



BlueNord ASA

Fourth Quarter 2023

Highlights of the Quarter

Compared to third quarter 2023

Revenue

\$184m

-8%

EBITDA

\$95m

-10%

Cash flow from operations (excluding tax paid)

\$104 m

-12%

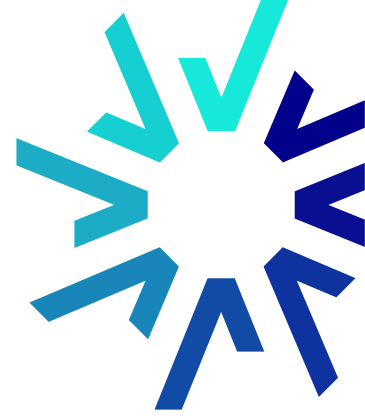
Total liquidity (cash and undrawn facilities)

\$ 317m

-30%

“While we stand on the cusp of Tyra restarting, which we expect to drive a more than doubling of BlueNord’s net production, our fields that are producing today continue to demonstrate their importance having maintained strong operational performance through 2023, with production for the period in the upper range of our annual guidance. We expect this solid production performance to continue, driven by proactive optimization work carried out by the operator. Maximising the value from the DUC remains a key priority, and we recently announced the FID on the HEMJ well which is expected to start producing by the end of this year and add economically attractive barrels to our portfolio. Our focus and commitment to bringing Tyra onstream continues, and we have made substantial recent headway with first gas expected during next month, in March 2024, and the DUC partners now assumes a faster ramp-up to maximum technical capacity of four months. As a result, we are making significant progress towards delivering our goal of producing over 55mboe/d net by 2025 and, in doing so, we are set to provide a material return of capital to our shareholders.”

Euan Shirlaw, Chief Executive Officer



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Introduction



01





Fourth Quarter 2023 Summary

Operational:

- Strong operating performance, with hydrocarbon production of 24.9 mboepd in the fourth quarter and production for the full year of 2023 of 24.9 mboepd which is in the upper range of BlueNord's annual guidance of 24.5-25.0 mboepd.
- Significant work scope executed on the completion of the Tyra II facilities including the progression of leak testing, work on safety- and emergency systems and connection and de-isolation of pipelines as well as the successful kick-off of unplugging of the wells.
- While the operator currently believes that, given the remaining level of operational uncertainty, that the current restart date of 31 March 2024 is valid it could be reached earlier in March. Based on current progress and testing, the ramp-up to full technical capacity is expected to take four months from the re-start of production.
- FID taken on the Harald East Middle Jurassic gas well, expected to be spudded during summer of 2024. In a success case, the well is expected to deliver production from Q4 2024.

Financial and Corporate:

- Total revenues of USD 183.6 million in the fourth quarter and USD 795.0 million for the full year of 2023.
- EBITDA of USD 95.0 million in the fourth quarter and USD 421.4 million for 2023.
- Cash flow from operations (excluding tax payments) of USD 104.1 million and net cash outflow from operating activities (including tax payments) of USD 85.3 million in the fourth quarter and for the full year cash flow from operations of USD 479.7 million and net cash flow from operating activities of USD 249.9 million.
- Total liquidity of USD 316.7 million at the end of the period with cash on balance sheet of USD 166.7 million and undrawn RBL capacity of USD 150.0 million.

Financial and operational summary	Unit	Q4 2023	Q3 2023	Q4 2022	2023	2022
Total revenue	USDm	183.6	200.2	229.7	795.0	966.9
EBITDA¹⁾	USDm	95.0	106.1	139.8	421.4	611.2
Adj. EBITDA¹⁾	USDm	96.7	108.5	141.0	427.8	616.0
Result before tax	USDm	28.7	32.0	87.2	165.6	248.7
Net result for the period	USDm	27.1	(6.3)	75.6	81.8	(30.5)
Cash flow from operations ^{1) 2)}	USDm	104.1	118.2	102.8	479.7	572.9
Net Cash flow from operating activities	USDm	(85.3)	118.2	85.1	249.9	561.3
Investments in oil and gas assets	USDm	80.5	89.0	62.8	311.0	241.6
Abandonment spent ¹⁾	USDm	1.0	1.1	3.3	8.7	14.4
Reserve-based lending facility, drawn	USDm	850.0	800.0	800.0	850.0	800.0
Net interest-bearing debt ¹⁾	USDm	1,086.7	889.1	953.1	1,086.7	953.1
Oil production	mboepd	19.0	18.8	19.7	18.9	20.6
Gas production	mboepd	5.9	5.9	7.2	6.0	6.2
Total production	mboepd	24.9	24.7	26.9	24.9	26.7
Over/under-lift	mboepd	(0.5)	0.3	(4.2)	0.7	(0.5)
Realised Oil price	USD/boe	84.8	89.7	89.3	84.4	102.7
+/- Effect of hedges	USD/boe	(14.5)	(15.2)	(20.9)	(16.6)	(27.2)
Effective Oil price	USD/boe	70.3	74.5	68.4	67.8	75.5
Realised Gas price	EUR/MWh	38.7	37.3	91.0	39.6	115.4
+/- Effect of hedges	EUR/MWh	25.3	31.0	23.4	36.1	(13.5)
Effective Gas price	EUR/MWh	64.0	68.3	114.5	75.7	101.9

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

2) Cash flow from operations is defined as Net Cash flow from operating activities excluding tax payments.



Financial Review

Selected data from consolidated statement of comprehensive income

USD million	Q4 2023	Q3 2023	Q4 2022	2023	2022
Total revenue	183.6	200.2	229.7	795.0	966.9
EBITDA	95.0	106.1	139.8	421.4	611.2
EBIT	68.3	81.3	108.1	318.8	477.7
Result before tax	28.7	32.0	87.2	165.6	248.7
Net result for the period	27.1	(6.3)	75.6	81.8	(30.5)
Earnings per share	1.0	(0.2)	3.0	3.1	(1.2)

Revenues of USD 183.6 million in the fourth quarter of 2023, mainly related to oil and gas sales from the Danish Underground Consortium (DUC) fields, compared to USD 200.2 million in the previous quarter. The decrease compared to last quarter was related to lower realised commodity prices for oil and gas net of hedging and lower volumes on oil, with decreases of 5.5 percent, 9.4 percent and 2.9 percent, respectively. Offset by 1.2 percent higher volumes on gas.

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). In the current quarter USD 72.4 million was directly attributable to the lifting and transport of the Company’s oil and gas production, equating to USD 31.6 per boe. This was USD 72.3 million in the previous quarter, equating to USD 31.9 per boe. Adjusted for concept studies, insurance and changes in stock and inventory, total production expenses amounted to USD 76.9 million compared to USD 88.0 million in the previous quarter.

Operating result before depreciation, amortisation and impairment (EBITDA) in the fourth quarter of 2023 was a profit of USD 95.0 million, compared to USD 106.1 million in previous quarter. This decrease mainly relates to decreased revenue due to lower commodity prices on oil and gas net of hedging and lower lifted oil volumes, offset by increased volumes of gas sold and a decrease in total operating expenses due to changes in oil inventory and stock.

Net Financial items amounted to an expense of USD 39.6 million for the fourth quarter of 2023, compared to an expense of USD 49.3 million in the previous quarter. Mainly influenced by positive effect on the fair value adjustment related to embedded derivatives on BNOR15/13 compared to negative effect in previous quarter, offset by negative fair value adjustment of the ineffective part of the interest swap and by net foreign exchange losses in the current quarter compared to net gain in the previous quarter.

Income tax amounted to USD 1.6 million for the fourth quarter of 2023 compared to USD 38.3 million for the previous quarter. The decrease in income tax is primarily due to positive FX-adjustment of tax losses denominated in DKK by year-end, offset by restriction on interest deduction. YTD 2023 current income tax amounted to a cost of USD 145 million and deferred tax movements amounted to positive USD 61.7 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, FX-adjustment on NOL’s 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 fourth quarter of 2023 was a gain of USD 27.1 million, compared to USD 6.3 million loss for the previous quarter.

Selected data from the consolidated statement of financial position

USD million	31.12.2023	30.09.2023	31.12.2022
Total non-current assets	2,941.2	2,806.2	2,660.1
Total current assets	381.9	540.7	583.9
Total assets	3,323.1	3,346.9	3,244.0
Total equity	723.8	662.2	602.5
Interest bearing debt	1,191.6	1,137.6	1,144.6
Asset retirement obligations	1,049.0	984.5	955.8
Total current liabilities	441.6	490.5	484.7

Total non-current assets amounted to USD 2.9 billion at the end of the fourth quarter of 2023 compared to USD 2.8 billion in the previous quarter. Increased due to increase in property, plant and equipment, deferred tax asset and fair value of commodity derivative following the weakening of oil and gas prices at the end of current quarter. Total non-current assets consist of USD 2.2 billion related to property, plant and equipment, intangible assets of USD 151.6 million, deferred tax asset of USD 378.1 million, derivatives related to the RBL interest swap and gas hedges of USD 14.0 million and USD 213.9 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 381.9 million at the end of the fourth quarter of 2023 compared to USD 540.7 million at the end of the previous quarter. Decreased cash related mainly to tax payment in current quarter, in addition to decrease in trade receivables, oil inventory and value of commodity derivatives due to unwinding and fair value adjustment of interest swap derivatives and realization of gas price hedges during the quarter. Total current assets consist of USD 71.7 million in derivatives related to the RBL interest swap and gas hedges, USD 59.9 million in trade receivables, mainly related to oil and gas revenue, USD 24.8 million in prepayments mainly related to insurance, USD 166.7 million of cash and USD 54.7 million of inventory.

Total equity amounted to USD 723.8 million at the end of the fourth quarter of 2023, compared to USD 662.2 million at the end of the previous quarter. Increase in equity was mainly related to gain from fair value adjustment of hedges and the net result for the period.

Interest-bearing debt amounted to USD 1.2 billion at the end of the fourth quarter of 2023, compared to USD 1.1 billion at the end of the previous quarter. Increase related to the RBL drawdown of USD 50 million in the current quarter. The convertible bond loan BNOR15 had a book value of USD 201.7 million and BNOR13 was fully converted by end of the current quarter. 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 850.0 million on 31 December 2023 and with maximum cash drawing capacity of USD 1.0 billion, had a book value of USD 820.8 million at the end of the fourth quarter. Of which USD 125.0 million is classified as current liability as it is due for payment in second half of 2024. The senior unsecured bond loan BNOR14 had a book value of USD 169.1 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 1,049.0 million at the end of the fourth quarter of 2023, compared to USD 984.5 million at the end of the previous quarter. The increase is primarily due to accretion expense for the period and change in estimate related to updated exchange rates and cut-off years. USD 981.4 million relates to the DUC assets, USD 64.3 million to Nini/Cecilie, USD 1.5 million to Lulita and USD 1.9 million to the Tyra F-3 pipeline. The Nini/Cecilie asset retirement obligation is secured through an escrow account of USD 64.3 million.

Total current liabilities amounted to USD 441.6 million at the end of fourth quarter of 2023 compared to USD 490.5 million last quarter. Decreased derivative liability due to weakening of the oil price resulted in part of the hedge portfolio shifting from liabilities to asset this quarter. Decrease in taxes payable mainly due to USD 189.4 million of taxes paid in the current quarter, offset by taxes payable for the current and prior periods. Offset by USD 125.0 million in RBL facilities reclassified from Non-Current liabilities and increase in trade payables. Total current liabilities consist of USD 140.0 million in taxes payable, USD 125.0 million in RBL facility, USD 35.9 million of current derivatives related to oil price hedges (non-current amounted to USD 56.3 million), USD 70.9 million in liabilities to DUC operator, USD 12.8 million related to VAT payable, USD 24.0 million in accrued cost including accrued interest expenses and USD 17.5 million related to trade payables.

Selected data from the consolidated statement of cash flows

USD million	Q4 2023	Q3 2023	Q4 2022	2023	2022
Cash flow from operations ¹⁾	104.1	118.2	102.8	479.7	572.9
Net cash flow from operating activities	(85.3)	118.2	85.1	249.9	561.3
Cash flow used in investing activities	(83.0)	(90.1)	(68.1)	(347.6)	(259.0)
Cash flow from financing activities	29.5	(7.2)	(21.8)	(3.9)	(156.5)
Net change in cash and cash equivalents	(138.9)	20.9	(4.8)	(101.6)	145.8
Cash and cash equivalents	166.7	305.6	268.4	166.7	268.4

1) Cash flow from operations is defined as Net Cash flow from operating activities excluding tax payments.

Net Cash flow from operating activities amounted to an outflow of USD 85.3 million for the fourth quarter of 2023, compared to cash inflow of USD 118.2 million for the previous quarter. The decrease was mainly related to tax payments of USD 189.4 million and decreased revenue due to lower commodity prices net of hedging. Cash flow from operations (excluding tax payments) amounted to a cash inflow of USD 104.1 million for the fourth quarter, compared to USD 118.2 million for the previous quarter. Current quarter had a positive effect from working capital of USD 10.9 million compared to USD 8.9 million in previous quarter, this includes changes on trade payables, pre-payments and a reduction in the oil inventory. Net Cash flow from operating activities excluding changes in working capital amounted to a cash outflow of USD 96.2 million for the fourth quarter of 2023, compared to cash inflow of USD 109.2 million for the previous quarter.

Cash flow used in investing activities amounted to an outflow of USD 83.0 million for the quarter, compared to USD 90.1 million for the previous quarter. The cash flow used in investing activities was mainly related to investments in the DUC asset of which USD 61.4 million related to the Tyra Redevelopment project, USD 1.2 million in preparation work related to the Tyra Hub and satellites, USD 7.8 million for the ongoing drilling of the infill well on Halfdan, USD 2.4 million related to Skjold Gas Acceleration project and USD 7.7 million related to Dan/Halfdan reroute and other minor projects, in addition USD 1.0 million in abandonment cost related to running abex on Halfdan and Gorm.

Cash flow from financing activities amounted to USD 29.5 million for the fourth quarter of 2023, compared to an outflow of USD 7.2 million for the previous quarter. The cash flow in the current quarter was mainly related to RBL drawdown of USD 50 million, offset by increased interest payment related to the RBL facility due to increased drawdown in the fourth quarter, higher commitment fee related to cost from previous quarter and due to the interest payment on BNOR14.

Net change in cash and cash equivalents amounted to negative USD 138.9 million at the end of the quarter compared to positive USD 20.9 million for the previous quarter. Cash and cash equivalents were in total USD 166.7 million at the end of fourth 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/.

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 fourth quarter.

	Volume hedged oil (boe)	Average hedged price (\$/bbl)	Volume hedged gas (MWh)	Average hedged price (EUR/MWh)
2024	3,564,000	66.4	1,260,000	68.1
2025	2,640,000	73.4	450,000	50.9
2026	900,000	73.3	-	-



Operational Review

Production

Key figures	Unit	Q4 2023	Q3 2023 ¹⁾	Q4 2022	2023	2022
Dan hub	mboepd	8.0	8.3	7.4	7.9	7.7
Gorm hub	mboepd	4.3	4.4	4.2	4.3	4.8
Halfdan hub	mboepd	12.6	12.0	15.3	12.7	14.2
Tyra hub	mboepd	-	-	-	-	-
Total production	mboepd	24.9	24.7	26.9	24.9	26.7
Over/under-lift	mboepd	(0.5)	0.3	(4.2)	0.7	(0.5)
Net sales	mboepd	24.4	25.0	22.6	25.6	26.2
Oil sales	mboepd	18.5	19.1	15.5	19.6	20.0
Gas sales	mboepd	5.9	5.9	7.2	6.0	6.2
Operating efficiency²⁾	%	91.5 %	84.8 %	87.0 %	86.1 %	88.0 %

1) Production and operating efficiency updated with actuals. Numbers published in Q3 2023 included estimates end of September due to early cut off.

2) 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 Q4 2023 was excellent, and with this the full year 2023 production of 24.9 mboed was in the upper end of the 2023 guidance of 24.5-25.0 mboepd. Q4 2023 was dominated by an overall impressive operating efficiency of 91.5%. The high operating efficiency is a result of a period with very few unplanned losses and no major planned shutdowns. The production potential from Gorm and Dan continues to be strong, as a result of the restimulation campaigns in the summer of 2023.

Dan hub

While the Dan production in October was very high with a strong operational efficiency of 95%, the November production was impacted by planned optimisation and maintenance activities, including compressor and wellhead maintenance, well service activities and WROM activities on Dan FB wells. In December, there was a shutdown of production from the Dan B platform, after which restart of production was delayed due to bad weather. The issue has now been resolved, and the Dan hub is back in full operation.

The WROM campaign on Dan which started mid 2022 is to be finalized early Q1 2024. In this campaign 50 well interventions have been carried out with a total addition n of 2P reserves of ca. 6.8 mmboe (operators estimate). In 2024, the WROM rig Noble Reacher will continue to Halfdan, where well optimisation interventions will be carried out throughout the year.

Gorm hub

Fourth quarter average production was good and still positively affected by the restimulation campaign in June. The production has however been affected by reoccurring separator issues and gas module SD, especially during November. The separator issues are expected to be resolved during the planned shutdown in March 2024.

In late December, the Skjold Partial Gas Acceleration Pilot (SGPAP) was commenced. This project involves changing of the Skjold recovery mechanism from water injection to pressure depletion in part of the field. It is expected that SGPAP will increase the gas production from the Gorm hub, and in this connection gas export from the Gorm hub has been established.

Halfdan hub

Fourth quarter average production on Halfdan was above expectation due to very stable production with an overall operating efficiency of 95.9% throughout the quarter. Well optimisation activities (WROM) are planned to be carried out on Halfdan throughout 2024, with an expected increase of the production potential and a further stabilisation of the active well count.

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 mmbbl. Tyra II is expected to decrease direct field opex to below USD 13 per barrel in the first year of full production and lower emissions intensity at the field by 30 percent. In addition, the project will extend the Tyra field life by 25 years and is expected to be constrained by the expiry of the licence in 2042. 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 Q4 2023 Highlights

The highlight of the quarter is the re-instatement of the Harald platform including re-opening of the Harald wells. Harald will be the first Tyra satellite to come on stream. Leak Testing has been progressing according to plan as well as functional testing of all major equipment required to reach the design processing capacity. On the wells side all wellheads have been re-installed on Tyra East and West. The first well was also unplugged on Tyra West in December. The focus of the Tyra project team is now closing out critical punch list items and ensuring full functionality of the safety and emergency systems. Next step is achieving the Certificate of Compliance which is required ahead of introduction of Methanol and gas from Dan.

Satellite fields and wells

- Harald is ready for gas export to Tyra
- Tyra South East is ready for gas export to Tyra
- Tyra East Charlie Riser platform is declared hot with gas export pipeline re-instated
- First five Tyra West wells re-instated with two crews working in parallel on the Tyra West B and C platforms
- Re-instatement of Valdemar A started

TEG Commissioning

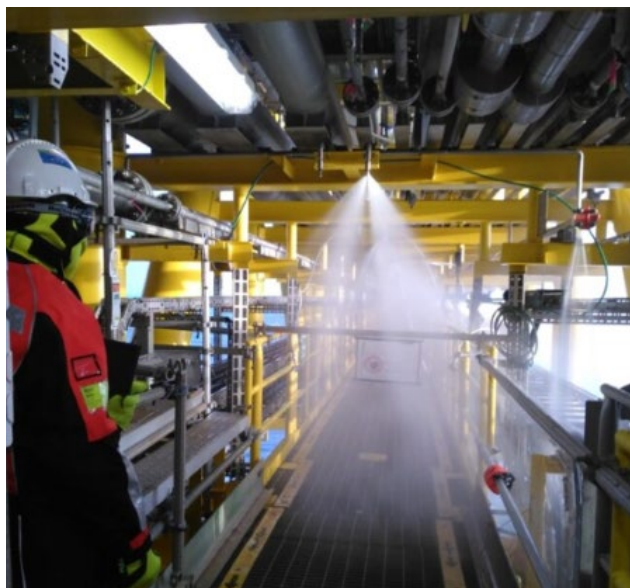
- All process equipment through functional testing
- Commissioning progress exceeded 80%
- Leak Testing for first gas on track
- Work progressing towards completion of safety and emergency systems to achieve Certificate of Compliance

Next steps towards first gas and ramp-up

- Completion of Safety Systems
- Obtaining necessary approvals to start-up
- Completion of Leak Testing for first gas
- Methanol Filling
- Introduction of gas to processing plant
- First gas export to Nybro
- Introduction of gas from Tyra satellites Harald and Tyra South East
- Finalise Gas Lift system
- Finalise second gas export train



Methanol System PCV Valves



Tyra East Echo Lower Bridge Deluge Test

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, 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 April 2024.

FID has also been taken on the Harald East Middle Jurassic well. The HEMJ well will be drilled in the Harald East area, located close to the Norwegian border and the gas is exported through the Tyra East facilities. In a success case, the well could deliver production by end of 2024. The expected gain from the well is up to 8 mmboe net to BlueNord of which ca 80% is gas. This well is drilled into the Jurassic with good reservoir properties, however with a wide range of subsurface outcomes with respect to volume.



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. Blue Nord is currently assessing further 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 and a wholly-owned subsidiary of BlueNord. BlueNord is involved by providing financial, technical and commercial support for an early-stage feasibility study for onshore CO2 storage. On 24 January 2024 CarbonCuts submitted a license application to the Danish Energy Agency to explore and store CO2 in the geological Rødby Structure on Lolland with "Project Ruby". 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/.

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/. 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 40 at the end of the fourth 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/.

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 additional infill wells from Halfdan is expected during 2024. BlueNord currently expects the capital investment required for the portfolio of infill wells to be less than USD 13 per boe of reserves, however this will be further defined on sanction. These wells would further increase the gas output from the DUC and help BlueNord meet its objective of supporting Energy Security in Denmark and the EU. 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.

The onshore construction and offshore installation and hook-up phases of the Tyra Redevelopment Project are completed and the hook-up phases of the Tyra Redevelopment Project is in progress. Functional testing of all major process equipment has also been completed. Leak Testing is progressing as expected and the project team is focussing on the final testing of the safety and emergency systems. When crucial testing is successfully completed, methanol filling will take place and gas will be imported from the Dan field. Remaining cost on Tyra as of 31.12.2023 is \$128 million net to BlueNord based on the latest budget received from the Operator. There will be an additional adjustment of USD 14 million to the capex budget if the Crossway Eagle vessel contract is extended.

With the start-up of Tyra, the Company is for 2024 providing separate production guidance on a quarterly basis for its Base Assets (Halfdan, Dan and Gorm) and Tyra. The Company expects the following production for 2024:

Guidance 2024	Unit	Base	Tyra	Total
Q1	mboepd	22.0 - 23.0	-	22.0 - 23.0
Q2	mboepd	23.0 - 26.0	3.0 - 7.0	26.0 - 33.0
Q3	mboepd	23.0 - 25.0	20.0 - 29.0	43.0 - 54.0
Q4	mboepd	23.0 - 25.0	27.0 - 29.0	50.0 - 54.0

No contribution has been included from the HEMJ well, which is expected to be spudded during summer 2024. In a success case, the well is expected to deliver production from the fourth quarter at an annualised rate in 2024 of 1.5mboe/d.



Financial
Statements



02



Condensed Consolidated Statement of Comprehensive Income

USD million	Note	Q4 2023	Q3 2023	Q4 2022	2023	2022
Total revenues	2	183.6	200.2	229.7	795.0	966.9
Production expenses	3	(76.9)	(88.0)	(80.1)	(340.1)	(323.4)
Exploration and evaluation expenses		(0.8)	(0.1)	(0.6)	(1.4)	(0.7)
Personnel expenses		(5.8)	(4.4)	(4.6)	(18.0)	(12.5)
Other operating expenses		(4.9)	(1.6)	(4.8)	(14.1)	(19.1)
Total operating expenses		(88.5)	(94.1)	(90.0)	(373.6)	(355.7)
Operating result before depreciation, amortisation and impairment (EBITDA)		95.0	106.1	139.8	421.4	611.2
Depreciation/amortisation/impairment	7	(26.8)	(24.8)	(31.7)	(102.6)	(133.5)
Net operating result (EBIT)		68.3	81.3	108.1	318.8	477.7
Financial income	4	15.8	7.2	37.8	23.2	61.3
Financial expenses	4	(55.4)	(56.5)	(58.6)	(176.3)	(290.3)
Net financial items		(39.6)	(49.3)	(20.8)	(153.2)	(229.0)
Result before tax (EBT)		28.7	32.0	87.2	165.6	248.7
Income tax benefit/(expense)	5	(1.6)	(38.3)	(11.6)	(83.8)	(279.2)
Net result for the period ¹⁾		27.1	(6.3)	75.6	81.8	(30.5)
Other comprehensive income:						
Items that are or may be subsequently reclassified to profit or loss:						
Realized cash flow hedge	14	3.7	(12.8)	15.9	(19.7)	242.2
Related tax - realized cash flow hedge	5, 14	(2.4)	8.2	(10.1)	12.6	(155.0)
Changes in fair value cash flow hedge	14	87.3	(85.6)	94.8	78.4	(57.9)
Related tax - changes in fair value cash flow hedge	5, 14	(58.0)	49.4	(62.2)	(60.3)	52.1
Currency translation adjustment		2.0	(1.5)	3.5	1.4	(2.0)
Total other comprehensive income		32.6	(42.3)	41.8	12.4	79.3
Total comprehensive income ¹⁾		59.7	(48.6)	117.4	94.2	48.8
Basic earnings/loss USD per share		1.0	(0.2)	3.0	3.1	(1.2)
Diluted earnings/loss USD per share		0.8	(0.2)	3.0	3.1	(1.2)
Weighted average no. of shares outstanding, basic		26,105,328	26,096,523	25,564,251	26,043,859	25,004,296
Weighted average no. of shares outstanding, diluted		31,293,939	31,228,353	31,778,768	31,232,471	31,218,813

1) 100 percent attributable to equity holders of the parent company.

Condensed Consolidated Statement of Financial Position

USD million	Note	31.12.2023	30.09.2023	31.12.2022
Non-current assets				
Intangible assets	6	151.6	153.3	160.4
Deferred tax assets	5	378.1	366.5	348.8
Property, plant and equipment	7	2,178.5	2,073.5	1,911.9
Right of Use asset		1.4	1.6	0.9
Restricted bank deposits	11, 14	213.9	208.2	203.7
Receivables non-current	9	3.7	2.3	0.8
Derivative instruments	14	14.0	0.9	33.7
Total non-current assets		2,941.2	2,806.2	2,660.1
Current assets				
Derivative instruments	14	71.7	86.2	130.9
Trade receivables and other current assets	9	88.7	91.4	128.6
Inventories	10	54.7	57.4	55.9
Cash and cash equivalents	11	166.7	305.6	268.4
Total current assets		381.9	540.7	583.9
Total assets		3,323.1	3,346.9	3,244.0
Equity				
Share capital	16	1.7	1.7	1.7
Other equity		722.1	660.5	600.8
Total equity		723.8	662.2	602.5
Non-current liabilities				
Asset retirement obligations	15	1,033.7	966.3	946.1
Convertible bond loans	12, 14	201.7	196.1	188.7
Bond loan	12, 14	169.1	172.4	166.9
Reserve-based lending facility	12, 14	695.8	769.1	764.0
Derivative instruments	14	56.3	88.9	90.4
Other non-current liabilities	12	1.1	1.3	0.7
Total non-current liabilities		2,157.7	2,194.1	2,156.8
Current liabilities				
Reserve-based lending facility	12, 14	125.0	-	-
Asset retirement obligations	15	15.4	18.2	9.8
Tax payable	5	140.0	255.8	209.0
Derivative instruments	14	35.9	98.2	125.3
Trade payables and other current liabilities	13, 12	125.3	118.3	140.6
Total current liabilities		441.6	490.5	484.7
Total liabilities		2,599.3	2,684.7	2,641.5
Total equity and liabilities		3,323.1	3,346.9	3,244.0

Condensed Consolidated Statement of Changes in Equity

USD million	Share capital	Share premium fund	Treasury share reserve	Currency translation reserve	Cash flow hedge reserve	Other equity	Total equity
2022							
Equity as of 01.01.2022	29.5	707.0	(0.5)	2.6	(67.5)	(178.9)	492.2
Net result for the period						(30.5)	(30.5)
Other comprehensive income							
Realized cash flow hedge	-	-	-	-	242.2	-	242.2
Related tax - realized cash flow hedge	-	-	-	-	(155.0)	-	(155.0)
Changes in fair value cash flow hedge	-	-	-	-	(57.9)	-	(57.9)
Related tax - changes in fair value cash flow hedge	-	-	-	-	52.1	-	52.1
Currency translation adjustments	-	-	-	(2.0)	-	-	(2.0)
Total other comprehensive income	-	-	-	(2.0)	81.4	-	79.3
Issue of shares	1.4	32.2	-	-	-	-	33.6
Capital reduction, approved and registered	(29.3)	29.3	-	-	-	-	-
Settlement derivatives/conversion bonds	-	-	-	-	-	21.0	21.0
Share-based incentive program	-	-	0.3	-	-	6.6	6.9
Total transactions with owners for the period	(27.8)	61.4	0.3	-	-	27.6	61.6
Equity as of 31.12.2022	1.7	768.4	(0.1)	0.5	13.9	(181.9)	602.5
2023							
Equity as of 01.01.2023	1.7	768.4	(0.1)	0.5	13.9	(181.9)	602.5
Net result for the period						81.8	81.8
Other comprehensive income							
Realized cash flow hedge	-	-	-	-	(19.7)	-	(19.7)
Related tax - realized cash flow hedge	-	-	-	-	12.6	-	12.6
Changes in fair value cash flow hedge	-	-	-	-	78.4	-	78.4
Related tax - changes in fair value cash flow hedge	-	-	-	-	(60.3)	-	(60.3)
Currency translation adjustments	-	-	-	1.4	-	-	1.4
Total other comprehensive income	-	-	-	1.4	11.0	-	12.4
Issue of shares	0.0	14.5	-	-	-	-	14.6
Settlement derivatives/conversion bonds ¹⁾	-	-	-	-	-	8.3	8.3
Share-based incentive program	-	-	0.0	-	-	4.3	4.4
Total transactions with owners for the period	0.0	14.5	0.0	-	-	12.6	27.2
Equity as of 31.12.2023	1.7	782.9	(0.1)	2.0	24.9	(87.6)	723.8

1) For further information see note 12

Condensed Consolidated Statement of Cash Flows

USD million	Note	Q4 2023	Q3 2023	Q4 2022	2023	2022
Cash flows from operating activities						
Net result for the period		27.1	(6.3)	75.6	81.8	(30.5)
Adjustments for:						
Income tax benefit/(expense)	5	1.6	38.3	11.6	83.8	279.2
Net financial item	4	39.6	49.3	20.8	153.2	229.0
Depreciation/impairment	7	26.8	24.8	31.7	102.6	133.5
Share-based payments expenses		1.7	1.2	1.3	5.2	1.4
Interest received ¹⁾	4	1.9	2.6	1.2	9.6	2.0
Other financial items paid		(5.4)	(0.6)	(0.8)	(8.4)	(3.4)
Net gain sale of asset		-	-	-	-	(0.2)
Changes in:						
Trade receivable	9	15.6	1.4	(16.8)	34.1	(7.8)
Trade payables	13	11.3	1.5	5.3	11.5	(15.6)
Inventories and spare parts	10	2.7	(4.2)	1.4	1.2	(4.5)
Prepayments	9	(10.3)	1.1	(9.3)	(0.6)	(4.2)
Over/under-lift	9, 13	(6.2)	6.8	(19.4)	6.3	(7.7)
Other current balance sheet items ²⁾		(2.3)	2.2	0.2	(0.6)	1.6
Cash flow from operations		104.1	118.2	102.8	479.7	572.9
Tax (paid)/received		(189.4)	(0.1)	(17.7)	(229.8)	(11.6)
Net cash flow from operating activities		(85.3)	118.2	85.1	249.9	561.3
Cash flows from investing activities						
Long-term loan provided		(1.4)	-	(0.8)	(2.8)	(0.8)
Consideration sale of asset		-	-	-	-	0.3
Deferred consideration	9	-	-	-	(25.0)	-
Investment in oil and gas assets	7	(80.5)	(89.0)	(62.8)	(311.0)	(241.6)
Investment in exploration & evaluation assets		(0.1)	(0.0)	(1.2)	(0.1)	(2.4)
Abandonment paid		(1.0)	(1.1)	(3.3)	(8.7)	(14.4)
Net cash flow from investing activities		(83.0)	(90.1)	(68.1)	(347.6)	(259.0)
Cash flows from financing activities						
Drawdown long-term liability	12	50.0	-	-	50.0	-
Repayment long-term liability	12	-	-	-	-	(100.0)
Lease payments		0.0	(0.2)	(0.0)	(0.4)	(0.4)
Sale of shares		0.1	0.1	0.2	0.2	5.4
Interests and fees external loan		(20.6)	(7.2)	(22.0)	(53.6)	(61.6)
Net cash flow from financing activities		29.5	(7.2)	(21.8)	(3.9)	(156.5)
Net change in cash and cash equivalents		(138.9)	20.9	(4.8)	(101.6)	145.8
Cash and cash equivalents at the start of the period		305.6	284.7	273.1	268.4	122.6
Cash and cash equivalents at end of the period		166.7	305.6	268.4	166.7	268.4

¹⁾ Excluding interest received from restricted bank accounts

²⁾ Mainly currency adjustments balance sheet items

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 fourth 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 fourth quarter of 2023 were approved by the Board of Directors on 19 February 2024.

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	Q4 2023	Q3 2023	Q4 2022	2023	2022
Sale of oil	119.7	130.5	97.4	485.6	552.1
Sale of gas and NGL	63.0	68.8	130.6	306.0	408.4
Other income	0.8	0.9	1.7	3.5	6.4
Total revenue	183.6	200.2	229.7	795.0	966.9
Oil lifted volumes (mmbbl)	1.70	1.75	1.42	7.16	7.32
Effective Oil price USD/bbl	70.3	74.5	68.4	67.8	75.5
Gas lifted volumes (mmboe)	0.54	0.54	0.66	2.20	2.25
Effective gas price EUR/MWh	64.0	68.3	114.5	75.7	101.9
Effective gas price USD/boe	116.2	128.3	197.9	139.1	181.1

In the fourth quarter, BlueNord's sale of oil amounted to USD 119.7 million and sale of gas amounted to USD 63.0 million, realised prices were USD 70.3 per bbl of oil and EUR 64.0 per MWh of gas lifted during the period, adjusted for settlement of price hedges in place with financial institutions.

During the fourth 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. For the year 2023 only a minor part of the price hedges exceeded the physical sale of oil and were recognised as a financial cost.

3 Production expenses

USD million	Q4 2023	Q3 2023	Q4 2022	2023	2022
Direct field opex	(56.1)	(59.3)	(66.6)	(243.8)	(233.1)
Tariff and transportation expenses	(10.6)	(8.6)	(15.4)	(34.9)	(43.3)
Production general and administrative	(5.8)	(4.5)	(8.3)	(17.3)	(32.1)
Field operating cost	(72.4)	(72.3)	(90.3)	(295.9)	(308.5)
Total produced volumes (mmboe)	2.3	2.3	2.5	9.1	9.8
In USD per boe	(31.6)	(31.9)	(36.5)	(32.5)	(31.6)
Adjustments for:					
Concept studies	(1.0)	(3.8)	(1.5)	(6.2)	(1.5)
Change in inventory position	(3.8)	2.6	(1.3)	(6.7)	4.0
Over/under-lift of oil and NGL	6.2	(6.8)	19.4	(6.3)	7.7
Insurance & other	(5.3)	(6.5)	(4.7)	(21.9)	(19.4)
Stock scrap	(0.5)	(1.2)	(1.6)	(3.0)	(5.6)
Production expenses	(76.9)	(88.0)	(80.1)	(340.1)	(323.4)

Production expenses for the fourth quarter directly attributable to the lifting and transportation to market of BlueNord's oil and gas production are in total USD 72.4 million, which is at the same level as previous quarter, this equates to USD 31.6 per boe produced during the period compared to USD 31.9 per boe in Q3 2023.

4 Financial income and expenses

Financial income

USD million	Q4 2023	Q3 2023	Q4 2022	2023	2022
Value adjustment interest swap unrealised ¹⁾	-	0.6	0.7	-	12.7
Value adjustment embedded derivatives ²⁾	9.1	-	-	-	-
Volume protection true-up	-	-	-	0.6	-
Interest income	4.9	4.5	2.5	17.8	4.0
Extinguishment of bond loans	1.1	-	33.7	1.1	33.7
Foreign exchange gains	0.7	2.1	1.0	3.7	11.0
Total financial income	15.8	7.2	37.8	23.2	61.3

Financial expenses

USD million	Q4 2023	Q3 2023	Q4 2022	2023	2022
Value adjustment interest swap unrealised ¹⁾	(4.2)	-	-	(0.7)	-
Value adjustment embedded derivatives ²⁾	-	(24.4)	(16.4)	(14.1)	(132.3)
Utilisation of derivatives	-	-	-	(0.1)	-
Interest expense from bond loans	(11.3)	(11.4)	(11.7)	(44.9)	(46.5)
Interest expense from bank debt ³⁾	(16.0)	(11.1)	(13.5)	(51.9)	(51.4)
Interest expenses current liabilities	-	(0.0)	(0.0)	(0.0)	(0.1)
Accretion expense related to asset retirement obligations	(12.4)	(12.3)	(12.1)	(49.3)	(48.0)
Extinguishment of bonds loans	-	-	-	(0.0)	-
Foreign exchange losses	(10.9)	3.2	(4.2)	(12.3)	(8.5)
Other financial expenses	(0.6)	(0.6)	(0.8)	(3.0)	(3.4)
Total financial expenses	(55.4)	(56.5)	(58.6)	(176.3)	(290.3)
Net financial items	(39.6)	(49.3)	(20.8)	(153.2)	(229.0)

1) Fair value adjustment of the ineffective part of the interest swap related to RBL facility

2) Fair value adjustment of the embedded derivatives of the convertible bonds

3) Net of effective part of realised 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)	Q4 2023	YTD 2023
Income tax current year	(24.3)	(63.3)
Solidarity contribution, current ¹⁾	(28.4)	(72.2)
Income tax for prior years	2.0	(10.1)
Current income tax	(50.7)	(145.5)
Deferred tax movements	22.6	(15.9)
Solidarity contribution, deferred ¹⁾	26.8	70.5
Prior year adjustment, deferred tax	(0.2)	7.1
Deferred tax expense	49.1	61.7
Tax (expense)/ income	(1.6)	(83.8)

1) 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.

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	(60.4)	(47.7)
Tax (expense)/income related to OCI	(60.4)	(47.7)

Income tax on OCI is related to the 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
	Q4 2023		Q4 2023		
Result before tax	18.6		10.1		28.7
Expected tax on profit before tax	11.9	64%	2.2	22%	14.1
Tax effect of:					
Prior year adjustment	(0.5)	-3%	(1.3)	-13%	(1.8)
FX adj. of net operating losses carried forward in DKK	(24.6)	-132%	-	0%	(24.6)
Investment uplift on CAPEX projects ¹⁾	(12.2)	-66%	-	0%	(12.2)
Permanent differences ²⁾	28.0	151%	(2.1)	-21%	25.9
No recognition of tax assets in Norway and UK	-	0%	0.1	1%	0.1
Tax expense (income) in profit/loss	2.6	14%	(1.0)	-10%	1.6

Reconciliation of nominal to actual tax rate, continues:	Hydrocarbon tax 64%		Corporate tax 22%		In total
	YTD 2023		YTD 2023		
Result before tax	159.3		6.3		165.6
Expected tax on profit before tax	101.9	64%	1.4	22%	103.3
Tax effect of:					
Prior year adjustment	4.2	3%	(1.3)	-20%	2.9
FX adj. of net operating losses carried forward in DKK	(24.6)	-15%	-	0%	(24.6)
Investment uplift on CAPEX projects ¹⁾	(42.6)	-27%	-	0%	(42.6)
Permanent differences ²⁾	37.9	24%	3.0	48%	40.9
No recognition of tax assets in Norway and UK	-	0%	3.8	61%	3.8
Tax expense (income) in profit/loss	76.9	48%	7.0	110%	83.8

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

2) This is related to the portion of interest cost not deductible under the Danish interest limitation rules.

	Q4 2023		Q4 2023		In total
	Q4 2023		Q4 2023		
OCI before tax	96.0		(5.0)		91.0
Expected tax on OCI before tax	(61.5)	64%	1.1	22%	(60.4)
Tax effect of:					
Non-taxable currency translation adjustment	-		-		-
Tax in OCI	(61.5)	64%	1.1	22%	(60.4)

	YTD 2023		YTD 2023		In total
	YTD 2023		YTD 2023		
OCI before tax	82.8		(24.1)		58.7
Expected tax on OCI before tax	(53.0)	64%	5.3	22%	(47.7)
Tax effect of:					
Non-taxable currency translation adjustment	-		-		-
Tax in OCI	(53.0)	64%	5.3	22%	(47.7)

Current income tax payable

Corporate tax for 2023 (Denmark)	(4.6)
Hydrocarbon tax for 2023 (Denmark)	(73.7)
Hydrocarbon tax for prior years	(12.9)
Solidarity contribution	(48.8)
Tax payables	(140.0)

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 140.0 million, which includes USD 131.0 million actual cash payable to be paid in 2024 and USD 9.0 million in provision for uncertain tax positions.

Deferred tax

Deferred tax is 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 allocated 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	31.12.2023
Deferred tax and deferred tax asset	01.01.2023			
Property, plant and equipment	636.1	17.1	-	653.2
Intangible assets, licences	25.1	4.3	-	29.4
Inventories and receivables	29.3	4.6	-	33.8
Asset retirement obligation (ARO)	(564.5)	(59.5)	-	(623.9)
Other assets and liabilities	(2.8)	(0.1)	-	(2.9)
Tax loss carryforward, corporate tax (22%)	-		-	-
Tax loss carryforward, chapter 2 tax (25%)	(0.1)	0.1	-	-
Tax loss carryforward, chapter 3a tax (52%)	(471.9)	(28.1)	32.3	(467.7)
Deferred tax asset, net	(348.8)	(61.6)	32.3	(378.1)

6 Intangible assets

USD million	Capitalised exploration expenditures	Conceptual studies	Licence	Total
Book value 31.12.22	1.8	1.9	156.6	160.4
Acquisition costs 31.12.22	1.8	1.9	186.0	189.8
Additions	0.0	-	-	0.0
Reclassified to operating expenses	-	(1.9)	-	(1.9)
Acquisition costs 30.09.23	1.8	-	186.0	187.8
Accumulated depreciation and write-downs 31.12.22	-	-	(29.4)	(29.4)
Depreciation/amortisation	-	-	(5.2)	(5.2)
Accumulated depreciation and write-downs 30.09.23	-	-	(34.5)	(34.5)
Book value 30.09.23	1.8	-	151.4	153.3
Acquisition costs 30.09.23	1.8	-	186.0	187.8
Additions	0.1	-	-	0.1
Acquisition costs 31.12.23	1.9	-	186.0	187.9
Accumulated depreciation and write-downs 30.09.23	-	-	(34.5)	(34.5)
Depreciation/amortisation	-	-	(1.7)	(1.7)
Accumulated depreciation and write-downs 31.12.23	-	-	(36.3)	(36.3)
Book value 31.12.23	1.9	-	149.7	151.6

7 Property, plant and equipment

USD million	Asset under construction	Production facilities	Other assets	Total
Book value 31.12.22	1,050.9	859.6	1.4	1,911.9
Acquisition costs 31.12.22	1,050.9	1,252.5	3.1	2,306.4
Sale of assets	-	-	(0.0)	(0.0)
Additions	203.7	26.4	0.4	230.5
Reclassifications from capex to opex	-	1.5	-	1.5
Revaluation abandonment assets	-	0.1	-	0.1
Disposals	-	-	(0.2)	(0.2)
Currency translation adjustment	-	(0.0)	(0.0)	(0.0)
Acquisition costs 30.09.23	1,254.6	1,280.5	3.2	2,538.3
Accumulated depreciation and write-downs 31.12.22	-	(392.9)	(1.7)	(394.6)
Depreciation	-	(70.2)	(0.1)	(70.3)
Disposals	-	-	0.1	0.1
Currency translation adjustment	-	0.0	0.0	0.0
Accumulated depreciation and write-downs 30.09.23	-	(463.1)	(1.7)	(464.8)
Book value 30.09.23	1,254.6	817.4	1.5	2,073.5
Acquisition costs 30.09.23	1,254.6	1,280.5	3.2	2,538.3
Sale of assets	-	-	(0.0)	(0.0)
Additions	41.0	39.5	0.0	80.5
Reclassification from AUC to Production facilities	(122.2)	122.2	-	-
Revaluation abandonment assets	-	49.3	-	49.3
Disposals	-	-	(0.2)	(0.2)
Currency translation adjustment	-	0.1	0.1	0.1
Acquisition costs 31.12.23	1,173.3	1,491.5	3.1	2,668.0
Accumulated depreciation and write-downs 30.09.23	-	(463.1)	(1.7)	(464.8)
Sale of asset, reversal depreciation	-	-	0.0	0
Depreciation	-	(24.8)	(0.1)	(24.8)
Disposals	-	-	0.1	0.1
Currency translation adjustment	-	(0.0)	(0.0)	(0.0)
Accumulated depreciation and write-downs 31.12.23	-	(487.9)	(1.7)	(489.5)
Book value 31.12.23	1,173.3	1,003.7	1.4	2,178.5

8 Impairment

Impairment testing

The company has chosen to perform Impairment testing of our asset base annually and/or when impairment triggers are identified. The asset base in question refers to the BlueNord entity which holds all the DUC assets. In Q4 2023 BlueNord carried out the annual impairment test based on operational and macro performance for the fixed assets and related tangible assets. Impairment is recognised when the book value of an asset or a cash-generating unit exceeds the recoverable amount. As hedging is a company policy decision to offset volatility in cash flows and is recognized based on changes in fair value movement, the hedging results have been excluded as so not to distort the underlying asset value assessment. The recoverable amount is the higher of the assets fair value less cost to sell and value in use. In Q4 2023, the recoverable amount was calculated as the expected future cash flow from the asset, discounted to the net present value by applying a discount rate after tax. The period reflects the current market valuation of the time value of money, and the specific risk related to the asset. Cash flows are projected for the lifetime of the fields, using production and costs assumptions provided for until the end of the DUC licence.

Commodity prices

Future commodity price levels are a key assumption and have a significant impact on the net present value. Forecast oil and gas prices are based on management's estimates and available market data. Information about market prices in the near term can be derived from the futures contract market. The information about future prices is less reliable on a long-term basis, as there are fewer observable market transactions going forward. In the impairment test, the oil and gas prices are therefore based on the company's internal view of prices based on forward curve trends from the beginning of 2024 to the end of 2026. From 2027 onwards, the oil and gas prices are based on the company's long term price assumptions.

Nominal oil prices applied in the impairment test are as follows:

Year	USD/BBL
2024	80.0
2025	75.0
2026	70.0
From 2027 onwards	65.0

Nominal gas prices applied in the impairment test are as follows:

Year	EUR/MWH
2024	45.0
2025	40.0
2026	35.0
From 2027 onwards	30.0

Oil and gas reserves

Future cash flows are calculated on the basis of expected production profiles and probable remaining reserves.

Future expenditure

Future opex, capex and abandonment cost are calculated based on the expected production profiles and the best estimate of the related cost.

Discount rate

The discount rate is derived from the weighted average cost of capital ("WACC") for a market participant. The post-tax nominal discount rate used is 9.5% (2022: 9.2%).

Exchange rates

The exchange rate from US Dollar to Danish Kroner is a blended rate of 6.65 throughout the forecast period. The applied blended rate is taken as 75% of the market rate at 6.60 and 25% of the Operator's Budget Book rate at 6.78. The US Dollar

to Euro exchange rate is 0.89 throughout the forecast period. The US Dollar to Euro rate has been pegged to a Euro to Danish Kroner rate of 7.45, sensitivity analysis based on exchange rates will maintain the Euro to Danish Kroner exchange rate. The exchange rates are used to convert the cost base in DKK to USD and gas prices in EUR to USD.

Inflation

The long-term inflation rate has been maintained at 2.0 percent. The inflation is applied on both commodity prices and costs from 2025 onwards.

Impairment testing of assets including tangible and intangible asset values

Both the tangible and intangible asset value attached to a cash generating unit is tested as part of the impairment assessment. The carrying value of the assets is the sum of tangible assets and intangible assets as of the assessment date.

Result of impairment assessment

The impairment assessment has not resulted in any impairment charge being recognised.

Sensitivity analysis

The table below shows how the impairment or reversal of impairment of assets would be affected by changes in the various assumptions, given that the remaining assumptions are constant.

Sensitivity	Change in NPV	Implied Impairment (if applicable) USD million
Long Term Price +10%	11%	-
Long Term Price -10%	-12%	(71.9)
USD:DKK FX rate +10%	-2%	-
USD:DKK FX rate -10%	2%	-
WACC +1.0%	-3%	-
WACC -1.0%	4%	-
Inflation Rate +1.0%	5%	-
Inflation Rate -1.0%	-5%	-

9 Non-current receivables, trade receivables and other current assets

USD million	31.12.2023	30.09.2023	31.12.2022
Non-current assets			
Convertible loan CarbonCuts	1.1	0.7	0.2
Loan CarbonCuts	2.6	1.6	0.6
Total non-current receivables	3.7	2.3	0.8
Current assets			
Trade receivables	59.9	74.4	94.4
Under-lift of oil/NGL	2.6	-	8.9
Prepayments	24.8	14.5	24.2
Other receivables	1.4	2.5	1.1
Total trade receivables and other current receivables	88.7	91.4	128.6

10 Inventories

USD million	31.12.2023	30.09.2023	31.12.2022
Product inventory, oil	15.0	18.8	21.6
Other stock (spares & consumables)	39.7	38.6	34.3
Total inventories	54.7	57.4	55.9

11 Restricted bank accounts, cash and cash equivalents

USD million	31.12.2023	30.09.2023	31.12.2022
Non-current assets			
Restricted bank deposits pledged as security for abandonment obligation related to Nini/Cecilie	64.3	60.5	61.1
Restricted bank deposits pledged as security for cash call obligations towards TotalEnergies ¹⁾	149.6	147.7	142.5
Total non-current restricted bank deposits	213.9	208.2	203.7
Current assets			
Unrestricted cash and cash equivalents	166.7	305.6	268.4
Restricted bank deposits ²⁾	0.1	0.1	0.1
Total current cash and cash equivalents	166.9	305.6	268.4
Total bank deposits	380.7	513.8	472.1

1) BlueNord has made a USD 140 million bank deposit into a security account to secure future requests for anticipated payments related to capital and operating expenditures in accordance with the security agreement with TotalEnergies E&P Denmark A/S as operator of the DUC. No further transfer to the security account will be made, except that interest earned will be accrued in the account.

2) Tax Withholding Account

12 Borrowings

USD million	31.12.2023		30.09.2023		31.12.2022	
	Principal amount	Book value	Principal amount	Book value	Principal amount	Book value
BNOR13 Convertible Bond ¹⁾	-	-	0.2	0.2	13.8	13.1
BNOR15 Convertible Bond ²⁾	228.4	201.7	219.5	196.0	207.6	175.7
BNOR14 Senior Unsecured Bond ³⁾	175.0	169.1	175.0	172.4	175.0	166.9
Total non-current bonds	403.4	370.8	394.7	368.6	396.5	355.6
Reserve-based lending facility ⁴⁾	725.0	695.8	800.0	769.1	800.0	764.0
Total non-current debt	725.0	695.8	800.0	769.1	800.0	764.0
Reserve-based lending facility ⁴⁾	125.0	125.0	-	-	-	-
Deferred Consideration ⁵⁾	-	-	-	-	25.0	25.0
Total current debt	125.0	125.0	-	-	25.0	25.0
Total borrowings	1,253.4	1,191.6	1,194.7	1,137.6	1,221.5	1,144.6

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.

- 1) 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 14.2 million was converted into equity by 26 January 2023, this includes conversion of USD 0.5 million in accumulated interests. 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. In December 2023, USD 195,723 was converted into equity and so the outstanding value of BNOR13 is USD 63 in Q4 2023. Given the insignificant amount outstanding on BNOR13, this has been assumed as nil in the reporting.
- 2) 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 for the company 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. For more information on the bond terms see www.bluenord.com/debt.
- 3) 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 bank deposits 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). Both the leverage covenant and minimum liquidity threshold have been satisfied as at end Q4 2023. Leverage is 2.18x (against a threshold of 5.0x)."
- 4) 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 Company made a USD 50 million drawdown in October 2023, so the capital outstanding is now at USD 850 million in Q4 2023.
- 5) In accordance with the sales and purchase agreement with Shell USD 25 million of the consideration was paid in March 2023. Included in Trade payables and other current liabilities, see note 13.

Interest payments (USD million)						
Year	BNOR13*	BNOR15*	BNOR14	Reserve-based lending facility	Deferred consideration	Total
Interest rate			9,0%	SOFR**	4,0%	
2023	-	-	15.8	80.6	1.0	97.3
2024	-	-	15.8	85.5	-	101.3
2025	-	-	15.8	63.4	-	79.2
2026	-	-	7.9	36.0	-	43.9
2027	-	-	-	9.6	-	9.6
2028	-	-	-	0.3	-	0.3
Total	-	-	55.1	275.5	1.0	331.6

* 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.

13 Trade payables and other current liabilities

USD million	31.12.2023	30.09.2023	31.12.2022
Trade payable	17.5	1.4	17.0
Liabilities to operators relating to joint venture licences	70.9	72.7	66.8
Over-lift of oil/NGL	-	3.6	-
Accrued interest	1.3	2.2	3.3
Salary accruals	2.4	1.8	2.5
Public duties payable	12.8	16.8	8.3
Deferred consideration ¹⁾	-	-	25.0
Other current liabilities	20.3	19.9	17.7
Total trade payables and other current liabilities	125.3	118.3	140.6

1) For more information see the Borrowing note 12.

14 Financial instruments

14.1 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 31.12.2023

USD million	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss				
– Derivative instruments interest swap, ineffective part	-	1.2	-	1.2
Financial assets at fair value hedging instruments				
– Derivative instruments interest swap	-	20.4	-	20.4
– Derivative instruments price hedge	-	64.1	-	64.1
Total assets	-	85.7	-	85.7
Liabilities				
Financial liabilities at fair value through profit or loss				
– Embedded derivatives convertible bond BNOR15 ¹⁾	-	-	53.0	53.0
Financial liabilities at fair value hedging instruments				
– Derivative instruments price hedge	-	39.2	-	39.2
Total liabilities	-	39.2	53.0	92.2

1) For more information see section 14.3

On 30.09.2023

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

Notes continued

On 31.12.2022

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

14.2 Financial instruments by category

On 31.12.2023 USD million	Financial instruments at amortised cost	Financial instruments at fair value through profit or loss	Hedging instruments at fair value	Total
Assets				
Convertible loan CarbonCuts	1.1	-	-	1.1
Loan CarbonCuts	2.6	-	-	2.6
Derivative instruments interest swap	-	-	21.6	21.6
Derivative instruments price hedge	-	-	64.1	64.1
Trade receivables and other current assets	88.7	-	-	88.7
Restricted bank deposits	214.0	-	-	214.0
Cash and cash equivalents	166.7	-	-	166.7
Total assets	473.1	-	85.7	558.8
Liabilities				
Derivative instruments price hedge	-	-	39.2	39.2
Embedded derivatives convertible bond BNOR15	-	53.0	-	53.0
Convertible bond loan	201.7	-	-	201.7
Senior unsecured bond loan	169.1	-	-	169.1
Reserve-based lending facility	820.8	-	-	820.8
Trade payables and other current liabilities	125.3	-	-	125.3
Total liabilities	1,316.9	53.0	39.2	1,409.1

Notes continued

On 30.09.2023 USD million	Financial instruments at amortised cost	Financial instruments at fair value through profit or loss	Hedging instruments at fair value	Total
Assets				
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 bank deposits	208.2	-	-	208.2
Cash and cash equivalents	305.6	-	-	305.6
Total	607.5	-	87.1	694.7
Liabilities				
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
Total	1,255.9	62.2	124.9	1,443.0
On 31.12.2022 USD million	Financial instruments at amortised cost	Financial instruments at fair value through profit or loss	Hedging instruments at fair value	Total
Assets				
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 bank deposits	203.7	-	-	203.7
Cash and cash equivalents	268.4	-	-	268.4
Total assets	601.5	-	164.6	766.1
Liabilities				
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
Total liabilities	1,260.2	48.9	166.8	1,476.0

14.3 Financial instruments – fair values

Set out below is a comparison of the carrying amounts and fair value of financial instruments on 31.Dec.2023:

USD million	Total amount outstanding*	Carrying Amount	Fair Value
Financial assets			
Convertible loan CarbonCuts		1.1	1.1
Loan CarbonCuts		2.6	2.6
Derivative instruments interest swap		21.6	21.6
Derivative instruments price hedge		64.1	64.1
Trade receivables and other current assets		88.7	88.7
Restricted bank deposits		214.0	214.0
Cash and cash equivalents		166.7	166.7
Total		558.8	558.8
Financial liabilities			
Derivative instruments price hedge		39.2	39.2
Embedded derivative convertible bond BNOR15		53.0	53.0
Convertible bond loan	228.4	201.7	175.4
Senior unsecured bond loan	175.0	169.1	175.0
Reserve-based lending facility	850.0	820.8	850.0
Trade payables and other current liabilities		125.3	125.3
Total	1,253.4	1,409.1	1,417.9

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

The RBL facility is measured at amortised cost. 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 is USD 850 million in Q4 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 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, transaction costs are included in the amortised cost. The embedded derivative is valued on an option valuation basis, the carrying value as on 31 December 2023 was USD 53.0 million. The assumptions in establishing the option value as on 31 December 2023 are shown below.

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

		BNOR15
Valuation date	(date)	31 Dec 23
Agreement execution date	(date)	30 Dec 22
Par value of bonds	(USD)	228,427,464
Reference share price at time of agreement	(NOK)	413
Fair value at grant date	(USD)	38,928,552
PIK interest rate	(%)	8.00%
Expected life	(years)	2.0
Number of options	(#)	4,441,461
Conversion price	(NOK)	537
Fixed FX rate of agreement	(USD:NOK)	10.440
Risk-free rate (based on government bonds)	(%)	3.36%
Expected volatility	(%)	45.39%
Model used	Black - Scholes - Merton	

14.4 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. From 1 January until 30 June 2024 the swap transaction is USD 900 million. 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 could have been required if actual production exceeded the pre-agreed level. The production level at which any recovery payment would be made to Shell has consistently been above actual production and therefore the Company does not have any payments due from this agreement as of 31 December 2023.

During Q1 and Q3 2023 the company entered foreign exchange hedges to secure fixed USD to DKK exchange rates at a nominal amount of USD 212 million equivalent to DKK 1.450 million, 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 Q4 2023, all 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 850 million, at 31 December 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.

As of 31 December 2023	Maturity						Total
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	More than 12 months	
Commodity forward sales contracts oil:							
Notional quantity (in mbbbl)	-	900.0	900.0	882.0	882.0	3,540.0	7,104.0
Notional amount (in USD million)	-	55.2	55.2	63.3	63.3	259.8	496.6
Average hedged sales price (in USD per bbl)	-	61.3	61.3	71.7	71.7	73.4	69.9
Commodity forward sales contracts gas:							
Notional quantity (in mMWh)	-	420.0	285.0	285.0	270.0	450.0	1,710.0
Notional amount (in EUR million)	-	41.8	14.6	14.6	14.8	22.9	108.7
Average hedged sales price (in EUR per MWh)	-	99.4	51.3	51.3	54.7	50.9	63.5

Hedge reserve movement

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

USD Million	Hedge Reserve
Balance as of 01.01.2023	13.9
Realized cash flow hedge	(23.5)
Related tax - realized cash flow hedge	15.0
Changes in fair value cash flow hedge	(8.9)
Related tax - changes in fair value cash flow hedge	(2.4)
Balance as of 30.09.2023	(5.7)
Realized cash flow hedge	3.7
Related tax - realized cash flow hedge	(2.4)
Changes in fair value cash flow hedge	87.3
Related tax - changes in fair value cash flow hedge	(58.0)
Balance as of 31.12.2023	24.9

15 Asset retirement obligations

USD million	Q4 2023	Q1-3 2023	31.12 2022
Provisions as of beginning of period	984.5	955.8	1,029.2
Provisions and change of estimates made during the period	53.2	(0.5)	(107.0)
Accretion expense	12.3	36.9	48.1
Incurred cost removal	(1.0)	(7.6)	(14.4)
Currency translation adjustment	0.1	(0.0)	(0.1)
Total provisions made for asset retirement obligations	1,049.0	984.5	955.8
Break down of short-term and long-term asset retirement obligations			
Short-term	15.4	18.2	9.8
Long-term	1,033.7	966.3	946.1
Total provisions for asset retirement obligations	1,049.0	984.5	955.8

The balance as per 31 December 2023 is USD 981.4 million for DUC, USD 64.3 million for Nini/Cecilie, USD 1.5 million for Lulita (non-DUC share) and USD 1.9 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 2.9 percent.

16 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	497,425	0.0
Number of shares and share capital as of 31.12.2023	26,205,849	1.7

	No. of shares	Treasury share reserve*
Number of treasury shares and treasury shares reserves as of 31.12.2022	(137,162)	(0.1)
Sale of treasury shares	36,641	0.0
Number of treasury shares and treasury share reserves as of 31.12.2023	(100,521)	(0.1)

* In USD million

17 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 International Financial Reporting Standards. 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.

EBITDA Earnings before interest, taxes, depreciation, depletion, amortisation 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.

Adj. EBITDA is EBITDA adjusted for the cost based on fair value of the share-options program and Non-payment insurance as these costs are related to the DUC acquisition and not directly related to the operational result for the year.

USD million	Q4 2023	Q3 2023	Q4 2022	2023	2022
EBITDA	95.0	106.1	139.8	421.4	611.2
Non-payment insurance	1.6	2.4	1.2	6.4	4.7
Share-option program ¹⁾	-	-	0.0	0.0	0.1
Adj. EBITDA	96.7	108.5	141.0	427.8	616.0

1) Corrected prior periods to only include the share option program awarded after the DUC acquisition, hence the Long-Term Incentive Program (LTI) is not adjusted for.

Cash flow from operations is defined as Net Cash flow from operating activities excluding tax payments.

Free Cash flow (pre-investments) is defined as Net change in cash and cash equivalents adding back 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	31.12.2023	30.09.2023	31.12.2022
Convertible bond loans	(201.7)	(196.1)	(188.7)
Senior Unsecured bond loan	(169.1)	(172.4)	(166.9)
Reserve-based lending facility	(820.8)	(769.1)	(764.0)
Other interest-bearing debt	-	-	(25.0)
Interest-bearing debt	(1,191.6)	(1,137.6)	(1,144.6)

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	31.12.2023	30.09.2023	31.12.2022
Cash and cash equivalents	166.7	305.6	268.4
Convertible bond loans	(228.4)	(219.7)	(221.5)
Senior Unsecured bond loan	(175.0)	(175.0)	(175.0)
Reserve-based lending facility	(850.0)	(800.0)	(800.0)
Other interest-bearing debt	-	-	(25.0)
Net interest-bearing debt	(1,086.7)	(889.1)	(953.1)

Information about BlueNord

Head Office BlueNord

Headquarter	Nedre Vollgate 1, 0158 Oslo, Norway
Telephone	+47 22 33 60 00
Internet	www.bluenord.com
Organisation number	NO 987 989 297 MVA

Financial Calendar 2024

21 February	Q4 2023 Report
31 March	Annual Report 2023
19 April	Annual General Meeting
07 May	Q1 2024 Report
10 July	Q2 and Half-year 2024 Report
31 October	Q3 2024 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
Jacqueline Lindmark Boye	Chief Financial Officer
Marianne Eide	Chief Operating Officer
Cathrine Torgersen	Chief Corporate Affairs Officer

Investor Relations

Phone	+47 22 33 60 00
E-mail	investorrelations@bluenord.com

Annual Reports

Annual reports for BlueNord are available on www.bluenord.com

Quarterly publications

Quarterly reports and supplementary information for investors and analysts are available on www.bluenord.com. The publications can be ordered by e-mailing investorrelations@bluenord.com.

News Releases

In order to receive news releases from BlueNord, please register on www.bluenord.com or e-mail investorrelations@bluenord.com.

Appendix

Production and operating efficiency for Q3 2023 are updated with actuals. Numbers published in Q3 2023 report included estimates end of September due to early cut off.

Dan hub

Key figures	Unit	Q4 2023	Q3 2023	Q4 2022	2023	2022
Dan	mboepd	7.2	7.7	6.9	7.3	7.1
Kraka	mboepd	0.8	0.6	0.5	0.6	0.6
Operating efficiency		88.6%	85.8 %	83.3%	82.5%	87.4%

Gorm hub

Key figures	Unit	Q4 2023	Q3 2023	Q4 2022	2023	2022
Gorm	mboepd	1.0	0.9	1.4	0.9	1.5
Rolf	mboepd	0.3	0.3	0.3	0.3	0.3
Skjold	mboepd	3.0	3.2	2.5	3.1	3.0
Operating efficiency		85.4%	78.9 %	71.2%	79.6%	82.4%

Halfdan hub

Key figures	Unit	Q4 2023	Q3 2023	Q4 2022	2023	2022
Halfdan	mboepd	12.6	12.0	15.3	12.7	14.2
Operating efficiency		95.9%	86.3 %	95.0%	90.7%	90.6%