms**

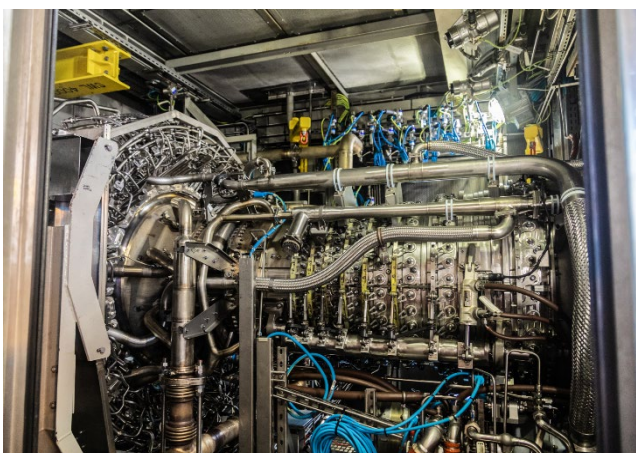
- Main weather critical scope completed this summer despite challenging weather conditions
- Offshore productivity is good with POB maximized
- Strong safety culture and effective permit to work system
- Well reinstatement campaign 1a) delivered according to plan

**TEG Processing Platform**

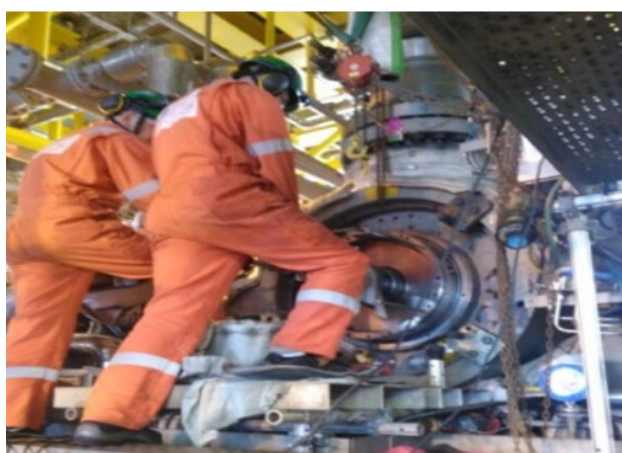
- Leak Testing started according to plan
  - Slower progress than expected
  - Closed drain systems complete
  - Flare Systems complete
- IP compressor successfully started and testing ongoing
- Gas Export Train B started and testing ongoing
- 1<sup>st</sup> and 2<sup>nd</sup> GTG running
- 3<sup>rd</sup> GTG under commissioning ahead of schedule

**Tyra West and Satellite Reinstatement**

- Subsea work completed and all satellite fields connected to Tyra hub
- Tyra West Hook-up nearing completion with Risers, Wellhead Access deck and Fender installation completed
- Tyra West B and Tyra West C Well reinstatement campaigns (1a) complete on target



GTG commissioning



TEG IP compressor Sleeve Installation

### Infill drilling

Final Investment Decision (FID) was announced in December 2022 on two infill wells drilled from Halfdan. The wells will be utilizing existing slots on Halfdan A (HBA). The first well in the seven well infill drilling programme, HBA 27B was spudded in June 2023 and production was expected during autumn of 2023. Several technical issues with the drilling equipment have been encountered and first production is now expected in the first quarter of 2024 when operations on the second well, HBA15B are scheduled to commence.

### Elly and Luke discoveries

As announced on the 12<sup>th</sup> of April, BlueNord submitted a license application to secure acreage in Denmark containing the two Jurassic gas discoveries Elly and Luke. On the 25<sup>th</sup> of September, BlueNord concluded that after identifying potential technical challenges relating to acquisition of new seismic and an internal assessment of Elly-Luke in relation to other projects within the Danish Underground Consortium (DUC), BlueNord will not proceed as an applicant in the mini-tender round.



## Health, Safety and the Environment

BlueNord will conduct its business operation in full compliance with all applicable national legislation in the countries where it is operating. The Company is committed to carry out its activities in a responsible manner to protect people and the environment. Our fundamentals of HSEQ and safe business practice are an integral part of BlueNord's operations and business performance.

BlueNord puts emphasis on its employees performing company activities in line with the principles of business integrity and with respect for people and the environment.

At BlueNord we work actively to reduce our carbon footprint while contributing to energy security. During the third quarter of 2023, BlueNord and its partners in the DUC successfully finalised the rerouting of Halfdan oil to Dan. The reroute eliminates routine flaring in the DUC. Blue Nord is currently assessing additional emissions reduction initiatives for its currently producing assets and for future activities.

Since 2022, BlueNord has invested in CarbonCuts, an independent early-stage CCS company in Denmark. BlueNord is involved by providing financial, technical and commercial support for an early-stage feasibility study for onshore CO2 storage. BlueNord is also involved in offshore CCS through Project Bifrost, a partnership between Ørsted, the DUC and DTU.

For more information on the Company's work, including the work of the ESG Committee, please see the Sustainability section page 34 – 55 and ESG Committee Report on page 80 in the 2022 Annual Report available on [www.bluenord.com/reports-and-presentations/](http://www.bluenord.com/reports-and-presentations/).

## Risks and uncertainties

The material known risks and uncertainties faced by BlueNord are described in detail in the section headed 'Risk Management Framework' on page 56 of the 2022 Annual Report which is available at [www.bluenord.com/reports-and-presentations/](http://www.bluenord.com/reports-and-presentations/). These have not changed materially since publication. There are several risks and uncertainties that could have a material impact on BlueNord's performance and financial position.

Key headline risks relate to the following:

- Oil and gas production and reserves
- Project delivery, including Tyra redevelopment project
- Decommissioning estimates
- Financial risks including, commodity prices, foreign currency exposure, access to capital and interest rate risk
- Cyber security
- Changes in environmental and tax legislation

## Governance and organization

The number of employees was 36 at the end of the third quarter.

The governance of BlueNord ASA is described in detail in the section headed 'Governance report' on page 66-87 of the 2022 Annual Report which is available at [www.bluenord.com/reports-and-presentations/](http://www.bluenord.com/reports-and-presentations/).

## Outlook

BlueNord has built a stable business that is underpinned by the Company's position in the DUC. BlueNord remains well positioned going forward to navigate global events and potentially unforeseen challenges as well as any future oil- and gas price volatility through business and IT continuity plans, price hedging arrangements and pro-active steps taken by the operator of the DUC.

As a response to the challenges in the European gas markets, BlueNord has together with its partners in the DUC identified several infill well opportunities. Final Investment Decision ("FID") taken on two infill wells in the Halfdan East area with an expected capital investment of c. USD 13 per boe of reserves. FID on three other infill wells are expected in 2023/2024. BlueNord currently expects the capital investment required for these wells to be c. USD 10 per boe of reserves, however this will be further defined on sanction where the impact of the current supply-side environment will be fully reflected. These wells will further increase the gas output from the DUC and help BlueNord meet its objective of supporting Energy Security in Denmark and the EU.

The onshore construction and offshore installation phases of the Tyra Redevelopment Project are complete, with the hook-up and commissioning phase now progressing and first gas expected in early Q1 2024. Once onstream, Tyra II will significantly enhance BlueNord's base production, and the Company also expects direct field operating expenditure to decrease below USD 13 per barrel.

With production from the first infill well postponed to first quarter 2024, a downward revision of the production guidance is necessary. Compared with the production guidance issued in June, the contribution of 3mboepd from the two new wells have been removed while the production guidance from the base producing assets remains unchanged. The Company expects the following production for the full year 2023:

Production	Unit	Guidance 2023	2022
Full Year	mboepd	24.5 - 25.0	26.7



Financial  
Statements



02



# Condensed Consolidated Statement of Comprehensive Income

## Income statement

USD million	Note	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
Revenue	2	200.2	190.7	293.5	611.5	737.2
<b>Total revenues</b>		<b>200.2</b>	<b>190.7</b>	<b>293.5</b>	<b>611.5</b>	<b>737.2</b>
Production expenses	3	(88.0)	(82.9)	(86.2)	(263.2)	(243.4)
Exploration and evaluation expenses		(0.1)	(0.2)	(0.2)	(0.6)	(0.1)
Personnel expenses		(4.4)	(3.9)	(2.8)	(12.2)	(8.0)
Other operating expenses		(1.6)	(5.0)	(6.6)	(9.2)	(14.3)
<b>Total operating expenses</b>		<b>(94.1)</b>	<b>(92.0)</b>	<b>(95.9)</b>	<b>(285.1)</b>	<b>(265.8)</b>
<b>Operating result (EBITDA)</b>		<b>106.1</b>	<b>98.7</b>	<b>197.6</b>	<b>326.4</b>	<b>471.4</b>
Depreciation/amortisation	7	(24.8)	(25.0)	(30.1)	(75.8)	(101.8)
<b>Net operating result (EBIT)</b>		<b>81.3</b>	<b>73.7</b>	<b>167.6</b>	<b>250.5</b>	<b>369.6</b>
Financial income	4	6.6	5.1	13.9	16.4	25.4
Financial expenses	4	(55.9)	(47.8)	(44.9)	(130.0)	(233.6)
<b>Net financial items</b>		<b>(49.3)</b>	<b>(42.6)</b>	<b>(31.1)</b>	<b>(113.6)</b>	<b>(208.2)</b>
<b>Result before tax (EBT)</b>		<b>32.0</b>	<b>31.1</b>	<b>136.5</b>	<b>137.0</b>	<b>161.4</b>
Income tax benefit/(expense)	5	(38.3)	(11.7)	(148.5)	(82.2)	(267.5)
<b>Net result for the period</b>		<b>(6.3)</b>	<b>19.4</b>	<b>(12.0)</b>	<b>54.7</b>	<b>(106.1)</b>
Basic earnings/loss USD per share		(0.2)	0.7	(0.5)	2.1	(4.3)
Diluted earnings/loss USD per share		(0.2)	0.7	(0.5)	2.1	(4.3)
Weighted average no. of shares outstanding, basic		26,096,523	26,064,882	25,518,676	26,024,370	24,815,593
Weighted average no. of shares outstanding, diluted		31,228,353	32,466,853	31,627,671	31,156,200	30,924,588

## Statement of comprehensive income

USD million	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
Net result for the period	(6.3)	19.4	(12.0)	54.7	(106.1)
<b>Other comprehensive income (net of tax):</b>					
Items that may subseq. be reclassified to profit or loss:					
Realized cash flow hedge	(12.8)	(3.3)	71.8	(23.5)	226.4
Related tax - realized cash flow hedge	8.2	2.1	(45.9)	15.0	(144.9)
Changes in fair value	(85.6)	21.1	101.7	(8.9)	(152.7)
Related tax - changes in fair value	49.4	(14.0)	(64.8)	(2.4)	114.3
Currency translation adjustment	(1.5)	0.3	(2.3)	(0.5)	(5.5)
<b>Total other comprehensive income (net of tax)</b>	<b>(42.3)</b>	<b>6.2</b>	<b>60.5</b>	<b>(20.2)</b>	<b>37.5</b>
<b>Total comprehensive income (net of tax)</b>	<b>(48.6)</b>	<b>25.6</b>	<b>48.5</b>	<b>34.5</b>	<b>(68.6)</b>



# Condensed Consolidated Statement of Financial Position

USD million	Note	30.09.2023	30.06.2023	31.12.2022	30.09.2022
<b>Non-current assets</b>					
Exploration & evaluation assets	6	153.3	155.0	160.4	161.2
Deferred tax assets	5	366.5	328.1	348.8	352.2
Property, plant and equipment	7	2,073.5	2,007.6	1,911.9	1,981.3
Right of Use asset		1.6	1.9	0.9	0.5
Restricted cash	10, 13	208.2	207.9	203.7	197.1
Receivables non-current	8	2.3	2.3	0.8	-
Derivative instruments	13	0.9	4.0	33.7	31.1
<b>Total non-current assets</b>		<b>2,806.2</b>	<b>2,706.7</b>	<b>2,660.1</b>	<b>2,723.6</b>
<b>Current assets</b>					
Derivative instruments	13	86.2	121.7	130.9	64.5
Trade receivables and other current assets	8	91.4	97.2	128.6	93.5
Inventories	9	57.4	53.2	55.9	57.3
Bank deposits, cash and cash equivalents	10	305.6	284.7	268.4	273.1
<b>Total current assets</b>		<b>540.7</b>	<b>556.9</b>	<b>583.9</b>	<b>488.5</b>
<b>Total assets</b>		<b>3,346.9</b>	<b>3,263.6</b>	<b>3,244.0</b>	<b>3,212.1</b>
<b>Equity</b>					
Share capital	15	1.7	1.7	1.7	5.6
Other equity		660.5	708.9	600.8	478.0
<b>Total equity</b>		<b>662.2</b>	<b>710.6</b>	<b>602.5</b>	<b>483.6</b>
<b>Non-current liabilities</b>					
Asset retirement obligations	14	966.3	961.6	946.1	1,024.3
Convertible bond loans	11, 13	196.1	189.3	188.7	149.1
Bond loan	11, 13	172.4	167.9	166.9	170.3
Reserve-based lending facility	11, 13	769.1	767.4	764.0	762.3
Derivative instruments	13	88.9	43.6	90.4	145.0
Other non-current liabilities	11	1.3	1.6	0.7	0.4
<b>Total non-current liabilities</b>		<b>2,194.1</b>	<b>2,131.3</b>	<b>2,156.8</b>	<b>2,251.5</b>
<b>Current liabilities</b>					
Asset retirement obligations	14	18.2	13.9	9.8	20.1
Tax payable	5	255.8	236.8	209.0	146.3
Derivative instruments	13	98.2	57.6	125.3	165.5
Trade payables and other current liabilities	12, 11	118.3	113.5	140.6	145.2
<b>Total current liabilities</b>		<b>490.5</b>	<b>421.8</b>	<b>484.7</b>	<b>477.0</b>
<b>Total liabilities</b>		<b>2,684.7</b>	<b>2,553.0</b>	<b>2,641.5</b>	<b>2,728.5</b>
<b>Total equity and liabilities</b>		<b>3,346.9</b>	<b>3,263.6</b>	<b>3,244.0</b>	<b>3,212.1</b>

# Condensed Consolidated Statement of Changes in Equity

USD million	Share capital	Share premium fund	Treasury share reserve	Currency translation fund	Cash flow hedge reserve	Other equity	Total equity
<b>2022</b>							
<b>Equity as of 01.01.2022</b>	<b>29.5</b>	<b>707.0</b>	<b>(0.5)</b>	<b>2.6</b>	<b>(67.5)</b>	<b>(179.0)</b>	<b>492.1</b>
Net result for the period						(106.1)	(106.1)
<b>Other comprehensive income</b>							
Realized cash flow hedge	-	-	-	-	226.4	-	226.4
Related tax - realized cash flow hedge	-	-	-	-	(144.9)	-	(144.9)
Changes in fair value	-	-	-	-	(152.7)	-	(152.7)
Related tax - changes in fair value	-	-	-	-	114.3	-	114.3
Currency translation adjustments	-	-	-	(5.5)	-	-	(5.5)
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5.5)</b>	<b>43.1</b>	<b>0.0</b>	<b>37.6</b>
Issue of shares	1.4	32.2	-	-	-	-	33.6
Capital reduction, approved and registered	(25.4)	25.4	-	-	-	-	-
Settlement derivatives/conversion NOR13	-	-	-	-	-	21.0	21.0
Share-based incentive program	-	-	-	-	-	0.2	0.2
Share buyback	-	-	0.3	-	-	4.9	5.2
<b>Total transactions with owners for the period</b>	<b>(23.9)</b>	<b>57.5</b>	<b>0.3</b>	<b>-</b>	<b>-</b>	<b>26.1</b>	<b>60.1</b>
<b>Equity as of 30.09.2022</b>	<b>5.6</b>	<b>764.5</b>	<b>(0.2)</b>	<b>(3.0)</b>	<b>(24.4)</b>	<b>(259.0)</b>	<b>483.6</b>
<b>2023</b>							
<b>Equity as of 01.01.2023</b>	<b>1.7</b>	<b>768.4</b>	<b>(0.1)</b>	<b>0.5</b>	<b>13.9</b>	<b>(181.9)</b>	<b>602.5</b>
Net result for the period						54.7	54.7
<b>Other comprehensive income</b>							
Realized cash flow hedge	-	-	-	-	(23.5)	-	(23.5)
Related tax - realized cash flow hedge	-	-	-	-	15.0	-	15.0
Changes in fair value	-	-	-	-	(8.9)	-	(8.9)
Related tax - changes in fair value	-	-	-	-	(2.4)	-	(2.4)
Currency translation adjustments	-	-	-	(0.5)	-	-	(0.5)
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.5)</b>	<b>(19.7)</b>	<b>-</b>	<b>(20.2)</b>
Issue of shares	-	-	-	-	-	-	-
Capital reduction, approved and registered	-	-	-	-	-	-	-
Settlement derivatives/conversion NOR13/NOR15	0.0	13.8	-	-	-	8.9	22.7
Transaction cost equity issue	-	-	-	-	-	-	-
Share-based incentive program	-	-	-	-	-	2.4	2.4
Sale of shares	-	-	0.0	-	-	0.1	0.1
<b>Total transactions with owners for the period</b>	<b>0.0</b>	<b>13.8</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>11.5</b>	<b>25.3</b>
<b>Equity as of 30.09.2023</b>	<b>1.7</b>	<b>782.2</b>	<b>(0.1)</b>	<b>(0.0)</b>	<b>(5.7)</b>	<b>(115.8)</b>	<b>662.2</b>

# Condensed Consolidated Statement of Cash Flows

USD million	Note	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
<b>Cash flows from operating activities</b>						
Net result for the period		(6.3)	19.4	(12.0)	54.7	(106.1)
<b>Adjustments for:</b>						
Income tax benefit/(expense)	5	38.3	11.7	148.5	82.2	267.5
Tax paid/received		(0.1)	(40.4)	0.4	(40.4)	6.1
Depreciation	7	24.8	25.0	30.1	75.8	101.8
Share-based payments expenses		1.2	1.2	0.2	3.5	0.1
Net financial item	4	49.3	42.6	34.7	113.6	217.2
Net gain on sale of assets		-	-	-	-	(0.2)
<b>Changes in:</b>						
Trade receivable	8	1.4	(13.0)	28.4	18.6	9.0
Trade payables	12	0.4	(4.5)	(12.1)	(1.0)	(20.9)
Inventories and spare parts	9	(4.2)	8.5	(3.6)	(1.5)	(5.9)
Prepayments	8	1.1	4.9	(3.7)	9.7	5.1
Over/under-lift	8, 12	6.8	2.7	4.4	12.5	11.8
Other current balance sheet items		0.0	0.0	0.0	(0.0)	0.1
<b>Net cash flow from operating activities</b>		<b>112.9</b>	<b>58.2</b>	<b>215.3</b>	<b>327.7</b>	<b>485.7</b>
<b>Cash flows from investing activities</b>						
Consideration sale of asset		-	-	-	-	0.3
Deferred consideration	8	-	-	-	(25.0)	-
Investment in oil and gas assets	7	(89.0)	(80.9)	(65.3)	(232.0)	(178.8)
Investment in exploration & evaluation assets		(0.0)	-	(0.7)	1.9	(1.2)
Abandonment paid		(1.1)	(5.1)	(4.5)	(7.6)	(11.2)
<b>Net cash flow from investing activities</b>		<b>(90.1)</b>	<b>(86.0)</b>	<b>(70.6)</b>	<b>(262.7)</b>	<b>(190.9)</b>
<b>Cash flows from financing activities</b>						
Long-term loans	11	-	-	(100.0)	-	(100.0)
Issue of long-term loans	11	-	-	-	(1.4)	-
Lease payments		(0.2)	(0.1)	(0.1)	(0.5)	(0.5)
Sale of shares		0.1	-	-	0.1	5.2
Interest and financing costs		(7.2)	(16.6)	(14.1)	(33.1)	(43.2)
Settled hedges		0.0	(0.1)	-	(0.1)	-
Other financial items		5.3	0.8	0.6	7.2	(5.8)
<b>Net cash flow from financing activities</b>		<b>(1.9)</b>	<b>(16.0)</b>	<b>(113.5)</b>	<b>(27.7)</b>	<b>(144.3)</b>
Net change in cash and cash equivalents		20.9	(43.8)	31.2	37.2	150.5
Cash and cash equivalents at the start of the period		284.7	328.5	241.9	268.4	122.6
<b>Cash and cash equivalents at end of the period</b>		<b>305.6</b>	<b>284.7</b>	<b>273.1</b>	<b>305.6</b>	<b>273.1</b>

# Notes



03

# Notes

## 1 Accounting principles

BlueNord ASA (“BlueNord”, “the Company” or “the Group”) is a public limited liability company registered in Norway, with headquarters in Oslo (Nedre Vollgate 1, 0158 Oslo). The Company has subsidiaries in Norway, Denmark, the Netherlands and the United Kingdom. The Company is listed on the Oslo Stock Exchange.

### Basis for preparation

The interim condensed consolidated financial statements (the interim financial statements) for the third quarter of 2023 comprise of BlueNord ASA (BlueNord) and its subsidiaries. These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU. The interim financial statements do not include all the information and disclosures required to represent a complete set of financial statements, and these interim financial statements should be read in conjunction with the annual financial statements. The interim financial statements are unaudited. The subtotals and totals in some of the tables may not equal the sum of the amounts shown due to rounding. The interim financial statements for the third quarter of 2023 were approved by the Board of Directors on 17 October 2023.

### Going concern

The Board of Directors confirms that the interim financial statements have been prepared under the presumption of going concern, and that this is the basis for the preparation of these interim financial statements. The financial solidity and the Company’s cash and working capital position are considered satisfactory in regards of the planned activity level until Q4 2024.

### Reference to summary of significant accounting policies

These interim financial statements are prepared using the same accounting principles as the annual financial statements for 2022.

For the full summary of significant accounting policies, reference is made to the annual financial statements for 2022.

### Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The significant judgements made in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

## 2 Revenue

USD million	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
Sale of oil	130.5	122.3	148.7	365.9	454.8
Sale of gas and NGL	68.8	67.6	143.5	243.0	277.8
Other income	0.9	0.8	1.4	2.6	4.6
<b>Total revenue</b>	<b>200.2</b>	<b>190.7</b>	<b>293.5</b>	<b>611.5</b>	<b>737.2</b>
Oil lifted volumes (mmbbl)	1.75	1.95	1.86	5.46	5.89
<b>Effective Oil price USD/bbl<sup>1)</sup></b>	<b>74.5</b>	<b>62.7</b>	<b>79.8</b>	<b>67.0</b>	<b>77.2</b>
Gas lifted volumes (mmboe)	0.5	0.5	0.5	1.7	1.6
Effective gas price EUR/MWh	68.3	70.9	159.6	79.5	96.7
<b>Effective gas price USD/boe</b>	<b>128.3</b>	<b>130.9</b>	<b>280.7</b>	<b>146.6</b>	<b>174.2</b>

1) See the description of «Alternative performance measures» at the end of this report for definitions.

In the third quarter, BlueNord's sale of oil amounted to USD 130.5 million and sale of gas amounted to USD 68.8 million, realised prices were USD 74.5 per bbl of oil and EUR 68.3 per MWh of gas lifted during the period, adjusted for settlement of price hedges in place with financial institutions.

During the third quarter, all of BlueNord's settlement of prices hedges that were put in place with financial institutions in the market matched the physical sale of oil and gas and were recognised as revenue.

## 3 Production expenses

USD million	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
Direct field opex	(59.3)	(53.5)	(65.9)	(187.7)	(166.5)
Tariff and transportation expenses	(8.6)	(7.1)	(8.1)	(24.3)	(27.9)
Production general and administrative	(4.5)	(3.9)	(4.6)	(11.5)	(23.8)
<b>Field operating cost</b>	<b>(72.3)</b>	<b>(64.5)</b>	<b>(78.6)</b>	<b>(223.5)</b>	<b>(218.2)</b>
Total produced volumes (mmboe) <sup>1)</sup>	2.3	2.2	2.3	6.8	7.3
In USD per boe <sup>1)</sup>	(31.9)	(29.9)	(34.0)	(32.8)	(29.9)
<b>Adjustments for:</b>					
Concept studies	(3.8)	0.4	-	(5.2)	-
Change in inventory position	2.6	(10.5)	2.5	(2.8)	5.2
Over/under-lift of oil and NGL	(6.8)	(2.7)	(4.4)	(12.5)	(11.8)
Insurance & other	(6.5)	(5.2)	(5.2)	(16.6)	(14.7)
Stock scrap	(1.2)	(0.5)	(0.5)	(2.5)	(4.0)
<b>Production expenses</b>	<b>(88.0)</b>	<b>(82.9)</b>	<b>(86.2)</b>	<b>(263.2)</b>	<b>(243.4)</b>

1) Q3 2023 includes estimates for the last days in September, production volumes and cost per boe will be updated with actuals in Q4 2023. Q2 2023 updated with actuals, as the published production and cost per boe included estimates for the end of June 2023.

Production expenses for the third quarter directly attributable to the lifting and transportation to market of BlueNord's oil and gas production are in total USD 72.3 million, which equates to USD 31.9 per boe produced during the period compared to USD 29.9 per boe in Q2 2023. The increase compared to Q2 is mainly related to increased activity in inspection and maintenance. To maintain production the "Well Reservoir Opportunity Management" (WROM) continued throughout the quarter on Dan.

## 4 Financial income and expenses

### Financial income

USD million	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
Value adjustment interest swap unrealized <sup>1)</sup>	-	-	6.8	-	11.1
Volume protection true up	-	-	-	0.6	-
Interest income	4.5	4.7	1.2	12.9	1.5
Foreign exchange gains	2.1	0.4	5.9	3.0	12.9
<b>Total financial income</b>	<b>6.6</b>	<b>5.1</b>	<b>13.9</b>	<b>16.4</b>	<b>25.4</b>

### Financial expenses

USD million	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
Value adjustment interest swap unrealized <sup>2)</sup>	(1.8)	(0.0)	-	(3.3)	-
Value adjustment embedded derivatives <sup>3)</sup>	(24.4)	(10.2)	(5.3)	(23.2)	(115.9)
Value adjustment foreign exchange contract	-	(0.6)	-	(0.6)	-
Utilisation of derivatives	-	(0.1)	-	(0.1)	-
Interest expense from bond loans	(11.4)	(12.4)	(11.5)	(33.6)	(34.9)
Interest expense from bank debt <sup>4)</sup>	(8.6)	(9.3)	(11.9)	(29.1)	(37.0)
Interest expenses current liabilities	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)
Accretion expense related to asset retirement obligations	(12.3)	(12.3)	(12.0)	(36.9)	(36.0)
Extinguishment of bonds loans	-	-	-	(0.0)	-
Foreign exchange losses	3.2	(2.0)	(3.3)	(0.8)	(7.2)
Other financial expenses	(0.6)	(0.9)	(0.8)	(2.4)	(2.6)
<b>Total financial expenses</b>	<b>(55.9)</b>	<b>(47.8)</b>	<b>(44.9)</b>	<b>(130.0)</b>	<b>(233.6)</b>
<b>Net financial items</b>	<b>(49.3)</b>	<b>(42.6)</b>	<b>(31.1)</b>	<b>(113.6)</b>	<b>(208.2)</b>

- 1) Fair value of the ineffective part of the interest swap related to RBL facility
- 2) Unwinding of the ineffective part of the interest swap related to RBL facility
- 3) Fair value adjustment of the embedded derivatives of the convertible bonds
- 4) Net of realized interest swap related to RBL facility

## 5 Tax

### Tax rates

Producers of oil and gas on the Danish Continental Shelf are subject to the hydrocarbon tax regime under which, income derived from the sale of oil and gas is taxed at an elevated 64 percent. Any income deriving from other activities than first-time sales of hydrocarbons is taxed at the ordinary corporate income rate of currently 22 percent. The 64 percent is calculated as the sum of the "Chapter 2" tax of 25 percent plus a specific hydrocarbon tax (chapter 3A) of 52 percent, in which the 25 percent tax payable is deductible. Income generated in Norway and United Kingdom is subject to regular corporate tax at 22 percent.

### Tax expense

#### USD million

Income tax in profit/loss (Danish corporate income tax and hydrocarbon tax)	Q3 2023	YTD 2023
Income tax current year	1.9	(39.0)
Solidarity contribution, current	(16.2)	(43.7)
Income tax for prior years	(12.1)	(12.1)
<b>Current income tax</b>	<b>(26.4)</b>	<b>(94.8)</b>
Deferred tax movements	(29.4)	(38.5)
Solidarity contribution, deferred	16.2	43.7
Prior year adjustment, deferred tax	1.3	7.3
<b>Deferred tax expense</b>	<b>(11.9)</b>	<b>12.5</b>
<b>Tax (expense)/ income</b>	<b>(38.3)</b>	<b>(82.2)</b>

Income tax in profit/loss is solely derived from the Group's activities on the Danish continental shelf, of which the major part is subject to the elevated 64 percent hydrocarbon tax.

#### Tax (expense)/income related to OCI

Cash flow hedges	57.6	12.7
<b>Tax (expense)/income related to OCI</b>	<b>57.6</b>	<b>12.7</b>

Income tax on OCI is related to the unrealised fair value changes in derivatives designated in cash flow hedges. To the extent derivatives are associated with the sale of oil and gas, result from cash flow hedges is subject to 64 percent hydrocarbon tax.

Reconciliation of nominal to actual tax rate:	Hydrocarbon tax 64%		Corporate tax 22%		In total
	Q3 2023		Q3 2023		
Result before tax	48.5		(16.5)		32.0
<b>Expected tax on profit before tax</b>	<b>31.1</b>	<b>64%</b>	<b>(3.6)</b>	<b>22%</b>	<b>27.4</b>
<b>Tax effect of:</b>					
Prior year adjustment	10.8	22%	-	0%	10.8
Repayment of tax benefit related to chapter 3b <sup>1)</sup>	-	0%	-	0%	-
Investment uplift on CAPEX projects <sup>2)</sup>	(11.6)	-24%	-	0%	(11.6)
Permanent differences	4.7	10%	5.6	-34%	10.3
No recognition of tax assets in Norway and UK	-	0%	1.4	-9%	1.4
<b>Tax expense (income) in profit/loss</b>	<b>35.0</b>	<b>72%</b>	<b>3.3</b>	<b>20%</b>	<b>38.3</b>



Reconciliation of nominal to actual tax rate, continues:	Hydrocarbon tax 64%		Corporate tax 22%		In total
	YTD 2023		YTD 2023		
Result before tax	140.7		(3.7)		137.0
<b>Expected tax on profit before tax</b>	<b>90.0</b>	<b>64%</b>	<b>(0.8)</b>	<b>22%</b>	<b>89.2</b>
<b>Tax effect of:</b>					
Prior year adjustment	4.8	3%	-	0%	4.8
Repayment of tax benefit related to chapter 3b <sup>1)</sup>	-	0%	-	0%	-
Investment uplift on CAPEX projects <sup>2)</sup>	(30.4)	-22%	-	0%	(30.4)
Permanent differences	9.9	7%	5.1	-138%	15.0
No recognition of tax assets in Norway and UK	-	0%	3.7	100%	3.7
<b>Tax expense (income) in profit/loss</b>	<b>74.3</b>	<b>53%</b>	<b>8.0</b>	<b>216%</b>	<b>82.2</b>

1) From 2022 and onwards, an additional tax cost related to the special tax incentive scheme (chapter 3b) is levied if commodity prices exceed certain thresholds. This tax is payable on net proceeds from sales (incl. hedging results), less costs and fiscal depreciation and constitutes a repayment of the benefit previously achieved. The repayment cannot exceed the accumulated tax benefit achieved from the special tax incentive rules during the development period. For 2023, BlueNord estimates USD 0 million year to date.

2) The tax cost in the hydrocarbon tax regime is positively impacted by the 39 percent investment uplift on the Tyra Redevelopment project.

	Q3 2023		Q3 2023		In total
	Q3 2023		Q3 2023		
OCI before tax	(85.6)		(12.8)		(98.4)
<b>Expected tax on OCI before tax</b>	<b>54.8</b>	<b>64%</b>	<b>2.8</b>	<b>22%</b>	<b>57.6</b>
<b>Tax effect of:</b>					
Non-taxable currency translation adjustment	-		-		-
<b>Tax in OCI</b>	<b>54.8</b>	<b>64%</b>	<b>2.8</b>	<b>22%</b>	<b>57.6</b>

	YTD 2023		YTD 2023		In total
	YTD 2023		YTD 2023		
OCI before tax	(13.2)		(19.1)		(32.3)
<b>Expected tax on OCI before tax</b>	<b>8.5</b>	<b>64%</b>	<b>4.2</b>	<b>22%</b>	<b>12.7</b>
<b>Tax effect of:</b>					
Non-taxable currency translation adjustment	-		-		-
<b>Tax in OCI</b>	<b>8.5</b>	<b>64%</b>	<b>4.2</b>	<b>22%</b>	<b>12.7</b>

#### Current income tax payable

Tax payable relates to the Group's entities in Denmark. The amounts payable as of 30.09.2023 were:

Hydrocarbon tax pertaining to pre-acquisition period 2019 not indemnified by the Seller	(17.4)
Corporate tax for 2022 and 2023 (Denmark)	(14.7)
Hydrocarbon tax for 2022 and 2023 (Denmark)	(166.9)
Hydrocarbon tax for prior years	(13.0)
Repayment of tax benefit related to chapter 3b	(43.7)
<b>Tax payables</b>	<b>(255.8)</b>

Current income taxes for current and prior periods are measured at the amount that is expected to be paid to or be refunded from the tax authorities, as at the balance sheet date. Due to the complexity in the legislative framework and the limited amount of guidance from relevant case law, the measurement of taxable profits within the oil and gas industry is associated with some degree of uncertainty. Uncertain tax liabilities are recognised with the probable value if their probability is more likely than not. Tax payable of USD 255.8 million, of which USD 246.8 million is an actual cash payable to be paid in 2023/2024.

## Deferred tax

Deferred tax assets are measured at the amount that is expected to result in taxes due to temporary differences and the value of tax losses.

The recognized deferred tax asset is allocable to the following balance sheet items, all pertaining to the Group's activities on the Danish continental shelf:

USD million		Effect recognized in P&L	Effect recognized in OCI	30.09.2023
<b>Deferred tax and deferred tax asset</b>	01.01.2023			
Property, plant and equipment	636.1	10.6	-	646.8
Intangible assets, licences	25.1	4.3	-	29.4
Inventories and receivables	29.3	(0.7)	-	28.6
Asset retirement obligation (ARO)	(564.5)	(18.3)	-	(582.8)
Other assets and liabilities	(2.8)	0.3	-	(2.5)
Tax loss carryforward, corporate tax (22%)			-	-
Tax loss carryforward, chapter 2 tax (25%)	(0.1)	0.1	-	(0.1)
Tax loss carryforward, chapter 3a tax (52%)	(471.9)	(8.8)	(5.2)	(485.9)
<b>Deferred tax asset, net</b>	<b>(348.8)</b>	<b>(12.5)</b>	<b>(5.2)</b>	<b>(366.5)</b>

## 6 Intangible assets

USD million	Capitalised exploration expenditures	Conceptual studies	Licence	Total
<b>Book value 31.12.22</b>	<b>1.8</b>	<b>1.9</b>	<b>156.6</b>	<b>160.4</b>
Acquisition costs 31.12.22	1.8	1.9	186.0	189.8
Reclassified to operating expenses	-	(1.9)	-	(1.9)
<b>Acquisition costs 30.06.23</b>	<b>1.8</b>	<b>-</b>	<b>186.0</b>	<b>187.8</b>
Accumulated depreciation and write-downs 31.12.22	-	-	(29.4)	(29.4)
Depreciation/amortisation	-	-	(3.5)	(3.5)
<b>Accumulated depreciation and write-downs 30.06.23</b>	<b>-</b>	<b>-</b>	<b>(32.8)</b>	<b>(32.8)</b>
<b>Book value 30.06.23</b>	<b>1.8</b>	<b>-</b>	<b>153.1</b>	<b>155.0</b>
Acquisition costs 30.06.23	1.8	-	186.0	187.8
Additions	0.0	-	-	0.0
<b>Acquisition costs 30.09.23</b>	<b>1.8</b>	<b>-</b>	<b>186.0</b>	<b>187.8</b>
Accumulated depreciation and write-downs 30.06.23	-	-	(32.8)	(32.8)
Depreciation/amortisation	-	-	(1.7)	(1.7)
<b>Accumulated depreciation and write-downs 30.09.23</b>	<b>-</b>	<b>-</b>	<b>(34.5)</b>	<b>(34.5)</b>
<b>Book value 30.09.23</b>	<b>1.8</b>	<b>-</b>	<b>151.4</b>	<b>153.3</b>

## 7 Property, plant and equipment

USD million	Asset under construction	Production facilities	Other assets	Total
<b>Book value 31.12.22</b>	<b>1,050.9</b>	<b>859.6</b>	<b>1.4</b>	<b>1,911.9</b>
Acquisition costs 31.12.22	1,050.9	1,252.5	3.1	2,306.4
Sale of assets	-	-	-	-
Additions	127.3	15.3	0.3	142.9
Revaluation abandonment assets	-	0.1	-	0.1
Currency translation adjustment	-	0.0	0.0	0.1
<b>Acquisition costs 30.06.23</b>	<b>1,178.2</b>	<b>1,268.0</b>	<b>3.4</b>	<b>2,449.5</b>
Accumulated depreciation and write-downs 31.12.22	-	(392.9)	(1.7)	(394.6)
Depreciation	-	(47.2)	(0.1)	(47.3)
Currency translation adjustment	-	(0.0)	(0.0)	(0.0)
<b>Accumulated depreciation and write-downs 30.06.23</b>	<b>-</b>	<b>(440.2)</b>	<b>(1.8)</b>	<b>(441.9)</b>
<b>Book value 30.06.23</b>	<b>1,178.2</b>	<b>827.8</b>	<b>1.6</b>	<b>2,007.6</b>
Acquisition costs 30.06.23	1,178.2	1,268.0	3.4	2,449.5
Sale of assets	-	-	(0.0)	(0.0)
Additions	76.4	12.6	0.1	89.0
Disposals	-	-	(0.2)	(0.2)
Currency translation adjustment	-	(0.1)	(0.0)	(0.1)
<b>Acquisition costs 30.09.23</b>	<b>1,254.6</b>	<b>1,280.5</b>	<b>3.2</b>	<b>2,538.3</b>
Accumulated depreciation and write-downs 30.06.23	-	(440.2)	(1.8)	(441.9)
Sale of asset, reversal depreciation	-	-	0.0	0
Depreciation	-	(22.9)	(0.0)	(23.0)
Disposals	-	-	0.1	0.1
Currency translation adjustment	-	0.0	0.0	0.0
<b>Accumulated depreciation and write-downs 30.09.23</b>	<b>-</b>	<b>(463.1)</b>	<b>(1.7)</b>	<b>(464.8)</b>
<b>Book value 30.09.23</b>	<b>1,254.6</b>	<b>817.4</b>	<b>1.5</b>	<b>2,073.5</b>

Impairment testing of our asset base is performed periodically and/or when impairment triggers are identified. In Q4 2022 BlueNord carried out a periodical impairment test for the fixed assets and related tangible assets. The outcome of the impairment test was that no impairment was necessary. BlueNord has not identified that there are any indicators of impairment at the current time, consequently the assessment carried out in Q4 2022 remain valid.

## 8 Non-current receivables, trade receivables and other current assets

USD million	30.09.2023	30.06.2023	31.12.2022	30.09.2022
<b>Non-current assets</b>				
Convertible loan CarbonCuts	0.7	0.7	0.2	-
Loan CarbonCuts	1.6	1.6	0.6	-
<b>Total non-current receivables</b>	<b>2.3</b>	<b>2.3</b>	<b>0.8</b>	<b>-</b>
<b>Current assets</b>				
Trade receivables	0.4	0.6	42.1	0.9
Accrued revenue	74.1	72.9	52.3	76.6
Under-lift of oil/NGL	-	3.2	8.9	-
Prepayments	14.5	15.7	24.2	14.9
Other receivables	2.5	4.8	1.1	1.1
<b>Total trade receivables and other current receivables</b>	<b>91.4</b>	<b>97.2</b>	<b>128.6</b>	<b>93.5</b>

## 9 Inventories

USD million	30.09.2023	30.06.2023	31.12.2022	30.09.2022
Product inventory, oil	18.8	16.2	21.6	22.9
Other stock (spares & consumables)	38.6	37.1	34.3	34.4
<b>Total inventories</b>	<b>57.4</b>	<b>53.2</b>	<b>55.9</b>	<b>57.3</b>

## 10 Restricted cash, bank deposits, cash and cash equivalents

USD million	30.09.2023	30.06.2023	31.12.2022	30.09.2022
<b>Non-current assets</b>				
Restricted cash pledged as security for abandonment obligation related to Nini/Cecilie	60.5	62.6	61.1	55.8
Restricted cash pledged as security for cash call obligations towards TotalEnergies <sup>1)</sup>	147.7	145.2	142.5	141.3
<b>Total non-current restricted cash</b>	<b>208.2</b>	<b>207.9</b>	<b>203.7</b>	<b>197.1</b>
<b>Current assets</b>				
Unrestricted cash, bank deposits, cash equivalents	305.6	284.7	268.4	273.1
<b>Total bank deposits</b>	<b>513.8</b>	<b>492.6</b>	<b>472.0</b>	<b>470.3</b>

1) BlueNord has made a USD 140 million deposit into a cash call security account in accordance with a cash call security agreement with TotalEnergies E&P Denmark A/S as operator of the DUC. All payment obligations from BlueNord to the cash call security account have been made and there will be no further increase, except for interest earned.

## 11 Borrowings

USD million	30.09.2023		30.06.2023		31.12.2022		30.09.2022	
	Principal amount	Book value	Principal amount	Book value	Principal amount	Book value	Principal amount	Book value
BNOR13 Convertible Bond <sup>1)</sup>	0.2	0.2	0.2	0.2	13.8	13.1	165.2	149.1
BNOR15 Convertible Bond <sup>2)</sup>	219.5	196.0	219.5	189.1	207.6	175.7	-	-
BNOR14 Senior Unsecured Bond <sup>3)</sup>	175.0	172.4	175.0	167.9	175.0	166.9	175.0	170.3
<b>Total non-current bonds</b>	<b>394.7</b>	<b>368.6</b>	<b>394.7</b>	<b>357.2</b>	<b>396.5</b>	<b>355.6</b>	<b>340.2</b>	<b>319.4</b>
Reserve-based lending facility <sup>4)</sup>	800.0	769.1	800.0	767.4	800.0	764.0	800.0	762.4
<b>Total non-current debt</b>	<b>800.0</b>	<b>769.1</b>	<b>800.0</b>	<b>767.4</b>	<b>800.0</b>	<b>764.0</b>	<b>800.0</b>	<b>762.4</b>
Deferred Consideration <sup>5)</sup>	-	-	-	-	25.0	25.0	25.0	25.0
<b>Total current debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>	<b>25.0</b>
<b>Total borrowings</b>	<b>1,194.7</b>	<b>1,137.6</b>	<b>1,194.7</b>	<b>1,124.6</b>	<b>1,221.5</b>	<b>1,144.6</b>	<b>1,165.2</b>	<b>1,106.8</b>

Note: Book values reported on the basis of amortised cost for BNOR14, the reserve-based lending facility and the convertible bond loan element of BNOR13 and BNOR15.

- The Company issued a convertible bond loan of USD 158 million in 2019 where the lender was granted a right to convert the loan into new shares in the Company by way of set-off against the claim on the Company. The loan carries an interest of 8 percent p.a. on a PIK basis, with an alternative option to pay cash interest at 6 percent p.a., payable semi-annually. In December 2022, the majority of the remaining convertible loan was transferred into the new convertible instrument, BNOR15 and, of the remaining USD 13.8 million outstanding on 31 December 2022, USD 13.7 million was converted into equity by 26 January 2023. The remaining BNOR13 bond was then subject to the amendments as proposed by the Company in November 2022 and USD 48.2 thousand compensation bonds were issued on 26 January. The amendment to BNOR13 terms aligns the terms of the remaining bond with that of the BNOR15 bond.
- The Company issued a convertible bond loan of USD 207.6 million in December 2022, with a five-year tenor and a conversion to equity or cash settlement after three years (31 December 2025). BNOR15 is made up of a transfer from BNOR13 of USD 151.4 million plus additional compensation bonds of USD 56.2 million. In the same way as BNOR13, the lender was granted a right to convert the loan into new shares in the Company by way of set-off against the claim on the Company. The loan carries an interest of 8 percent p.a. on a PIK basis, with an alternative option to pay cash interest at 6 percent p.a., payable semi-annually. Conversion price of USD 51.4307 per share. In Q1 2023 USD 0.1 million was converted into equity.
- The Company issued a senior unsecured bond of USD 175 million in 2019, due in June 2026. The bond carries an interest of 9 percent p.a., payable semi-annually. In July 2021, BlueNord's written resolution regarding the addition of further headroom under the Leverage Ratio covenant through to the end of 2023 was resolved and approved by the Company's BNOR14 bondholders. Based on this written resolution, the maximum Leverage Ratio has been amended to 7.0x (from 5.0x) ending Q2 2023, 6.0x (from 3.0x) during Q3 2023 and 5.0x (from 3.0x) during Q4 2023. From Q1 2024 onwards, the maximum Leverage Ratio will revert to 3.0x per the original bond terms. In addition to the change in maximum permitted leverage, BlueNord's minimum liquidity threshold has increased to USD 75 million until the end of 2023 (from USD 50 million until end Q2 2023 and USD 25 million during Q3 and Q4 2023).
- The Company entered into an increased reserve-based lending Facility in Q2 2021. The facility has a seven-year tenor with a maximum limit of USD 1.1 billion, with a maximum of USD 1.0 billion available for cash drawdown by the Company. Interest is accrued on the drawn amount with an interest rate comprising the aggregate of SOFR and 4.5 percent per annum from February 2023. The capital outstanding remains at USD 800 million in Q3 2023.
- In accordance with the sales and purchase agreement with Shell USD 25 million of the consideration was paid in March 2023.

<b>Interest payments (USD million)</b>						
<b>Year</b>	<b>BNOR13*</b>	<b>BNOR15*</b>	<b>BNOR14</b>	<b>Reserve-based lending facility</b>	<b>Deferred consideration</b>	<b>Total</b>
<b>Interest rate</b>			<b>9,0%</b>	<b>SOFR**</b>	<b>4,0%</b>	
2023	-	-	15.8	79.8	1.0	96.6
2024	-	-	15.8	82.3	-	98.1
2025	-	-	15.8	63.8	-	79.6
2026	-	-	7.9	36.3	-	44.2
2027	-	-	-	9.7	-	9.7
2028	-	-	-	0.3	-	0.3
<b>Total</b>	<b>-</b>	<b>-</b>	<b>55.1</b>	<b>272.2</b>	<b>1.0</b>	<b>328.3</b>

\* BNOR13 / BNOR15 carries a variable interest charge of: (i) 6 percent per annum in cash, payable semi-annually, or; (ii) 8 percent per annum payment in kind ("PIK") cumulative interest, rolled up semi-annually, to add to BNOR13 / BNOR15 capital on conversion at expiry of the bond. Currently the Company has elected the PIK interest of 8 percent and is therefore forecasting no cash interest payments on BNOR13 / BNOR15 in the above table.

\*\* In Q3 2021 the Company entered a USD 1.0 billion swap transaction with a Group of banks to fix the Company's floating interest rate (LIBOR/SOFR from 01 November 2021) exposure under its reserve-based lending facility from 1 November 2021 until 30 June 2024. BlueNord will as a result pay interest on its RBL cash drawings equal to 0.4041 percent plus the applicable margin. Note that the interest payments in this table are prior to applying the interest hedged.

## 12 Trade payables and other current liabilities

<b>USD million</b>	<b>30.09.2023</b>	<b>30.06.2023</b>	<b>31.12.2022</b>	<b>30.09.2022</b>
Trade payable	1.4	0.2	17.0	4.5
Liabilities to operators relating to joint venture licences	72.7	75.0	66.8	59.2
Over-lift of oil/NGL	3.6	-	-	10.5
Accrued interest	2.2	2.4	3.3	2.8
Salary accruals	1.8	1.2	2.5	1.3
Public duties payable	16.8	14.2	8.3	18.8
Deferred consideration	-	-	25.0	25.0
Other current liabilities	19.9	20.5	17.7	23.0
<b>Total trade payables and other current liabilities</b>	<b>118.3</b>	<b>113.5</b>	<b>140.6</b>	<b>145.2</b>

## 13 Financial instruments

### 13.1 Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Inputs for the asset or liability that are not based on observable market data.

#### On 30.09.2023

USD million	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
– Derivative instruments interest swap	-	7.9	-	7.9
<b>Financial assets at fair value hedging instruments</b>				
– Derivative instruments interest swap	-	31.5	-	31.5
– Derivative instruments price hedge	-	47.7	-	47.7
<b>Total assets</b>	<b>-</b>	<b>87.1</b>	<b>-</b>	<b>87.1</b>
<b>Liabilities</b>				
<b>Financial liabilities at fair value through profit or loss</b>				
– Embedded derivatives convertible bond BNOR13	-	-	0.1	0.1
– Embedded derivatives convertible bond BNOR15	-	-	62.1	62.1
<b>Financial liabilities at fair value hedging instruments</b>				
– Derivative instruments fx contracts	-	6.1	-	6.1
– Derivative instruments price hedge	-	118.8	-	118.8
<b>Total liabilities</b>	<b>-</b>	<b>124.9</b>	<b>62.2</b>	<b>187.1</b>

#### On 30.06.2023

USD million	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
– Derivative instruments interest swap	-	9.7	-	9.7
<b>Financial assets at fair value hedging instruments</b>				
– Derivative instruments interest swap and fx contracts	-	38.7	-	38.7
– Derivative instruments price hedge	-	77.3	-	77.3
<b>Total assets</b>	<b>-</b>	<b>125.7</b>	<b>-</b>	<b>125.7</b>
<b>Liabilities</b>				
<b>Financial liabilities at fair value through profit or loss</b>				
– Embedded derivatives convertible bond BNOR13	-	-	0.0	0.0
– Embedded derivatives convertible bond BNOR15	-	-	37.8	37.8
<b>Financial liabilities at fair value hedging instruments</b>				
– Derivative instruments fx contracts	-	0.5	-	0.5
– Derivative instruments price hedge	-	62.8	-	62.8
<b>Total liabilities</b>	<b>-</b>	<b>63.3</b>	<b>37.8</b>	<b>101.1</b>

Notes continued

On 31.12.2022

USD million	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
<b>Financial assets at fair value through profit or loss</b>				
– Derivative instruments interest swap	-	11.1	-	11.1
<b>Financial assets at fair value hedging instruments</b>				
– Derivative instruments interest swap	-	44.6	-	44.6
– Derivative instruments price hedge	-	108.9	-	108.9
<b>Total assets</b>	-	<b>164.6</b>	-	<b>164.6</b>
<b>Liabilities</b>				
<b>Financial liabilities at fair value through profit or loss</b>				
– Embedded derivatives convertible bond BNOR13	-	-	10.0	10.0
– Embedded derivatives convertible bond BNOR15	-	-	38.9	38.9
<b>Financial liabilities at fair value hedging instruments</b>				
– Derivative instruments price hedge	-	166.8	-	166.8
<b>Total liabilities</b>	-	<b>166.8</b>	<b>48.9</b>	<b>215.7</b>

### 13.2 Financial instruments by category

On 30.09.2023 USD million	Financial assets at amortised cost	Assets at fair value through profit or loss	Fair value - hedging instruments	Total
<b>Assets</b>				
Convertible loan CarbonCuts	0.7	-	-	0.7
Loan CarbonCuts	1.6	-	-	1.6
Derivative instruments interest swap	-	-	39.4	39.4
Derivative instruments price hedge	-	-	47.7	47.7
Trade receivables and other current assets	91.4	-	-	91.4
Restricted cash	208.2	-	-	208.2
Bank deposits, cash and cash equivalents	305.6	-	-	305.6
<b>Total assets</b>	<b>607.5</b>	-	<b>87.1</b>	<b>694.6</b>
<b>Liabilities</b>				
Derivative instruments fx contracts	-	-	6.1	6.1
Derivative instruments price hedge	-	-	118.8	118.8
Embedded derivatives convertible bond BNOR13	-	0.1	-	0.1
Embedded derivatives convertible bond BNOR15	-	62.1	-	62.1
Convertible bond loans	196.1	-	-	196.1
Senior unsecured bond loan	172.4	-	-	172.4
Reserve-based lending facility	769.1	-	-	769.1
Trade payables and other current liabilities	118.3	-	-	118.3
<b>Total liabilities</b>	<b>1,255.9</b>	<b>62.2</b>	<b>124.9</b>	<b>1,443.0</b>



Notes continued

On 30.06.2023 USD million	Financial assets at amortised cost	Assets at fair value through profit or loss	Fair value - hedging instruments	Total
<b>Assets</b>				
Convertible loan CarbonCuts	0.7	-	-	0.7
Loan CarbonCuts	1.6	-	-	1.6
Derivative instruments interest swap and fx contract	-	-	48.4	48.4
Derivative instruments price hedge	-	-	77.3	77.3
Trade receivables and other current assets	97.2	-	-	97.2
Restricted cash	207.9	-	-	207.9
Bank deposits, cash and cash equivalents	284.7	-	-	284.7
<b>Total</b>	<b>592.1</b>	<b>-</b>	<b>125.7</b>	<b>717.8</b>
<b>Liabilities</b>				
Derivative instruments fx contracts	-	-	0.5	0.5
Derivative instruments fx contracts	-	-	62.8	62.8
Embedded derivatives convertible bond BNOR13	-	0.0	-	0.0
Embedded derivatives convertible bond BNOR15	-	37.8	-	37.8
Convertible bond loans	189.3	-	-	189.3
Senior unsecured bond loan	167.9	-	-	167.9
Reserve-based lending facility	767.4	-	-	767.4
Trade payables and other current liabilities	113.5	-	-	113.5
<b>Total</b>	<b>1,238.1</b>	<b>37.8</b>	<b>63.3</b>	<b>1,339.2</b>

On 31.12.2022 USD million	Financial assets at amortised cost	Assets at fair value through profit or loss	Fair value - hedging instruments	Total
<b>Assets</b>				
Convertible loan CarbonCuts	0.2	-	-	0.2
Loan CarbonCuts	0.6	-	-	0.6
Derivative instruments interest swap	-	-	55.7	55.7
Derivative instruments price hedge	-	-	108.9	108.9
Trade receivables and other current assets	128.6	-	-	128.6
Restricted cash	203.7	-	-	203.7
Bank deposits, cash and cash equivalents	268.4	-	-	268.4
<b>Total assets</b>	<b>601.4</b>	<b>-</b>	<b>164.6</b>	<b>766.0</b>
<b>Liabilities</b>				
Derivative instruments price hedge	-	-	166.8	166.8
Embedded derivatives convertible bond BNOR13	-	10.0	-	10.0
Embedded derivatives convertible bond BNOR15	-	38.9	-	38.9
Convertible bond loans	188.7	-	-	188.7
Senior unsecured bond loan	166.9	-	-	166.9
Reserve-based lending facility	764.0	-	-	764.0
Deferred consideration	25.0	-	-	25.0
Trade payables and other current liabilities	115.6	-	-	115.6
<b>Total liabilities</b>	<b>1,260.2</b>	<b>48.9</b>	<b>166.8</b>	<b>1,476.0</b>

### 13.3 Financial instruments – fair values

Set out below is a comparison of the carrying amounts and fair value of financial instruments on 30.Sep.2023:

USD million	Total amount outstanding*	Carrying Amount	Fair Value
<b>Financial assets</b>			
Convertible loan CarbonCuts		0.7	0.7
Loan CarbonCuts		1.6	1.6
Derivative instruments interest swap		39.4	39.4
Derivative instruments price hedge		47.7	47.7
Trade receivables and other current assets		91.4	91.4
Restricted cash		208.2	208.2
Bank deposits, cash, cash equivalents and quoted shares		305.6	305.6
<b>Total</b>		<b>694.6</b>	<b>694.6</b>
<b>Financial liabilities</b>			
Derivative instruments fx contracts		6.1	6.1
Derivative instruments price hedge		118.8	118.8
Embedded derivative convertible bond BNOR13		0.1	0.1
Embedded derivative convertible bond BNOR15		62.1	62.1
Convertible bond loans	219.7	196.1	157.5
Senior unsecured bond loan	175.0	172.4	175.0
Reserve-based lending facility	800.0	769.1	800.0
Trade payables and other current liabilities		118.3	118.3
<b>Total</b>	<b>1,194.7</b>	<b>1,443.0</b>	<b>1,437.9</b>

\* Total amount outstanding on the bonds and under the RBL facility

The RBL facility is measured at amortised cost. In addition, a total of USD 53 million in transaction cost has been capitalized. Transaction costs are deducted from the amount initially recognised and are expensed over the period during which the debt is outstanding under the effective interest method. The capital outstanding remains at USD 800 million in Q3 2023.

The senior unsecured bond loan is measured at amortised cost, in addition a total of USD 7.6 million in transaction cost are deducted from the amount initially recognised.

The BNOR13 instrument has been determined to contain embedded derivatives which are accounted for separately as derivatives at fair value through profit or loss, while the loan element subsequent to initial recognition is measured at amortised cost. The embedded derivative is valued on an option valuation basis, the carrying value as on 30 September 2023 was USD 0.1 million. BNOR13 terms were amended during January 2023 to reflect the proposed amendments in November 2022, which aligns the instrument with the terms of BNOR15.

The BNOR15 instrument has been determined to contain embedded derivatives which are accounted for separately as derivatives at fair value through profit or loss, while the loan element subsequent to initial recognition is measured at amortised cost, a total of USD 4.4 million in transaction cost is included in the amortised cost. The embedded derivative is valued on an option valuation basis, the carrying value as on 30 September 2023 was USD 62.1 million. The assumptions in establishing the option value as on 30 September 2023 are shown below.

The following table lists the inputs to the model used to calculate the fair value of the embedded derivatives:

		BNOR13	BNOR15
Valuation date	(date)	30 Sep 23	30 Sep 23
Agreement execution date	(date)	30 Dec 23	30 Dec 23
Par value of bonds	(USD)	188,258	219,516,135
Reference share price at time of agreement	(NOK)	413	413
Fair value at grant date	(USD)	9,979,424	38,928,552
PIK interest rate	(%)	8.00%	8.00%
Expected life	(years)	2.3	2.3
Number of options	(#)	3,660	4,268,193
Conversion price	(NOK)	537	537
Fixed FX rate of agreement	(USD:NOK)	10.440	10.440
Risk-free rate (based on government bonds)	(%)	4.29%	4.29%
Expected volatility	(%)	45.86%	45.86%
Model used		Black - Scholes - Merton	

### 13.4 Hedging

The Group actively seeks to reduce the market-related risks it is exposed to including, (i) commodity prices, (ii) market-linked floating interest rates and (iii) foreign exchange rates.

The Company has a rolling hedge requirement under its RBL facility based on a minimum level of production corresponding to the RBL's production forecast. The requirement is for the following volumes and time periods: (i) Year 1: 50% of oil volume and 20% of gas volume, or 50% of oil equivalent volume; (ii) Year 2: 40% oil volume; and (iii) Year 3: 10% oil volume. The Company's hedges are compliant with this requirement. Currently all the Company's commodity price hedging arrangements are forward contracts.

The Company has entered a USD 1.0 billion swap transaction with a Group of banks to fix the Company's floating interest rate exposure under its RBL facility from 1 Nov 2021 until 30 June 2024. As a result, the Company pays interest on its RBL cash drawings equal to 0.4041 percent plus the applicable margin (4.5% from February 2023) until expiry of the hedge contracts.

As a result of the agreement to acquire Shell Olie- og Gasudvinding Danmark B.V. on 31 July 2019, BlueNord had a liquid volume protection agreement with Shell that, from signing of the Sale and Purchase Agreement (SPA) until the end of 2020 (the "Protection Period"), provided a monthly liquid production guarantee at levels above the Company's internal forecasts. For the period 2021 to 2023 (the "Recovery Period"), a payment to Shell may be required if actual production exceeds a pre-agreed level. The production level at which any recovery payment would be made to Shell is currently above the Company's internal forecasts, and therefore the Company does not expect any payments to be required during the remaining term of this agreement. In any event, the amount refunded to Shell during the Recovery Period cannot exceed the value of BlueNord's claims during the Protection Period and would only be paid if production far exceeded current guidance.

During Q1 and Q3 2023 the company entered foreign exchange hedges to secure fixed USD to DKK exchange rates for selected future payments in relation to taxes, VAT and cash calls related to the Company's forecast cash-flows.

Hedge accounting is applied to all the Company's hedging arrangements. To the extent more than 100 percent of the market-related risk is hedged, the portion above 100 percent is considered ineffective, and the value adjustment is treated as a financial item in the Income Statement. In Q3 2023, all of the Company's arrangements in relation to commodity prices were effective, no part of the foreign exchange hedge was considered ineffective. However, the Company's interest rate hedge above the drawn amount of the RBL, of USD 800 million throughout Q3 2023, was considered ineffective and the value adjustment is treated as a financial item in the Income Statement. Time Value related to commodity hedging arrangements is considered insignificant and generally the valuation of the instruments do not take into consideration the time value.

	Maturity					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	More than 12 months
<b>As of 30 September 2023</b>						
<b>Commodity forward sales contracts:</b>						
Notional quantity (in mboe)	-	1,065	1,148	1,068	1,050	3,947
Notional amount (in USD million)	-	88	100	71	79	299
Average hedged sales price (in USD per boe)	-	83	87	66	75	76

### Hedge reserve movement

The table below shows the movement in the hedge reserve from changes in the cash flow hedges

USD Million	Hedge Reserve
<b>Balance as of 01.01.2023</b>	<b>13.9</b>
Realized cash flow hedge	(10.7)
Related tax - realized cash flow hedge	6.8
Changes in fair value	76.7
Related tax - changes in fair value	(51.7)
<b>Balance as of 30.06.2023</b>	<b>35.0</b>
Realized cash flow hedge	(12.8)
Related tax - realized cash flow hedge	8.2
Changes in fair value	(85.6)
Related tax - changes in fair value	49.4
<b>Balance as of 30.09.2023</b>	<b>(5.7)</b>

## 14 Asset retirement obligations

USD million	Q3 2023	Q1-2 2023	31.12 2022
Provisions as of beginning of period	975.5	955.8	1,029.2
Provisions and change of estimates made during the period	(2.1)	1.6	(107.0)
Accretion expense	12.3	24.6	48.1
Incurred cost removal	(1.1)	(6.6)	(14.4)
Currency translation adjustment	(0.1)	0.0	(0.1)
<b>Total provisions made for asset retirement obligations</b>	<b>984.5</b>	<b>975.5</b>	<b>955.8</b>
<b>Break down of short-term and long-term asset retirement obligations</b>			
Short-term	18.2	13.9	9.8
Long-term	966.3	961.6	946.1
<b>Total provisions for asset retirement obligations</b>	<b>984.5</b>	<b>975.5</b>	<b>955.8</b>

The balance as per 30 September 2023 is USD 919.9 million for DUC, USD 60.5 million for Nini/Cecilie, USD 2.4 million for Lulita (non-DUC share) and USD 1.7 million for Tyra F-3 pipeline.

Estimates are based on executing a concept for abandonment in accordance with the Petroleum Activities Act and international regulations and guidelines. The calculations assume an inflation rate of 2.0 percent and a nominal discount rate before tax of 5.5 percent. The credit margin included in the discount rate is 2.5 percent.

## 15 Shares and share capital

	No. of shares	Share capital*
Number of shares and share capital as of 31.12.2022	25,708,424	1.7
Conversion part of convertible bond	493,620	0.0
<b>Number of shares and share capital as of 30.09.2023</b>	<b>26,202,044</b>	<b>1.7</b>
		Treasury
	No. of shares	share reserve*
Number of treasury shares and treasury shares reserves as of 31.12.2022	(137,162)	(0.1)
Sale of treasury shares	31,641	0.0
<b>Number of treasury shares and treasury share reserves as of 30.09.2023</b>	<b>(105,521)</b>	<b>(0.1)</b>

\* In USD million

## 16 Subsequent events

The Company has not identified any events with significant accounting impacts that have occurred between the end of the reporting period and the date of this report.

# Information



# Alternative Performance Measures

BlueNord chooses to disclose Alternative Performance Measures as part of its financial reporting as a supplement to the financial statements prepared in accordance with IFRS. This information is provided as a useful supplemental information to investors, security analysts and other stakeholders to provide an enhanced insight into the financial development of BlueNord's business operations and to improve comparability between periods.

**Abandonment spent (abex)** is defined as the payment for removal and decommissioning of oil fields, to highlight the cash effect for the period.

**Adj. EBITDA** is adjusted for cost from share-base payment arrangements and Non-payment insurance

USD million	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
<b>EBITDA</b>	<b>106.1</b>	<b>98.7</b>	<b>197.6</b>	<b>326.4</b>	<b>471.4</b>
Non-payment insurance	2.4	1.2	1.2	4.8	3.5
Share-base payment	1.2	1.2	0.2	3.5	0.2
<b>Adj. EBITDA</b>	<b>109.8</b>	<b>101.0</b>	<b>199.0</b>	<b>334.6</b>	<b>475.2</b>

**EBITDA** Earnings before interest, taxes, depreciation, depletion, amortization and impairments. EBITDA assists in comparing performance on a consistent basis without regard to depreciation and amortization, which can vary significantly depending on accounting methods or non-operating factors and provides a more complete and comprehensive analysis of our operating performance relative to other companies.

**Effective Oil Price** is defined as realised oil price adjusted for derivative effects.

**Effective Gas Price** is defined as realised gas price adjusted for derivative effects.

**Free Cash flow** (pre investments) is defined as Net change in cash and cash equivalents including cash spent on investments in oil and gas assets

**Interest-bearing debt** defined as the book value of the current and non-current interest-bearing debt.

USD million	30.09.2023	30.06.2023	31.12.2022	30.09.2022
Convertible bond loans	(196.1)	(189.3)	(188.7)	(149.1)
Senior Unsecured bond loan	(172.4)	(167.9)	(166.9)	(170.3)
Reserve-based lending facility	(769.1)	(767.4)	(764.0)	(762.3)
Other interest-bearing debt	-	-	(25.0)	(25.0)
<b>Interest-bearing debt</b>	<b>(1,137.6)</b>	<b>(1,124.6)</b>	<b>(1,144.6)</b>	<b>(1,106.7)</b>

**Net interest-bearing debt** is defined by BlueNord as cash and cash equivalents reduced by current and non-current interest-bearing debt. The RBL facility and bond loans are included in the calculation with the total amount outstanding and not the amortised cost including transaction cost.

USD million	30.09.2023	30.06.2023	31.12.2022	30.09.2022
Cash and cash equivalents	305.6	284.7	268.4	273.1
Convertible bond loans	(219.7)	(219.7)	(221.5)	(165.2)
Senior Unsecured bond loan	(175.0)	(175.0)	(175.0)	(175.0)
Reserve-based lending facility	(800.0)	(800.0)	(800.0)	(800.0)
Other interest-bearing debt	-	-	(25.0)	(25.0)
<b>Net interest-bearing debt</b>	<b>(889.1)</b>	<b>(910.0)</b>	<b>(953.1)</b>	<b>(892.1)</b>

# Information about BlueNord

## Head Office BlueNord

Headquarter Nedre Vollgate 1, 0158 Oslo, Norway  
Telephone +47 22 33 60 00  
Internet [www.bluenord.com](http://www.bluenord.com)  
Organisation number NO 987 989 297 MVA

## Financial Calendar 2023

15 February Q4 2022 Report  
29 March Annual Report  
10 May Q1 2023 Report  
12 July Q2 2023 Report  
18 October Q3 2023 Report

## Board of Directors

Riulf Rustad Chair  
Marianne Lie  
Tone Kristin Omsted  
Colette Cohen  
Robert J McGuire  
Jan Lernout  
Peter Coleman

## Management

Euan Shirlaw Chief Executive Officer  
Marianne Eide Chief Operating Officer  
Cathrine Torgersen EVP, Investor Relations & ESG  
Jacqueline Lindmark Boye EVP, Finance

## Investor Relations

Phone +47 22 33 60 00  
E-mail [investorrelations@bluenord.com](mailto:investorrelations@bluenord.com)

## Annual Reports

Annual reports for BlueNord are available on [www.bluenord.com](http://www.bluenord.com)

## Quarterly publications

Quarterly reports and supplementary information for investors and analysts are available on [www.bluenord.com](http://www.bluenord.com). The publications can be ordered by e-mailing [investorrelations@bluenord.com](mailto:investorrelations@bluenord.com).

## News Releases

In order to receive news releases from BlueNord, please register on [www.bluenord.com](http://www.bluenord.com) or e-mail [investorrelations@bluenord.com](mailto:investorrelations@bluenord.com).



# Appendix

Q3 2023 numbers includes estimated production and operating efficiency for the last days in September, will be updated with actuals in Q4 2023. Production and operating efficiency for Q2 2023 are updated with actuals. Numbers published in Q2 2023 report included estimates end of June due to early cut off.

## Dan hub

Key figures	Unit	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
Dan	mboepd	7.7	6.6	6.4	7.3	7.2
Kraka	mboepd	0.6	0.4	0.4	0.5	0.6
Operating efficiency		86.2%	75.0 %	83.1%	81.2%	90.9%

## Gorm hub

Key figures	Unit	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
Gorm	mboepd	0.9	0.8	1.3	0.9	1.4
Rolf	mboepd	0.3	0.3	0.3	0.3	0.3
Skjold	mboepd	3.2	3.2	2.9	3.1	3.1
Operating efficiency		82.4%	79.2 %	84.4%	79.1%	86.2%

## Halfdan hub

Key figures	Unit	Q3 2023	Q2 2023	Q3 2022	YTD 2023	YTD 2022
Halfdan	mboepd	12.0	12.3	13.8	12.8	14.1
Operating efficiency		85.8%	93.5 %	86.6%	88.8%	92.1%