BlueNord

Annual Report and Accounts 2023

BlueNord is providing Europe with the energy it needs today, tomorrow, and in the net-zero future

BlueNord is a strategically important European oil and gas company, specialising in the production and development of resources that support the energy transition towards net zero.

While creating value for stakeholders, BlueNord helps to deliver the energy security that millions of people depend on in today's changing world.

Strategic Report

Financial Report

Governance Report

2nd largest

Strategic Report
Governance Report
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In this report

2023 has positioned us well to deliver on our plans for 2024 and beyond, bringing broader value for all our stakeholders

REVENUE

$795m

EBITDA

$421m

OPERATING CASH FLOW

$250m

TOTAL LIQUIDITY
(CASH AND UNDRAWN FACILITIES)

$317m

Read more on page 23 and 24

- The new Tyra facilities were safely restarted on the 21st March 2024 with ramp-up to maximum capacity under way.

Read more on page 4

- Excellent results from well optimisation activities has decreased the production decline in the DUC fields.

Read more on page 16

- Reserves replacement of 135% year end 2023.

Read more on page 7

- Elimination of routine flaring.

Read more on page 18

- Excellent safety performance, with second lowest incident frequency since 2009 despite very high activity level.

Read more on page 5

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Strategic Report

Solid foundations for shareholder value creation

BlueNord is well on its way to delivering its ambition of becoming a leading independent European energy producer. This is on the back of a further successful year in 2023 and the restart of Tyra in March 2024.

> **BlueNord intends to commence distributions in 2024, delivering on one of our core commitments to shareholders.**

Riulf Rustad
Executive Chair

BlueNord continues to prove its ability to deliver its ambition of becoming a leading independent European energy producer. This is on the back of a further successful year in 2023 and with the recently announced first gas from Tyra II. This places BlueNord in a an increasingly strong position, as a significant contributor to regional EU energy security and a major supplier of gas, being the fuel of choice for transition, as the world pivots to a greener future.

This position has been achieved through a strong and consistent focus on capital discipline, based around maximising the DUC opportunity. With production set to more than double, and with Tyra II having been brought back on stream, our approach to enhance value for our stakeholders remains firm. The Company has set out a clear path to continue to deliver from the DUC assets, thereby maximising capital efficiency and allowing it to become a significant dividend paying company for its shareholders.

Energy security and access to economically competitive sources of gas remains of key importance in Europe. It comes on the back of continued uncertainty across many parts of the world, impacting trade and regional economic performance, which is set to continue in 2024. The need to have access to secure, safe and cost-effective sources of energy is central to economic success and the standard of living across the region. It underpins business, transport and the region's economic competitiveness, in an era where supply lines are being disrupted, interest rates remain high and economic performance impacted.

BlueNord continued to perform in 2023, representing another year of delivering against results. This is reflected in its production and financial performance, which was again at the top end of estimations, with EBITDA for the year of USD 421 million and production of 24.9 mboepd.

As a result of its now growing track record, BlueNord is in an enviable position, with strong foundations to continue to deliver in the year ahead and beyond. Capital discipline and the ongoing efficient use of capital remains the basis on which the Company will be managed. Every decision will be assessed against this basis, which has served us well in getting us to where we are today.

Today, with Tyra II back on stream, BlueNord is set to be able to start paying dividends in Q3 2024. The Company's assets, combined with the clear plans set out for the future of the business, means it is well placed to offer shareholders meaningful returns, and BlueNord intends to distribute 50 – 70% of its net operational cashflow in the period 2024 – 2026.

That position also means the Company remains well placed to meet its responsibilities to the environment and the success of the region in which it operates. With the ongoing increase in gas production from Tyra, Denmark will be energy self-sufficient and a net exporter of gas to the wider EU region. This represents a milestone for the country; helping people's needs and supporting the ongoing growth of the economy. A further local, reliable source of gas for the region is also in line with the EU's ambition to reach net-zero. In addition to being a source of transitional energy, localised gas offers a much lower relative carbon footprint to the alternatives, such as imported LNG, which has increased in Europe, post sanctions being imposed on Russian supplies.

The reweighting of the Company's production from liquids to gas, will also greatly reduce BlueNord's own emissions intensity, in line with its ambitions. This is alongside continuing to evaluate the opportunity for carbon storage through its CCS subsidiary, CarbonCuts, which recently submitted its license application for its onshore CO_2 storage project in Denmark, Project Ruby.

Once again, on behalf of the Board and shareholders, I would like to take the opportunity to thank the operational and management teams for their hard work and commitment to the success of the business. It is through their dedication to the Company and the skill they bring to the business that we are in such a strong position today.

As the Board looks ahead to the rest of the year and beyond, we do so again with greater confidence. BlueNord is set to continue to outperform and I look forward to supporting the team in the year ahead as further progress is made and milestones delivered.

Riulf Rustad
Executive Chair

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A landmark achievement as Tyra II comes online

Ensuring sustainable energy security with the redevelopment of Tyra.

On the 21st of March 2024, the first gas was processed and exported to Nybro in Denmark from the brand-new Tyra II facilities. This remarkable feat of engineering is Denmark's largest infrastructure project to date and represents a gross investment of around 27 billion Danish Kroner, or close to 4 billion USD spent since the field development studies commenced in 2013.

BlueNord is proud to have participated in the delivery of Tyra II, and we congratulate everyone involved in this landmark achievement, in particular the Operator TotalEnergies and our partner Nordsøfonden.

Tyra II will be a vital part of Europe's energy supply for many years to come, providing much-needed energy towards a net-zero future.

See **Our Strategy** on page 17 to find out more.

Strategic Pillar
Deliver Tyra II

271mmboe
2P based on YE23 ERCE

35,000
Weight of 8 new topsides

1,200
Offshore staff contributed during construction

30%
Emission reduction compared with the former facility

225 km
distance from the Danish Jutland Coast

95%
Recycling and reuse of the old Tyra facilities

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A significant investment

BlueNord has invested over one billion USD in the Tyra redevelopment project, which will produce enough energy to power the equivalent of 1.5 million homes, making Tyra, and Denmark, a key gas producer for the EU.

The new Tyra facilities are expected to produce at 30% lower emissions compared with the former facilities. With Tyra on stream, our focus on maturation of new opportunities will enable us to develop existing DUC discoveries and infill well targets to ensure that the Tyra facilities are efficiently utilised for many years to come. The DUC is set to deliver gas with a significantly lower CO_2 footprint than what LNG import can offer until Denmark and Europe can secure its energy supply from renewable sources.

Dawn Jamieson
Lead Operations Engineer, BlueNord

Delivering success for Tyra II

Dawn has been instrumental in the success of the Tyra redevelopment project. Originally recruited as Operations Engineer, then moving into the role of Tyra Project Manager, she has been dedicated to the project since she joined BlueNord in 2022.

Her role involved contributing to Safety awareness among the BlueNord team, based on her own expertise and frequent offshore visits. Her work to nominate the Tyra health, safety and environment ('HSE') team for the Danske Offshore Safety award resulted in the Tyra team being shortlisted.

As a result of her work on Tyra, Dawn has become a Fellow in Engineering with the Society of Operations Engineers. This is the highest honour which can be bestowed upon an engineer and is recognition for her contributions and accomplishments in the field of start-up of new process plants.

The Tyra II timeline

2013 – Due to the natural subsidence after 29 years of production, the seabed below the Tyra platform had sunk more than 5 metres, reducing the distance between the sea and the platform decks. The decision was made to rebuild and modernise to ensure safe continued operations for years to come.

2017 – The DUC approved the full redevelopment of Tyra, the largest investment ever taken in the Danish North Sea.

2018 – October 2018 marked the kick-off for onshore construction around the world, including the fabrication of jackets in Spain, an accommodation unit in Italy, a processing module in Indonesia, and six well head and riser modules in Singapore.

2020 – During the summer, the old Tyra facilities were removed. More than 50,000 tons of materials were moved onshore for dismantling and recycling.

In September, the foundations for Tyra II were installed.

2021-2023 – Over more than three years, more than 35,000 tons of materials located 54 metres above the seabed created Tyra II, Denmark's new high-tech hub for natural gas production in the Danish North Sea.

2024 – On 21 March 2024, the first gas was processed and exported to Nybro in Denmark.

In this report

BlueNord operates in the Danish North Sea with a 36.8 percent non-operated working interest in the DUC.

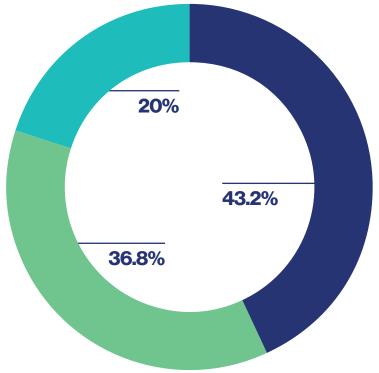
The DUC comprises of 15 fields, four export pipelines and significant infrastructure. Oil and gas is being produced from four operational hubs. It accounts for nearly 90 percent of the oil and gas that is produced in the area. The four export pipelines secure exports from the hubs to the Danish mainland and the international market.

You can find out more about the history of the DUC by visiting bluenord.com/ourassets

2nd largest
Oil and gas producer in Denmark

Successful restart of production on Tyra

DUC ownership



- TotalEnergies (Operator) 43.2%
- BlueNord (Partner) 36.8%
- Nordsøfonden (Partner) 20%

1 Oil pipeline to Fredericia
2 Gas pipeline to Nybro
3 Gas pipeline to Den Helder
Gas cross-border points

Sweden

Denmark

The DUC, which started production in 1972, is located in the Central Graben sector of the North Sea.

Netherlands

Germany

Belgium

In this report

DUC represents c.90 percent of Danish oil and gas production with a low decline-rate on base production and significant near-term growth.

185.6mmboe
2P reserves

→

135%
2023 reserves replacement

24.9mboepd
2023 production

→

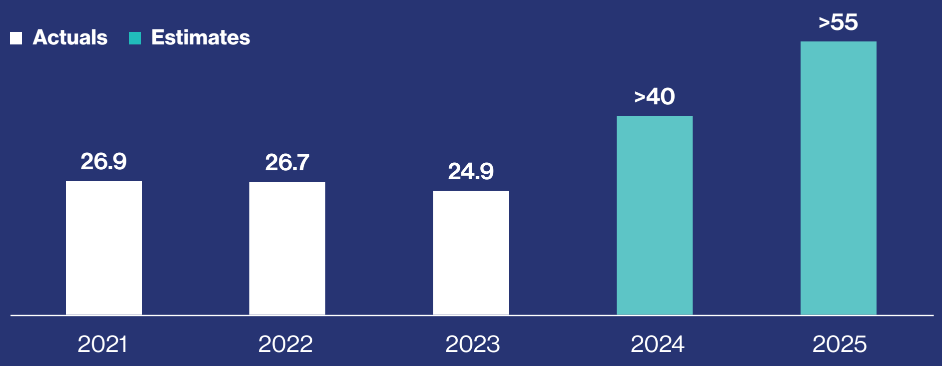
3.9%
2021-23 annual decline

>55mboepd
2025 production

→

>120%
2023-25 growth

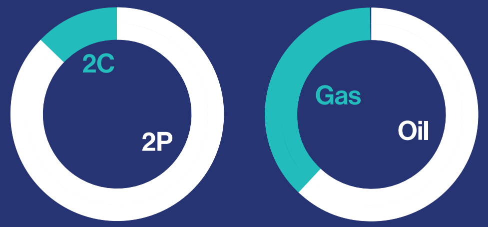
Net production mboepd



2P development from YE22 to YE23, net

2P reserves and 2C resources, net

213mmboe



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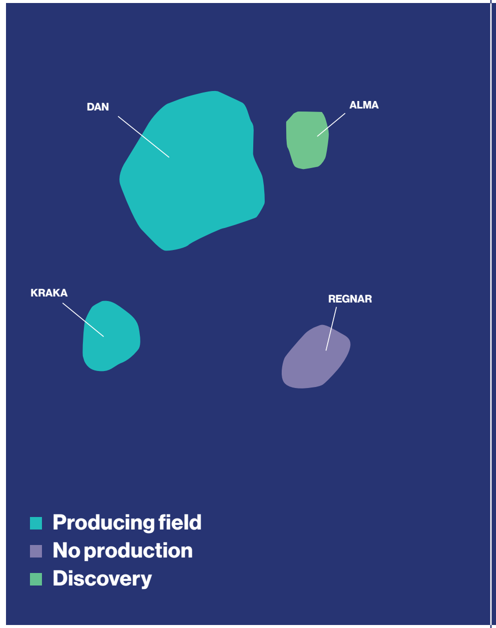
Our assets

Dan Hub

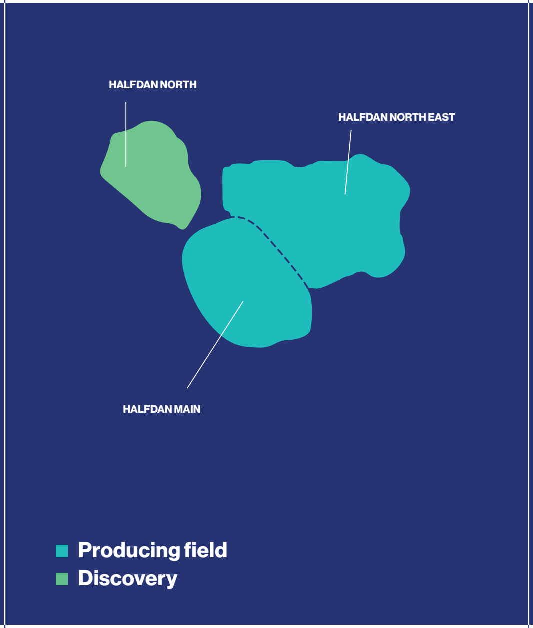
Discovered in 1971 and brought on production in 1972, Dan was the first DUC field in production. Close to 26 percent of total Danish oil production has been extracted from this field.



94%	7.9
Oil share of 2P reserves	Net production 2023
26.5	**83%**
Net 2P reserves mmboe	Operational efficiency

Halfdan Hub

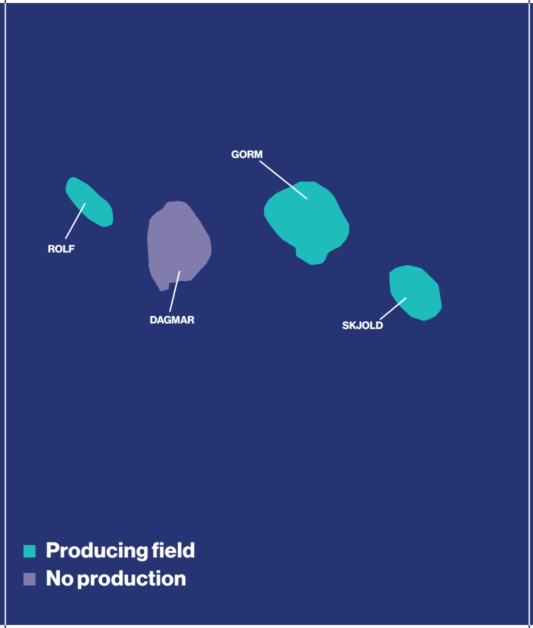
Halfdan is currently the largest producing field in Denmark and the most important DUC asset in terms of both value and resources



69%	12.7
Oil share of 2P reserves	Net production mboepd
44.6	**91%**
Net 2P reserves mmboe	Operational efficiency

Gorm Hub

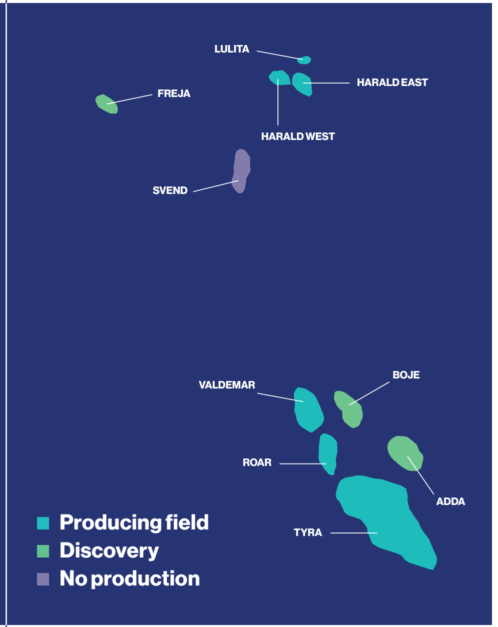
The Gorm Hub was also discovered in 1971 and brought on production in 1981. Gorm is the export hub for most of the oil produced in Denmark.



97%	4.3
Oil share of 2P reserves	Net production mboepd
14.9	**80%**
Net 2P reserves mmboe	Operational efficiency

Tyra Hub

Tyra is the largest gas field in the DUC. The redevelopment will extend the field's life to continue producing until the concession expiry in 2042.



42%	27-29
Oil share of 2P reserves	Expected Q4 2024 net production rate mboepd
99.5	**30%**
Net 2P reserves mmboe	Less emissions compared to the previous facilities

Continuing to Deliver

In 2023, BlueNord delivered operationally and financially. The Company's growing track record of achieving the ambitious targets it has set will continue into 2024 with the start of distributions to shareholders.

Euan Shirlaw
Chief Executive Officer

Our achievements are the result of careful planning, consistent execution, disciplined capital allocation and by being adaptable. It has been made possible by the strength of the team and DUC partnership, the quality of the DUC assets and the support of the Danish Government, which has created an environment for long-term investment.

The last year also saw the foundations being successfully laid that will support long-term returns to the Company's shareholders. This included the restart of production from the Tyra redevelopment, commencing a programme of infill drilling and beginning the process of adapting the capital structure of the business to be appropriate for our current position.

Looking back to where the Company has come from since acquiring its interest in the DUC in 2019, today's position is a remarkable achievement. We are, however, only at the start of the next chapter in this story as we progress towards our ambition of both becoming a significant, independent EU energy producer and fully delivering the value of BlueNord to our stakeholders.

Production and operations

Production for the year came in at the top end of guidance at 24.9 mboed. This performance predominantly reflects higher well potential and less disruption than anticipated due to the reroute work on Halfdan.

Better well potential is the result of well maintenance activity undertaken in 2022 and during 2023 across all three of our operational hubs. This included a scale squeeze and restimulation intervention on Gorm in 2022 and a total of 3 well interventions and 13 restimulations in 2023.

The rerouting of Halfdan oil stabilisation to Dan took place in the second quarter of the year. The work was completed ahead of schedule, resulting in higher than anticipated production during that period. The re-routing work eliminates routine flaring within the DUC, which is a milestone for the Company, and is in line with our commitments to a sustainable energy future.

Tyra II

The successful completion of the Tyra II redevelopment is the standout achievement of the year. This represents a significant moment for the Company, moving us to be a significant player in the European energy supply landscape. Putting this achievement in context, Tyra II is the largest project carried out on the Danish continental shelf, providing Denmark and Europe with 2.8 billion cubic meter of gas per year. It is a strategically important gas field, supporting European energy security and economic development, while reducing emissions intensity. The successful completion of the Tyra II project also unlocks 200mmboe of reserves and extends potential field life by c.25 years.

This achievement reflects the thorough planning process, the effort, commitment, and quality of the team on the ground and the broader management of the project. I would like to thank all those involved.

At the start of 2023, Tyra was in final form, so the work for the year centred on testing and commissioning and the tie-in of facilities. This included testing the gas turbine generators, reconnecting the export pipeline to Denmark, completion of subsea work, reconnecting all satellite fields and completion of leak testing. Delivery of these and other workstreams during 2023 was supported by further improvements to productivity and a strong culture of safety.

With Tyra first gas achieved in Q1 2024, stable production is now expected to be reached quicker, with maximum technical capacity now due within four months of first gas export resulting in Tyra II making a greater contribution to 2024 production than previously anticipated.This decision remains in line with achieving production of more than 55 mboepd by 2025 and average production of more than 40 mboepd during 2024.

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Chief Executive Officer Statement continued

The additional production from Tyra II will significantly reweight overall production from liquids to gas, while also reducing emissions per barrel by 30 percent. In addition to the environmental benefit, it will also greatly reduce the Company's lifting cost per barrel, to below USD13, improving returns and cash flow generation in the current year and beyond.

Maximising the production opportunity

The strategy to maximise returns from the DUC is based on a programme of infill drilling and well maintenance. This programme is expected to keep production at over 40 mboepd to 2030, with out- of-plan projects utilising existing infrastructure currently being matured to further support the development of additional volumes.

Plans for infill drilling involve a seven-well programme. The Final Investment Decision ('FID') was taken on two infill wells drilled from Halfdan in December 2022. These wells are expected to increase gas production from the Halfdan field, with a net gain of c.2.9 million mboe to BlueNord, of which 50 percent is gas. Total net cost at FID was expected to be USD39m, implying a total unit development cost of c.USD13/boe. The first well in the sequence, HBA-27B commenced production 26 March and the initial production rate was in line with the expectation of net 3 kboe/day.

FID on Harald East Middle Jurassic was taken in Q1 2024, and this well is expected to be spudded during the summer of 2024. If successful, this well could be on production through the new Tyra facilities by the end of the year. It is targeting up to 8mmboe, net to BlueNord, of which 80 percent is gas.

To maintain the high production level the DUC partnership has committed to continue the well intervention programme, with current plans for 19 'WROM' activities (Well and Reservoir Optimisation Management), Skjold gas acceleration, HCA gas lift installation and yearly stimulation campaigns. This work will be undertaken by the Noble Reacher, which is currently contracted to mid-2025. Looking further ahead to 2030 it has been estimated that additional WROM and restimulation opportunities targeting ca. 8mmboe (net BlueNord) at a unit technical cost of ca. 14 $/boe can be identified.

This programme also involves three developments: Valdemar Bo South, Adda and Halfdan North. FID on these developments is expected to be taken between 2025 and 2027, with production scheduled to start between 2027 and 2029.

In Q1 2023, the Company formed a strategic partnership with Semco Marine, to help maximise the DUC opportunity and access new opportunities. Semco Marine is a Danish engineering and contracting company with more than 40 years of experience in the offshore industry.

Reserves

BlueNord, along with its partners in the DUC, has been able to maintain a strong reserves position, which will serve the Company well as it looks to deliver consistent ongoing production and returns to investors.

BlueNord's annual reserves audit was undertaken by ERCE and resulted in net 2P reserves of 186mmboe at the end of 2023. This compares to 183mmboe at the end of 2022, and represents a reserves replacement ratio of over 130 percent in 2023. This extremely strong performance is a testament to the quality of our portfolio, reflecting not only the strong production performance in 2023 but also the progress that has been made in advancing BlueNord's portfolio of medium-term development projects. Beyond our 2P reserves base, BlueNord's portfolio also holds more than 200mmboe of 2C contingent resources, of which 27mmboe is attributable to projects that are expected to be onstream by 2030.

Sustainability

Sustainability is a theme that runs throughout the Company. It is reflected in our focus on health and safety; our goal of being a significant and local independent supplier of gas to Europe; and our strategy of investing in minimising the Company's footprint, through its operations and two material CCS projects.

The BlueNord team works very closely with the DUC Operator and other partners to ensure a safe operating environment. This work is based on investment and developing a positive work and management culture. The BlueNord team has the operational skills and experience to play an active role and I am pleased to report a positive culture across all DUC operations, including the Tyra II redevelopment.

During the year, the consortium eliminated routine flaring from the DUC, through investing in rerouting work on Halfdan. This represents a milestone for the Company, reflecting its commitment to minimising emissions from operations. Furthermore, the Company is continually assessing other additional emissions reduction initiatives for its producing assets and future activities.

The restart of gas production from Tyra also delivers material benefit. This includes a 30 percent reduction in emissions per barrel from the DUC and a local, secure supply of energy to the region, which is key to reducing emissions and supporting economic development.

BlueNord continues to invest, financially and through technical and commercial support, in its two CCS projects, Bifrost and CarbonCuts. These represent opportunities to remove and safely store material quantities of carbon from the atmosphere: improving quality of life locally and supporting Europe's ambition of reaching net zero.

Team

The strength of the BlueNord team comes from the range of skills and experience it offers. It allows the Company to contribute operationally, to the DUC, to the development of the two CCS projects and to consider other opportunities, while also maximising capital efficiency. This affords the Board and senior management the comfort and flexibility needed to continue to deliver for shareholders and other stakeholders.

The culture of the team is incredibly positive, reflecting individual commitments to the success of the business. It is through that, and the skills people bring to the Company, that we have been so successful in delivering against multiple milestones. I would like to take the opportunity to thank each person for their support, without which we would not be where we are today.

Financials

Revenue for the year was USD795m (2022: USD967m). This reflects a strong production performance, at the top end of guidance, and an increased weighting to gas, offset by lower overall commodity pricing, mitigated by an active hedging policy.

EBITDA for the year to 31 December 2023 was USD421m (2022: USD611m). This decrease reflects the Company's revenue performance, combined with expenditure during the year to support production.

The Company's balance sheet remains strong, with net debt at the year-end of USD1,088m, reflecting a further year of strong cash flow generation. At the year end the Company had total liquidity of USD317m.

As production from Tyra II feeds through to cash flows, the Company can expect its balance sheet strength to improve further, placing BlueNord in a good position to become a material, long term dividend-paying company for its shareholders.

The hedging policy in 2023 supported access to greater spot pricing, post-amending the hedging policy requirements under the reserve-based lending facility ('RBL') in 2022. Looking ahead to 2024, the hedging strategy will continue to allow further exposure to commodity price changes, while recognising the benefit of adding certainty around future cash flow when the outlook for commodity prices allows.

Outlook

We entered 2024 with a strong portfolio, supported by the near-term addition of volumes from Tyra. This means BlueNord is now able to put in place a distribution policy that we believe fully delivers the value of BlueNord's portfolio to all our stakeholders; we will prioritise near-term distributions during 2024 to 2026, while at the same time maintaining a conservative balance sheet and undertaking measured reinvestment where attractive opportunities to do so exist.

Despite the impact of Tyra on production in the current year and beyond, we do not envisage any change to the Company's approach. Each decision will continue to be assessed against the most efficient use of capital and the Company's ability to drive higher distributions for investors and other stakeholders for the long term. Nonetheless, with production set to double, BlueNord finds itself in a fortunate position, affording it a strong base and flexibility, supporting its future.

As the year develops, I look forward to updating investors on further milestones as they are met and our plans for distribution. Despite the impact of an increasingly volatile world, I also look forward to the future of the Company with continued confidence.

Euan Shirlaw
Chief Executive Officer

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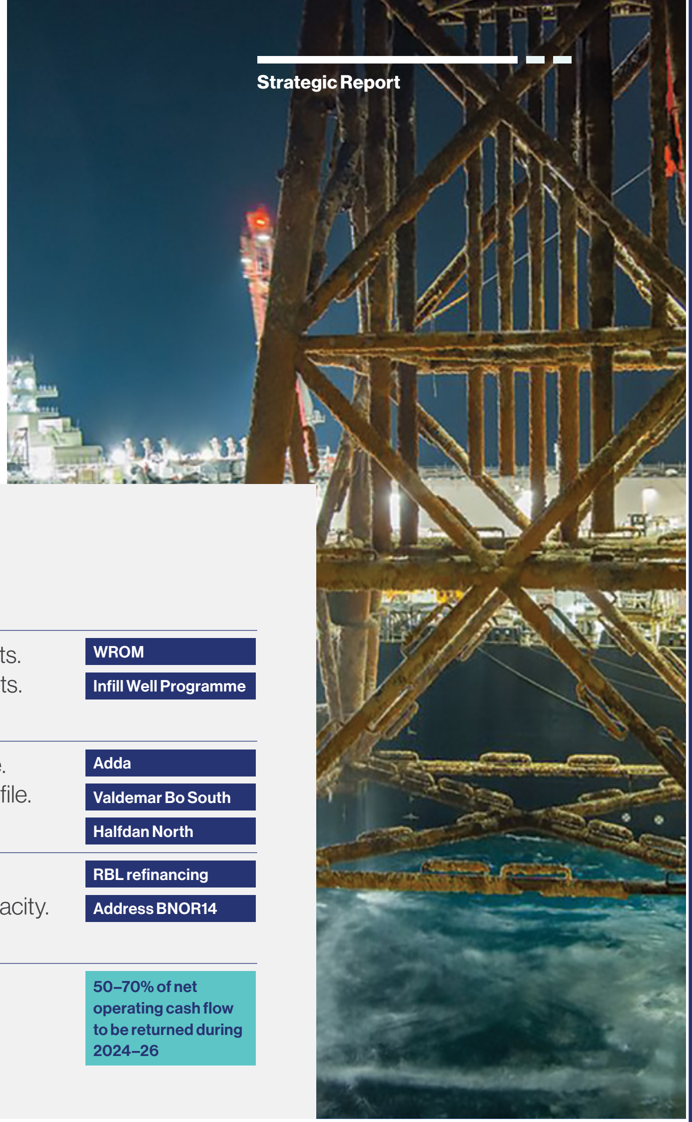

Our purpose is to provide Europe with the energy for today, tomorrow, and in the net-zero future to come

BlueNord has a differentiated business model, which prioritises distributions to shareholders, while at the same time maintaining a conservative balance and allocating capital as needed to secure the long-term contribution of our operational portfolio.

Delivering our business model starts with maximising the value of our underlying business. We do this by taking an active approach, focused on influencing and exercising control. This is further supported by measured reinvestment where attractive.

As an engaged DUC partner, we play a meaningful role in direction and activity, ensuring a well-managed portfolio that fully delivers on its potential.

Framework for Disciplined Capital Allocation, Prioritising Near-Term Distributions
while maintaining a conservative balance sheet and securing the long-term contribution of BlueNord's portfolio.

Organic Growth: Short-Cycle	• High-return, quick payback investments. • Maximise contribution from base assets.	WROM Infill Well Programme
Organic Growth: Long-Cycle	• Measure investments where attractive. • Must be accretive to equity returns profile.	Adda Valdemar Bo South Halfdan North
Capital Structure	• Maintain conservative balance sheet. • Maximise access to secured debt capacity.	RBL refinancing Address BNOR14
Distributions	• Maximise near-term distributions. • Maintain long-term returns profile.	50–70% of net operating cash flow to be returned during 2024–26

Maximise value of our operational portfolio

Maximise capital available to BlueNord

Allocate capital per disciplined framework

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Our Strategy

Our core objective is to ensure we maximise the long-term value we deliver for our broad stakeholder group. We believe we do this best by balancing the demands of energy security against the needs of the energy transition, and our strategy is set to enable this.

We will make further measured investments where economically attractive to do so, which will in turn help ensure energy prices are affordable to consumers, both residential and industrial.

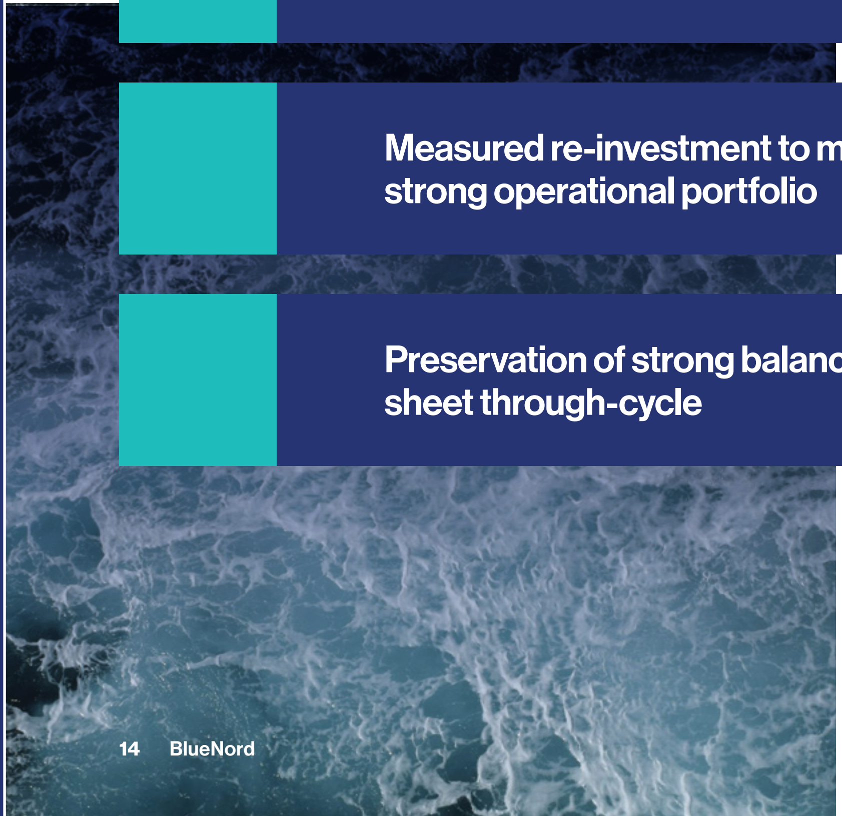
We will seek to lower overall emissions by producing more gas which will offset higher carbon intensive sources of energy like coal, investing in emissions reduction initiatives for existing producing assets, and investing in activities that support a net-zero society.

	Delivery in 2023	Focus for 2024
01 Deliver operationally **Strong production performance, driven by an active approach to asset management that will see BlueNord continue to seek opportunities to enhance near-term volumes.**	• Strong production in upper end of annual guidance. • Mitigation of natural decline and delivery at or above guidance for 12 consecutive quarters. • Active management by the operator with delivery of the WROM programme. • Attractive Short-Cycle Investments being pursued with the first infill well spudded in June.	• WROM to continue with activities approved to 2025+. • Focus on identifying further opportunities for enhancement in fields that have not been subject to WROM to date. • Further maturation of infill opportunities, including for the newly onstream Tyra hub.
02 Deliver Tyra II **Tyra secures energy supply by producing 2.8 billion cubic meters of gas per year to Denmark and Europe, while at the same time reducing emissions intensity by 30%.**	• First gas achieved in March 2024. • Shorter ramp-up to maximum technical capacity supported by additional work done prior to first gas. • Activities support net BlueNord production expectations of over 55 mboepd in 2025 and substantial free cash flow generation.	• Ensure ramp-up to maximum technical capacity delivered within four months per current Operator guidance. • Deliver unplugging and reactivation of Tyra wells according to schedule to support journey to peak production. • Seek to debottleneck facilities to the maximum extent possible, potentially unlocking scope beyond 300 mmscfpd nameplate capacity.
03 Deliver our potential **Maximise value of BlueNord, with near-term shareholder returns prioritised, while also maintaining a conservative balance sheet and reinvesting where attractive to do so.**	• Distribution policy announced, which will prioritise near-term returns to shareholders, while maintaining a conservative balance sheet. • Progress made with project portfolio, with maturation reflected in > 130% 2P reserves replacement for 2023.	• Deliver distribution profile with 50–70% of net operating cash flow distributed to shareholders from 2024 to 2026. • Complete refinancing of BlueNord balance sheet with conservative capital position maintained throughout. • Progress opportunities to invest where accretive to long-term distribution profile. • Continue to assess opportunities for short and long-term emissions reductions.

Distribution policy set to deliver material near-term capital returns to shareholders

Ability to return capital supported by substantial free cash flow generation with Tyra onstream, which will enable the prioritisation of near-term returns to shareholders, while also allowing measured reinvestment and for a conservative balance sheet to be maintained through cycle.

Cashflow Generation Supports all Stakeholders



Prioritisation of shareholder returns in the near-term

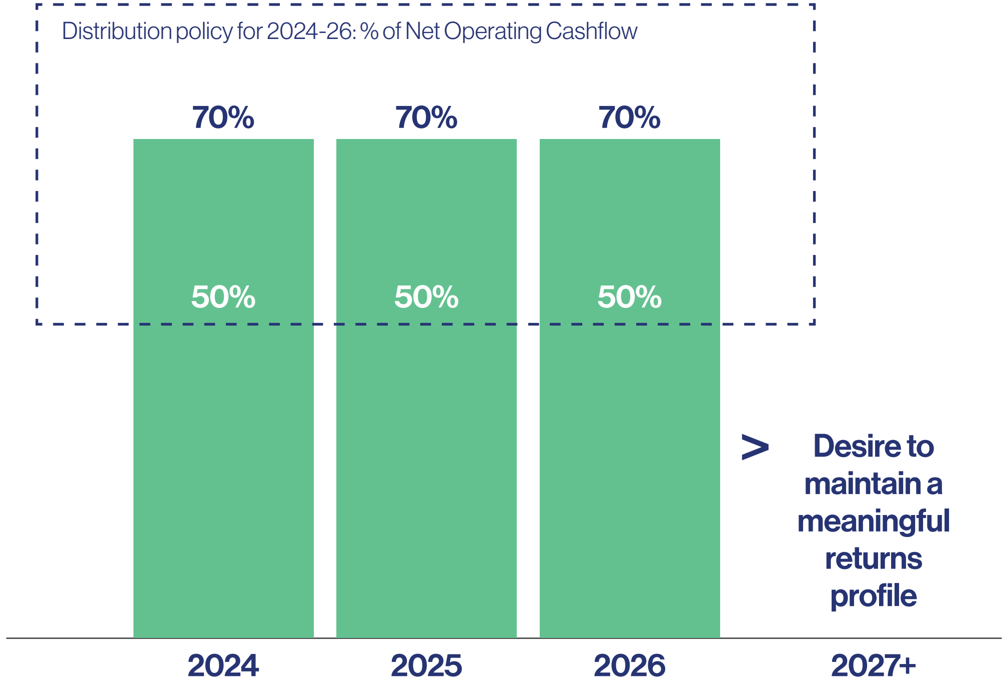
Measured re-investment to maintain strong operational portfolio

Preservation of strong balance sheet through-cycle

Shareholder Returns Policy Focused on 2024-26

- 2024 to 26: Distribution policy of 50-70% of Net Operating Cash flow.
- 2027+: Desire to maintain a meaningful returns profile percentage of Net Operating Cash flow:

Shareholder distributions based on Net Operating Cashflow



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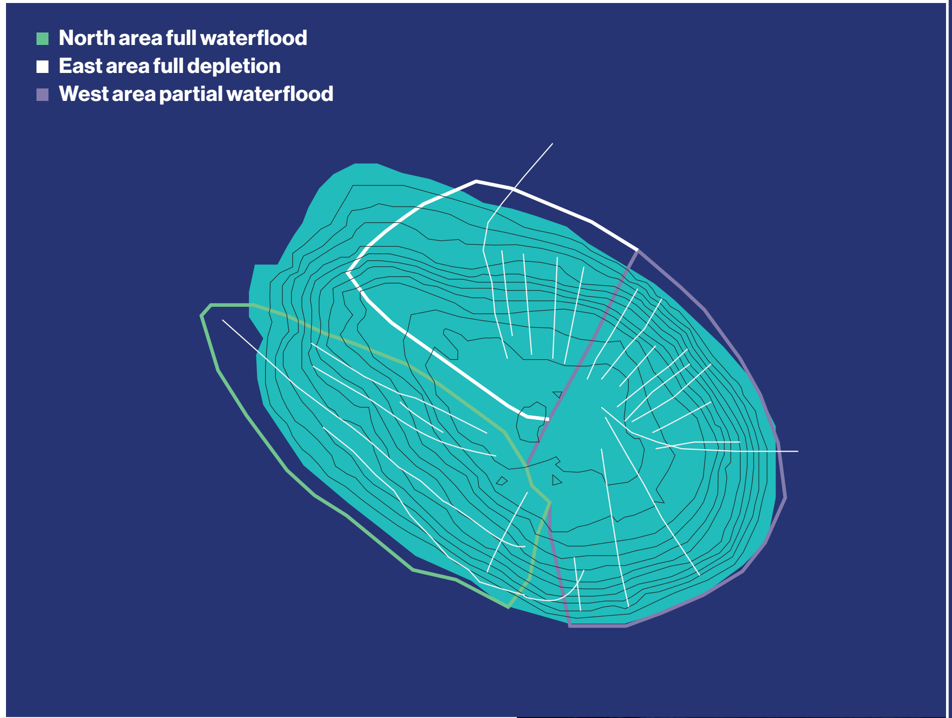
Strategic Pillar 01
Deliver operationally

Acceleration of gas production from the Skjold field by reduction of water injection

Exciting Gas Acceleration Project Pilot initiated end 2023

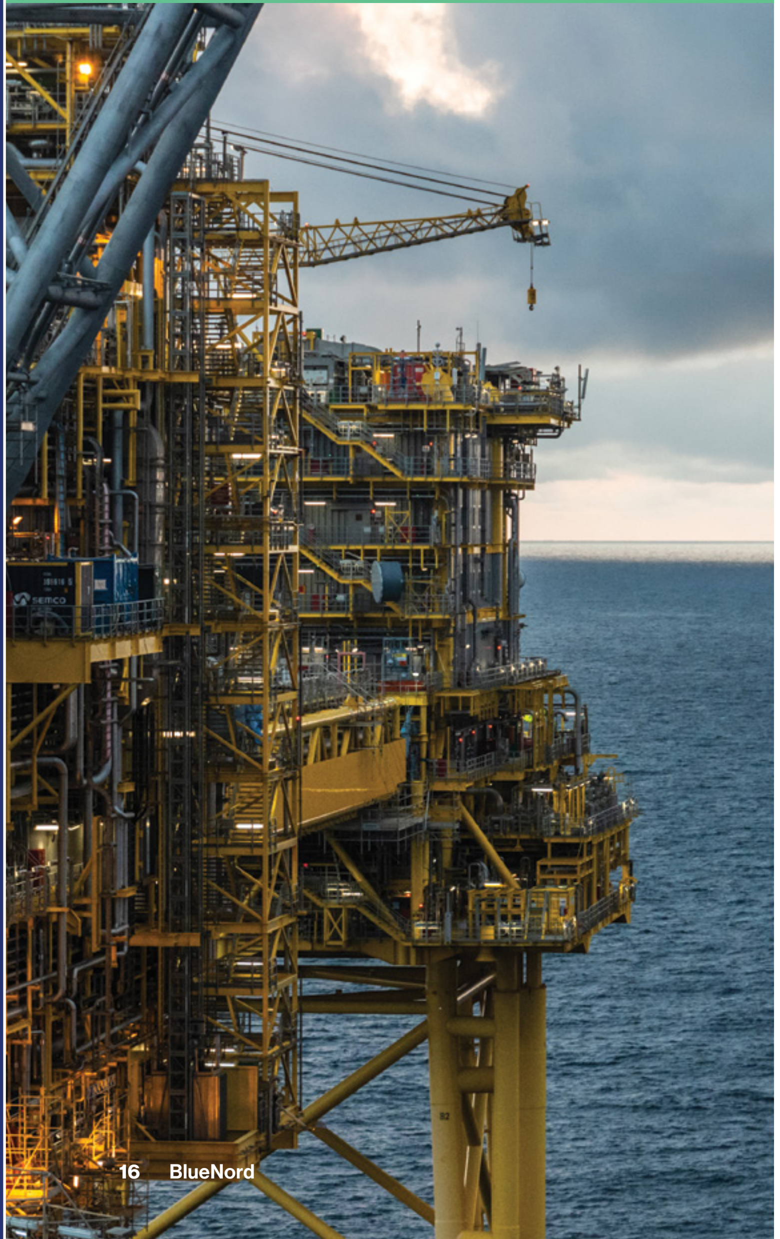
The change from water injection to depletion drive in parts of the Skjold field was started at the end of 2023. This is a common way of maximising recovery from late-life fields and has the additional benefit of enabling gas export from Gorm; this will further maximise the economic benefit from Grom hub production with sale of excess gas production rather than injection back into the reservoir. This project will potentially increase production by 1.3mmboe, net BlueNord by end 2027, and increase the gas to oil ratio from the Skjold field.

There is some reservoir uncertainty associated with this project. This is mitigated by conducting a pilot project over one to two years, with the option of reversing the process if the pilot is not successful. Produced water from Skjold is reinjected via restored water injectors in the Gorm field and other parts of the Skjold field. This project is also expected to lead to a reduction in fuel gas consumed in pumps for water injection, if produced water is reduced as expected.



> The Gas Acceleration Pilot is expected to increase the gas production from the Skjold field by changing from water injection to depletion drive. The project may benefit from reducing the fuel consumption leading to reduced emissions.

Strategic Pillar 01 continued
Deliver operationally

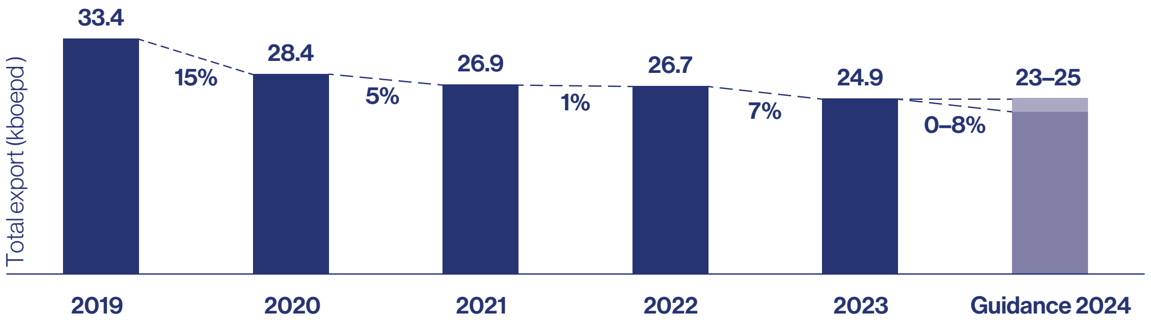


Optimisation mitigates decline for the producing DUC fields

A low overall decline has been observed in the export volumes from the producing DUC fields since 2021. This is mainly due to a high level of well activities and increased focus on delivering a high operational efficiency. In summer 2022, the DUC optimisation journey commenced by successful restimulation of eight wells in the Halfdan North East field. This was followed by the WROM project on Dan with a duration of 18 months, and is now continuing on Halfdan. In parallel, restimulations are carried out with regular intervals on both the Dan, Halfdan and Gorm fields. Further to the increased production, following already executed and planned work, the first infill well since the HBB10 well was delivered in 2017; HBA-27B has come on production end March 2024. The gas acceleration project pilot on Skjold is also expected to accelerate gas production and reduce water injection and associated fuel consumption by shutting in one water injector pump on Gorm. There is a continued high focus on keeping the unplanned shortfalls low, and combining planned work in the best possible way to maintain the operational efficiency target above 90 percent.

Plot of actual export volumes from 2019 to 2023 from producing DUC fields (excluding Tyra) and the expected guidance for 2024.

DUC excluding Tyra hub – Actual production and decline net BlueNord



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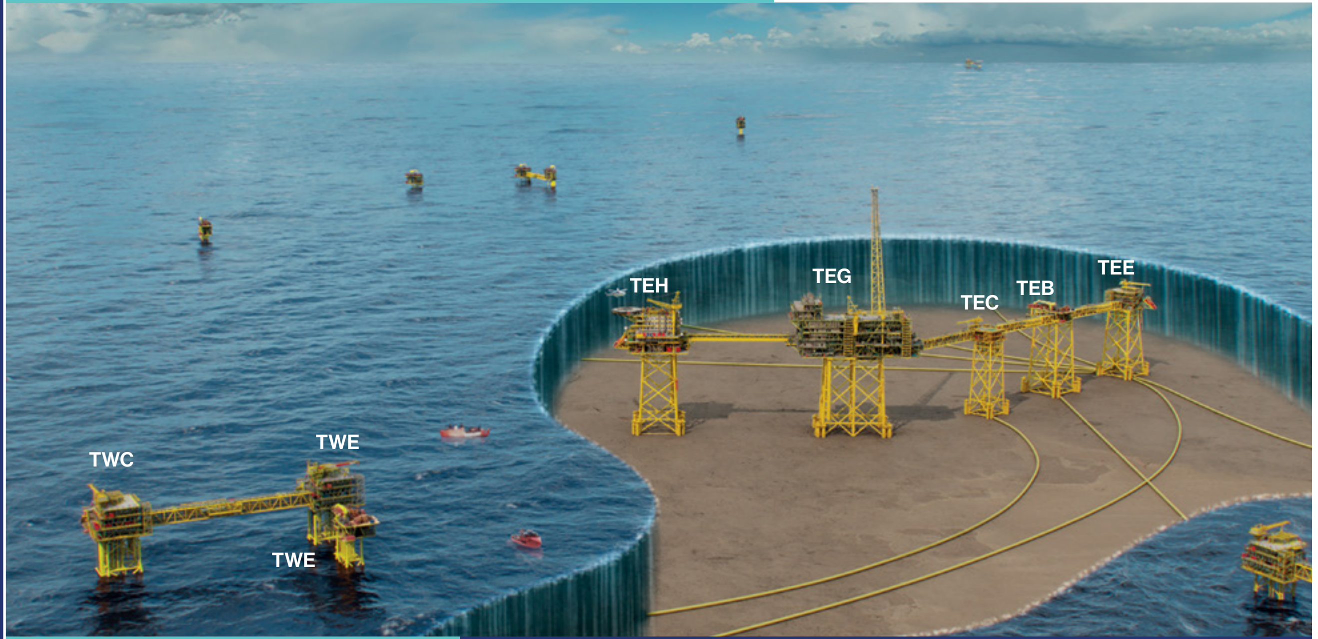
Strategic Pillar 02
Deliver Tyra II

Ensuring sustainable energy security with the Tyra II field



Tyra II at a glance

Energy Security
Annual sale from Tyra when on plateau is estimated to 2.8 billion cubic meters of gas. This gas will satisfy the need for natural gas in Denmark as well as replacing LNG and coal generated energy in Europe.

The new Tyra gas processing facilities are one of the most technologically advanced offshore gas installations in the world. The new Tyra leverages state-of-the-art digital solutions and technological innovations to produce more efficiently and with 30% lower greenhouse gas emissions than the former facilities.

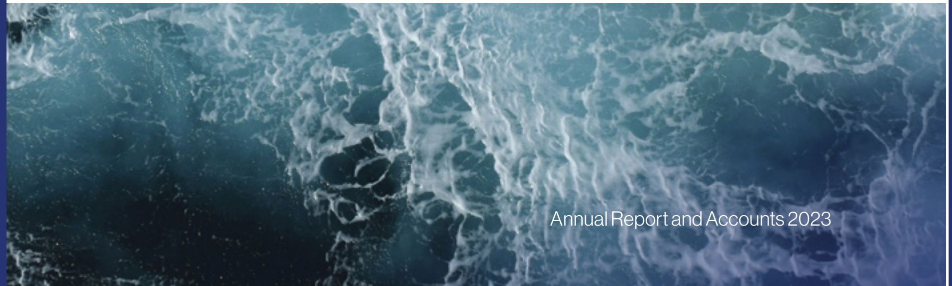
The onshore control room will be continuously manned and can be used to fully remotely control the Tyra hub offshore operations. This set-up will improve collaboration between the onshore and offshore teams, reduce the need for unscheduled offshore visits, reducing the overall risk of the Tyra production operations.

The new Tyra facilities offshore are equipped with around 100,000 data points retrieved from sensors on critical equipment, which will continuously be monitored and analysed by the onshore control room team. A technology called advanced predictive monitoring will be used to ensure that potential repairs or adjustments required are executed before the processing equipment stops working which will significantly reduce unplanned shutdowns.

This new way of working will increase the Tyra hub operational efficiency and reduce cost and energy required for the Tyra hub production operations.

30%
emissions reduction compared to old facilities

> **With the safe restart of Tyra production in March 2024, focus is now on bringing the Tyra West and East fields as well as satellites Valdemar, Roar, Harald and Lulita on production as soon as possible to maximize the utilisation of one of the most advanced and efficient offshore gas installations in the world.**



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Strategic Pillar 03
Deliver our potential

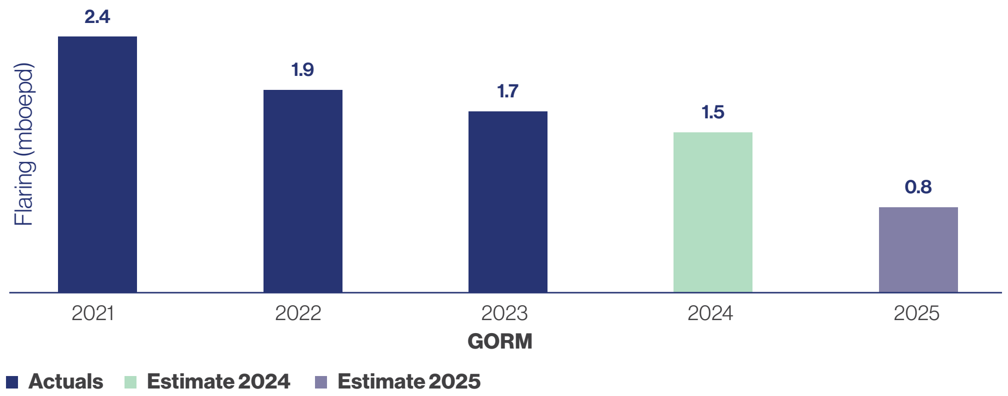
Routine flaring eliminated from July 2023, and further flare reduction initiatives to be implemented in 2024

Completed and ongoing flaring reduction projects on Gorm

Routine flaring has been eliminated in DUC as of 6 July 2023. The routine flaring was caused by flaring of excess gas from the final stabilisation of Halfdan oil on Gorm as there was no available export route. This routine flaring was eliminated through the Halfdan reroute project, where the oil from Halfdan is now being routed to Dan for final stabilisation. The estimated reduction in emissions is 20 ktonCO$_2$e/y.

During 2023, a feasibility study on flare gas recovery from Gorm processing has been completed, the project is expected to be implemented by the end of 2024. The estimated reduction in emissions is estimated to 9 ktonCO$_2$e/y. In combination, the recently enabled gas export from Gorm and the flare recovery has the potential of reducing flaring on the Gorm facility up to 50% in 2025.

Flaring – Gorm



> High focus on reducing flaring on producing facilities. Gorm is the first hub on the emissions journey.

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Strategic Pillar 03
Deliver our potential

BlueNord Long-Term Plan

The Long-Term Plan outlines development activities up to 2030, based on the current technical and economic landscape of the Danish Underground Consortium (DUC). Projects will be revised and optimised in light of findings from technical studies, production, and changing macroeconomic conditions.

The plan includes the drilling of seven infill wells between 2023 and 2026. Of these, up to four oil wells will be drilled from Halfdan, one gas near-field exploration well from Harald, with two more still under consideration. The 4D seismic acquired in 2023 is key to identifying pockets of undepleted reservoir in the Halfdan field; interpretation of this data is ongoing and will guide the infill programme.

Following delivery of these infill wells, three further developments will be executed: five wells on Valdemar Bo South, seven wells on Adda, and then nine Halfdan North wells. BlueNord is conducting independent technical work to investigate opportunities for acceleration, to enable timely delivery of affordable energy.

In addition, we are working to mature additional infill wells in the Tyra area. Work is ongoing to increase production and reach design capacity during the summer of 2024, which will unlock significant volumes from Tyra and satellites with our modern and efficient processing facilities.

Minimum 7 infill wells
to be drilled between 2023 and 2026

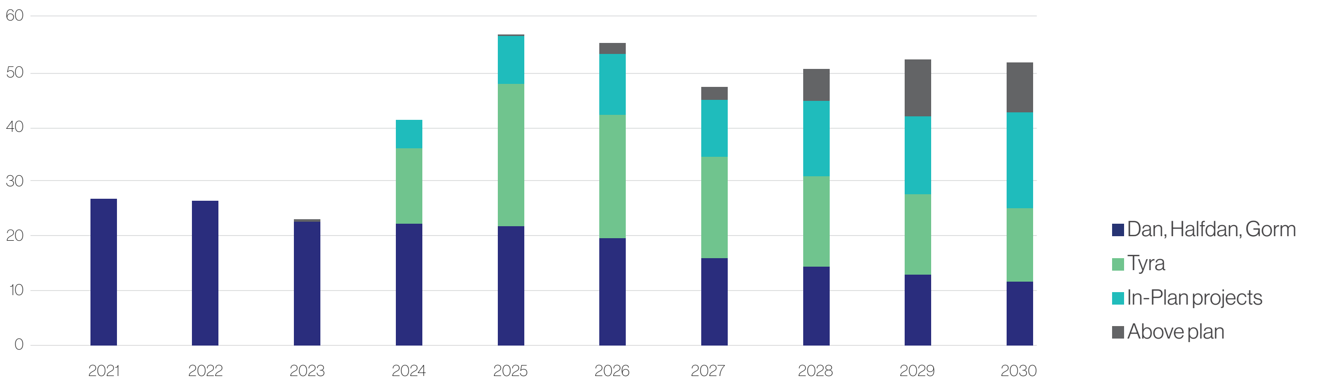
5 wells
on Valdemar Bo South

7 wells
on Adda

9 wells
on Halfdan North

Estimated rig activity schedule

Expected Long-Term Plan production profile



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Strategic Pillar 03 continued
Deliver our potential

Key BlueNord Long-Term Plan projects for 2024-30

Halfdan infill	The Halfdan infill wells are planned as a continuation of the Halfdan field development. A FID was made in 2022 for two infill wells, planned to be drilled in the Halfdan Upper Cretaceous Tor formation. The first well commenced production in April 2024. If supported by positive indications from the 4D seismic study, the Halfdan Ekofisk well will be drilled after the Harald East Middle Jurassic well.
Harald East Middle Jurassic	This is a gas well drilled from the Harald platform into a Jurassic reservoir which has significantly better production potential than the chalk reservoirs present in the Dan, Halfdan and Gorm hubs. The well is classified as a near field step-out well and has a large range of subsurface outcomes. FID was taken in January 2024, with first production expected in late-2024.
HCA gas lift	The HCA gas lift project is planned for 2025. The gas lift is required to support well production and thereby increase production potential. Project scope comprises modifications to Halfdan B topside facilities, as well as a gas lift manifold to be installed at Halfdan C. Construction of the main module is complete.
Halfdan North	The Halfdan North Upper Cretaceous discovery is a northern extension of the producing Halfdan field. Halfdan North was confirmed by the well HDN-2X and later in 2016 by the Tyra SE, TSB-3A well. The discovery will be tied back to the Halfdan B ('HBD') processing platform with a seven kilometre pipeline from a newly-built wellhead platform with nine horizontal wells, five producers and four water injectors. Field Development Plan submitted to Danish Energy Agency ('DEA') in 2020.
Valdemar Bo South	This discovery is a southern extension of the producing Valdemar field. Valdemar Bo South has been confirmed by the Bo-3X and Jude-1X exploration well and further by the VBA-6E horizontal well drilled in 2012. The discovery will be tied back to Tyra E via the Valdemar BA platform with a 2.5km pipeline from a newly-built wellhead platform with five horizontal wells. Field Development Plan submitted to DEA in 2020.
Adda	The Adda discovery was made in 1977 by the Adda-1 well. The discovery well found gas condensate in the lower Cretaceous Tuxen Formation and oil in the overlying Upper Cretaceous Hod Formation. The discovery will be tied back to Tyra East with an 11km pipeline from a newly-built wellhead platform with seven horizontal producer wells. Field Development Plan submitted to DEA in 2021.
Svend	Production from the Svend field ceased in 2016 due to well integrity issues. Due to dependencies on the production life of the Harald hub, Svend is currently categorised as a potential addition to the Long-Term Plan, subject to HEMJ success.

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Net cash flow from operating activity

$250m

Effective oil price

$67.8

USD/bbl

BlueNord performance in 2023 was strong

The Company delivered five percent above budget despite production from the first Halfdan well being delivered in 2024 (rather than 2023). Production during the year benefitted from an increased level of well-optimisation activity and higher uptime than planned due to the reduced duration of planned shutdowns.

However, the safe delivery of the Tyra restart and Tyra ramp-up is the most significant ongoing development.

Following construction in Singapore, Indonesia, Italy and Denmark, the world's largest ever lift from a floating crane – of 17,000 tonnes – took place in October 2022. The subsequent offshore hook-up and commissioning period involved more than 1500 offshore and 250 onshore workers.

During 2023 and the first quarter of 2024, a huge scope of offshore work has been completed enabling the Tyra facilities to process and export gas to Denmark.

During the middle of the year, the commissioning strategy was optimised and entailed extensive use of Nitrogen rather than natural gas. This change of strategy offered the benefits of less construction work after the commencement of gas production and also a significantly reduced fuel consumption during start-up. This new strategy for start-up caused a slightly delay of gas in and restart of Tyra but could offer a significantly quicker ramp-up to full processing capacity. The new commissioning strategy was enabled by generation of Nitrogen on Tyra and this Nitrogen generation has also increased efficiency for reinstatement of wells.

The Tyra East and Tyra West wells reinstatement has progressed well with the phase 1 scope of installing refurbished Xmas trees have been installed on all Tyra East and West wells. The phase 2 scope of removing temporary plugs have been completed for all wells on the Tyra West B installation and work is commencing well on Tyra West C with 18 out of 23 Tyra West wells re-instated as of end March. A Wireline unit is being mobilised on Tyra East B.

The onshore control room has been operational since June 2023 and has been actively used for collaboration between the onshore and offshore teams during commissioning. In parallel with the hook-up and commissioning activities on Tyra East and West, the Tyra Satellite fields that have also been shut in since 2019 are being prepared for start-up.

Tyra production will be ramped up according to the following sequence

- Gas in from Dan (achieved 16 March 2024).
- Gas export to Nybro (achieved 21 March 2024).
- Gas in from Harald (achieved 25 March 2024).
- Opening on valves in Nybro and export of gas to the Danish market.
- Gas in from Tyra South East.
- Start-up of gas lift system.
- Two gas export trains in operation.
- Gas in from Valdemar.
- Gas in from Roar.
- Tyra West commencement of production.
- Tyra East commencement of production.

With production from the Harald field, a significant step has been taken towards reaching the full processing capacity at Tyra. To find out more about the landmark Tyra story, see page 4 of this report.

The outlook for 2024 is extremely strong with an expected doubling of the BlueNord production throughout the year.

From the base assets, the production from the Halfdan Tor North East infill well commenced late March 2024 while Final Investment Decisions on the Halfdan Ekofisk wells is expected during the years while WROM on Halfdan will continue throughout the year.

The investment in the Harald East Middle Jurassic well was approved in January 2024 and in a success case, this well could provide a production upside in the last quarter of 2024.

Work is ongoing to mature the major projects towards Investment Decisions in 2025 which will contribute to maintaining the BlueNord production around 50 000 mboepd. BlueNord has built a stable business that is underpinned by our position and expertise on the DUC Assets and reservoirs.

Marianne Eide
Chief Operating Officer

In this report

2023 – Annual performance

The production performance in 2023 was excellent and resulted in the upper production guidance given at the beginning being exceeded. It should also be noted that the 2023 production performance was achieved without the start-up of new wells. The Halfdan North Tor North East infill well commenced production in late March 2024. This excellent performance was caused by a high level of well intervention and restimulation activities, as well as a high operational efficiency. In particular, the production benefited from the optimisation campaign on the Dan field which started in mid-2022 and continued throughout 2023. In this campaign, a total of 50 well interventions were carried out on Dan with the rig Noble Reacher, and resulted in the 2023 production from the Dan Hub being two percent higher than the 2022 production. In 2024, Noble Reacher will move to Halfdan, where 17 well interventions are planned to be carried out.

The delivered operational efficiency was 86 percent, which was in line with BlueNord's expectation for 2023. The forecasted high operational efficiency was delivered despite two production loss incidents at the beginning of the year. In general the Company has seen excellent operational performance by the operator and quick response to these loss events. With respect to brown-field modification execution, the Dan-Halfdan re-route work was completed ahead of schedule with lower than expected impact on Dan and Halfdan production.

As a response to the strong production performance of the Gorm Hub, life extension activities were initiated by the partnership in 2023 to ensure longer-term integrity of the installation to ensure maximum recovery of reserves.

	PRODUCTION PERFORMANCE 2023	PRODUCTION OUTLOOK 2024
Dan Hub	Production performance was **high** in 2023 mainly attributed to: • 18 well interventions carried out with the rig Noble Reacher. • Six restimulations carried out in March and eight restimulations in May. • Stable well-count throughout the year.	To keep production high in 2024 the plan is to: • Carry out two proactive workovers by rig Shelf Drilling Winner. • Maintain the high operational efficiency to benefit from the increased production potential resulting from the 2022/23 optimisation campaign. • Carry out restimulation campaign during the summer months.
Gorm Hub	Production performance was **high** in 2023 mainly attributed to: • Restimulation of 13 wells carried out in the Gorm field. • Available gas production capacity has been increased through gas reinjection into the Rolf field and also by storing excess gas in the Gorm Halfdan pipeline. In late 2023, gas export from Gorm was established which will also increase gas production capacity and reduce flaring.	To keep production high in 2024 the plan is to: • Fully implement the Skjold Gas Acceleration Project Pilot, where the recovery mechanism is changed from water injection to depletion in parts of the Skjold field, which is expected to increase the production gas to oil ratio, as well as accelarate reserves. Start water injection in the two newly reinstated water injectors in the Gorm field. • Perform restimulation campaign during the summer months. • Utilise the gas export that was established late 2023.
Halfdan Hub	Production performance was **high** in 2023 mainly attributed to: • Arrest of the production decline of the Halfdan field by keeping the well-count high and stable. • Exceptionally high operating efficiency of 90.7 percent. • Continued high gas production as a result of the restimulation of eight HCA wells in 2022.	To keep production high in 2024 the plan is to: • Carry out 17 well interventions with the rig Noble Reacher. The interventions include water shut-off treatments, as well as zone shifting of the wells for optimisation of the water flood efficiency. • Carry out restimulations on nine wells. • The Halfdan Tor NE infill well HBA-27B commenced production in April 2024. • Maintain the high operational efficiency at this hub.
Tyra Hub		To ensure safe and efficient start-up: • ensure tailored re-start and ramp-up for each individual well to protect the productivity of each well. • analyse pressure buildup during production shut-in to understand more about the potential of each reservoir. • commence studies for identification of well optimisation opportunities.

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Effective oil price
$67.8
USD/bbl

Net cash flow from operating activity
$250m

Effective gas price
75.7
EUR/MWh

Cost per boe
$32.5

Total revenue
$795m

"We have had a strong year driven by excellent underlying operating performance which exceeded expectations and led to a strong and stable financial result in 2023. When comparing with 2022, the commodity price environment in 2023 was less volatile and on average lower overall pricing was realised.

With revenues of USD 795 million and EBITDA of USD 421 million for the full year, this has resulted in significant cash generation from operating activities of USD 250 million, ending the year with total liquidity of USD 317 million, comprising of cash on balance sheet of USD 167 million and undrawn RBL capacity of USD 150 million.

Our capital structure remains robust supported by our liquidity position and net debt, with no principal maturities prior to Tyra first gas. The RBL facility has successfully remained at the same level of USD 1.1 billion, with maximum cash drawing capacity of USD 1.0 billion.

We also continue to maintain a hedging policy that provides visibility over future cash flow, adding volumes where it makes sense to do so, thereby supporting our balance sheet and capital structure through this continued uncertain price environment.

Jacqueline Lindmark Boye
Chief Financial Officer

The Company had revenues of USD 795.0 million in 2023 (2022: USD 966.9 million) mainly related to oil and gas sales from the DUC fields. The decrease is related to lower realised commodity prices, with a decrease of 23.2 percent on gas and 10.2 percent on oil, respectively, net of hedging effects, in addition to 2.9 percent lower oil volumes, offset by 1.2 percent higher gas volumes.

Production expenses of USD 295.9 million in 2023 (2022: 308.5 million) were directly attributable to the lifting and transport of the Company's oil and gas production, which equates to USD 32.5 per boe (2022: USD 31.6 per boe). Adjusted for insurance and changes in stock and inventory, total production expenses amounted to USD 340.1 million in 2023 (2022: USD 323.4 million). Current year is influenced by the production enhancing WROM and the Integrity Recovery Project ('IRP') project which started in 2022.

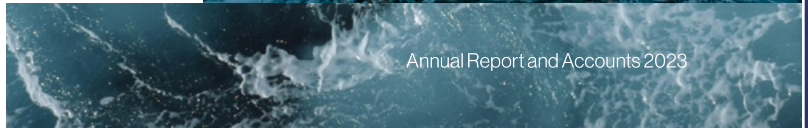
Personnel expenses were USD 18.0 million in 2023 (2022: USD 12.5 million). The increase is mainly due to the increased number of FTE's and implementation in 2022 of the share-based long-term incentive ('LTI') programme; the LTI is valued and accounted for according to International Financial Reporting Standards ('IFRS®') 2. For more information related to the LTI, see page 64 in the Remuneration Committee Report.

Other operating expenses amounted to USD 14.1 million in 2023 (2022: USD 19.1 million). The decrease is due to lower consultant and legal fees.

Operating result (EBITDA) for 2023 was a profit of USD 421.4 million (2022: USD 611.2 million). This decrease is mainly attributable to lower revenue.

EBITDA
$421m

Total liquidity
$317m



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Net financial items amounted to an expense of USD 75.2 million in 2023 (2022 restated: USD 168.7 million). This is primarily driven by the decrease in the negative fair value adjustment on NOR13's embedded derivative in 2023 compared to 2022, the value of which is influenced by changes in BlueNord's share price, and the unwinding and fair-value adjustment of the interest swap. In addition, 2022 was influenced by a positive effect from the extinguishment of the NOR13 bond loan, that was partly offset by higher interest income related to restricted cash. The net financial items for 2022 have been restated due to capitalisation of borrowing cost on qualifying assets under construction, for more details see note 10 on page 92.

Income Tax for the Group amounted to a current tax cost of USD 145.5 million and deferred tax movements amounted to USD 11.8 million (income), which corresponds to a statutory tax rate of 64 percent on result before tax on hydrocarbon income, adjusted with the effects of investment uplift, foreign exchange adjustment of tax losses and interest limitation. Current tax is impacted by the temporary EU-solidarity tax charge; however, this is offset by an equivalent reduction in hydrocarbon tax deferred tax charge, hence not increasing the effective tax rate from the statutory 64 percent. Effective tax is 0 percent on result before tax in Norway and UK and 22 percent tax on result before tax on ordinary income in Denmark.

Reference is made to note 14 in the consolidated financial statements for further details to the taxes this period.

The Group's net result for the year of USD 109.8 million (2022 restated: loss of USD 8.8 million).

Total non-current assets amounted to USD 3.0 billion at the end of 2023, of which USD 2.4 billion related to property, plant and equipment, intangible assets of USD 151.6 million, deferred tax assets of USD 218.5 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 security for DUC cash-call obligations pledged to TotalEnergies, and security against Nini/Cecilie abandonment costs.

Total current assets amounted to USD 381.9 million at the end of 2023. USD 59.9 million in trade receivables and accrued revenue, mainly related to oil and gas revenue, USD 24.8 million in prepayments primarily offshore and non-payment insurance premiums, USD 166.7 million of cash and USD 54.7 million of inventory.

Equity amounted to USD 813.6 million at the end of 2023 (2022 restated: 664.2 million). The increase in equity is mainly related to the net result of the year and the positive fair value adjustment of hedges.

Interest-bearing debt amounted to USD 1.2 billion at the end of 2023 (2022: USD 1.1 billion). The increase mainly relates to the draw-down of USD 50 million on the RBL facility. Most of the BNOR13 convertible bond loan was converted to BNOR15 in the beginning of 2023; the remaining value was converted to shares by end of 2023. BNOR15 convertible bond loan had a book value of USD 202.0 million at the end of 2023. The bond loans are valued 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 2023, of which USD 125.0 million is classified as current liability as it is due for payment in the second half of 2024. The senior unsecured bond loan BNOR14 had a book value of USD 169.1 million at the end of 2023. The RBL facility and the unsecured bond loan are valued at amortised cost.

Asset retirement obligations amounted to USD 1,049 million at the end of 2023 (2022: USD 955.8 million). The increase is driven primarily by accretion of the provision during 2023, updated exchange rates and some minor changes in cut-off years. USD 981.4 million is related 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 a cash escrow account of USD 64.3 million.

Net cash flow from operating activities amounted to USD 249.9 million at the end of 2023 (2022: USD 561.3 million). The decrease is mainly driven by higher tax payments in 2023 of USD 229.8 million that relate in large part to the 2022 taxable income, as well as lower revenue mainly from lower commodity prices net of hedging. Cash flow from operations excluding changes in taxes paid amounted to USD 479.7 million in 2023 compared to USD 572.9 million in 2022.

Cash flow used in investing activities amounted to an outflow of USD 347.6 million at the end of 2023 (2022: USD 259.0 million). The cash flow used in investing activities related to DUC investments of USD 311.0 million, of which USD 254.7 million was spent on Tyra redevelopment (including preparation work related to Tyra satellites and excluding capitalised interest). USD 31.2 million was spent on drilling the infill well on Halfdan; in addition, USD 25.0 million was spent on projects such as Gorm lifetime extension, gas acceleration project, 4D seismic survey and other minor projects. USD 25.0 million in deferred consideration, USD 8.7 million in paid decommissioning, issue of a long-term loan of USD 2.8 million and USD 0.1 million in exploration and evaluation assets.

Cash flow from financing activities amounted to an outflow of USD 3.9 million at the end of the year (2022: USD 156.5 million). The cash outflow in the current year is mainly related to USD 53.6 million in paid interest net of interest swap and financing costs, offset by USD 50.0 million drawdown on the RBL facility, compared to last year's voluntary repayment of USD 100.0 million on the RBL facility.

Net change in cash and cash equivalents amounted to a cash outflow of USD 101.6 million in 2023 (2022: positive cashflow of USD 145.8 million). Cash and cash equivalents were in total USD 166.7 million at the end of 2023.

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Delivering secure, affordable and locally produced energy to Denmark and EU

We recognise climate change and support Denmark and EU net zero goals by working to reduce our carbon footprint.

SUSTAINABLE DEVELOPMENT GOALS

BlueNord continues to identify our solutions to contribute to the UN SDGs as we aim to address various environmental, social and economic challenges facing our world today. Examples of our actions, programmes and the SDGs to which they relate are demonstrated throughout this report and are summarised in Appendix 2.

Our goals

We recognise climate change science as set out by the United Nations Intergovernmental Panel on Climate Change ('IPCC') and support the global climate change goals outlined in the United Nations Framework Convention on Climate Change ('UNFCCC') and the Paris Agreement. We also recognise that hydrocarbons are expected to remain an important part of the energy mix for the foreseeable future, and that we have a responsibility to play an active role in the energy transition. Our strategy is to produce affordable and reliable energy for Denmark and the wider EU, whilst managing climate-related risks and opportunities, by assessing operational emissions reduction activities in conjunction with the Operator and partners.

Whilst our overall emissions will increase in 2024 as Tyra is brought back on-stream, emissions will be lower than in 2018 during Tyra's last full year of production prior to shut down. Tyra's new modern and efficient facilities will result in a 30 percent emissions reduction compared to the old facilities. Tyra signals the start of a new era, minimising emissions in the most efficient way possible while contributing positively to the growing demand for energy. Tyra enables us to produce locally sourced hydrocarbons, displacing imported hydrocarbons which have higher emissions intensities.

Investment in CarbonCuts is another commitment from BlueNord to take an active role in the energy transition and support Denmark and EU ambitions for Carbon Storage deployment and contribute to the Paris Agreement's goal of arresting global warming.

In this report

Commitments, stakeholder engagement and materiality

We are **committed to the following:**

- As a responsible partner in the DUC, BlueNord is committed along with the operator TotalEnergies to:
  - Ensuring people's safety and upholding Human Rights in our operations and those of our suppliers.
  - Reducing scope 1 and scope 2 emissions by 40 percent from DUC assets by 2030 compared to 2015 levels. Taking an active role in Denmark's target to reduce its emissions by 70 percent by 2030 compared to 1990 levels, as part of Denmark's commitment to the Paris Agreement.
  - Helping EU reduce emissions by at least 55 percent by 2030 compared to 1990 levels, as part of the European Green Deal.
  - Reducing methane emissions by using state-of-the-art technology to detect leaks and subsequently repair them.
  - Being a player in the circular economy.
  - Preserving biodiversity.
  - Sharing the economic value we create.
- We will do this by:
  - Reducing DUC GHG emissions intensity by bringing Tyra II on stream.
  - Investing in methane detection and reduction, and flare reduction initiatives.
  - Evaluating and executing further Carbon Footprint Reduction ('CFR') opportunities. Electrification of the DUC operations is currently being studied.
  - Supporting DUC to locally recycle obsolete infrastructure, such as Tyra, and plan for further recycling during future decommissioning activities.
  - Investing in the CCS value chain with CarbonCuts.
  - Conducting transparent Environmental Impact Assessments.
  - Complying with EU reporting standards and regulatory requirements during operations, by adopting Corporate Sustainability Reporting Directive ('CSRD') by 2025.
  - Maintaining our social licence to operate by engaging with stakeholders, including local communities, regulatory authorities, and industry partners.
  - Returning value through taxation to the Danish government to enable further state investment in the Energy Transition.
- The impacts of which will drive:
  - Secure access to affordable and locally produced energy.
  - Economic growth and job opportunities for Denmark.
  - Delivery of environmental, social and governance ('ESG') considerations into financial decision making with the aim of promoting long-term sustainable development.
  - Continuous improvement of DUC environmental footprint.

"BlueNord initiated a double materiality assessment in 2023 as it makes progress to comply with CSRD by 2025.

During 2023, BlueNord aligned with the Norwegian Transparency Act and the Equality and Anti-Discrimination Act. We developed a separate report from each committee (ESG, Remuneration, Audit, and Nomination), conducted a materiality assessment, and established reporting against the Task Force on Climate-related Financial Disclosures ('TCFD'). BlueNord also established a risk register and has requested monthly emissions data from the Operator.

In 2022, the EU Council gave final approval to the CSRD, to which BlueNord is required to report in accordance with the new standards, ESRS, from next year (2025). The Company has therefore taken steps to prepare for this.

TCFD and CSRD reporting standards integration is a reflection of the changing landscape and the expectations of investors, governments and external stakeholders. We rely on their guidance to continually evaluate and improve our governance and working practices.

BlueNord engages both directly and indirectly with internal and external stakeholders in a continuous dialogue throughout the year to obtain their feedback on 'our energy-efficient emission reduction activities to reduce the footprint from our value chain'. Key stakeholders are employees, investors, lenders, business partners, government agencies, local communities, and suppliers. In the context of the RBL facility redetermination process, ESG performance is regularly monitored by BlueNord lenders.

40%

Reduction in scope 1 and scope 2 emissions by 40% from DUC assets by 2030 compared to 2015 levels

Environment

Emissions

Emissions to the environment includes atmospheric emissions and discharge to sea as a result of the company's activities. Greenhouse and non-greenhouse gases (GHG and non-GHG) are emitted to the atmosphere as a result of fuel combustion, flaring and fugitive emissions.

BlueNord scope 1 emissions arise from its partnership in the DUC, mostly linked to fuel combustion for powering the offshore installations. Flaring of natural gas occurs on all DUC hubs to allow for safe operations during production upsets and non-routine activities.

Routine flaring has been eliminated in 2023 following the re-route of Halfdan production. Fugitive emissions can occur via venting for safety reasons, partial combustion or leaks and are surveyed regularly. Scope 2 emissions are linked to energy consumption at BlueNord offices.

As a non-operator BlueNord works to protect the environment where possible, both in its own operations and through the Company's partnership with the DUC. We support the goals of the Paris Agreement by reducing the carbon footprint of our operations, for example by improving energy efficiency, reducing venting, and eliminating the routine flaring of gas.

We are committed to provide transparency on greenhouse gas emissions across all scopes, our emission reduction activities, and climate-related risks and opportunities. In 2023 we initiated a double materiality assessment of impacts, risks and opportunities in line with EFRAG guidelines, and we are continuously working alongside the Operator to provide transparent emissions data. Whilst currently the key framework which guides our reporting is the TCFD (Task Force on Climate-related Financial Disclosures, now IFRS S2), we shall be moving towards CSRD disclosure compliance by reporting year 2025.

In 2023 we worked alongside the Operator to provide a transparent set of metrics covering atmospheric emissions, chemical usage, and discharges to sea and spills. CO_2 emissions have increased slightly (+3%) from 2022 to 2023 mainly due to higher activity on Dan and commissioning activities at Tyra, and partially offset by CO_2 emissions decrease linked to CFR activities on Halfdan and Gorm. Methane (CH4) emissions have reduced because of the drone campaign and the subsequent reconciliation of reported versus measured emissions. The GHG emissions intensity increase is linked to natural production decline from 2022 to 2023 (-6%) and the increase in CO_2 emissions.

BlueNord recognises that air quality can affect public health and the environment. Traditional air pollutants in the oil and gas E&P industry can include ammonia, carbon monoxide, sulphur oxides, nitrous oxides, non-methane volatile organic compounds and particulate matter.

As part of our environmental management, we work alongside the Operator to continuously monitor our non-GHG air emissions and put measures in place to reduce the impact of our activities.

Emissions, chemical usage, and discharge to the sea are regulated with permits issued by the regulatory body.

> **Routine flaring has been eliminated in 2023 following the re-route of Halfdan production.**

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KEY ▲ Higher ‖ Unchanged ▼ Lower

Performance status 2023: Atmospheric emissions[3]

Ospar reporting perimeter (includes drilling and logistics)[1]

TOPIC	2022 PERFORMANCE	2023 PERFORMANCE[3]	CHANGE
CO_2 emissions	Total CO_2 emissions **290 kt**	Total CO_2 emissions **303 kt**	Higher
CH_4 emissions	Total CH_4 emissions **703 tonnes**	Total CH_4 emissions **434 tonnes**	Lower
nmVOC	**555 tonnes**	**215 tonnes**	Lower
NOx and SOx emissions	NOx **1,515 tonnes**	NOx **1,156 tonnes**	Lower
	SOx **17 tonnes**	SOx **31 tonnes**	Higher

1. Numbers have been verified and submitted by the DUC operator to DEA for OSPAR reporting. Awaiting Approval from OSPAR
2. Numbers have been submitted by the DUC operator to External Auditors for verification
3. Numbers are net to BlueNord unless stated otherwise

TOPIC	2022 PERFORMANCE	2023 PERFORMANCE	CHANGE
Contribution to total GHG emissions	Fuel consumption – Fuel Gas **76%**	Fuel consumption – Fuel Gas **75%**	Lower
	Fuel consumption – Diesel **10%**	Fuel consumption – Diesel **14%**	Higher
	Flare **10%**	Flare **9%**	Lower
	Fugitive emissions **4%**	Fugitive emissions **2%**	Lower
GHG intensity (CO_2eq/boe)	**29.6**	**32.2**	Higher

ETS reporting perimeter[2]

TOPIC	2022 PERFORMANCE	2023 PERFORMANCE	CHANGE
EU ETS CO_2 emissions	Total CO_2 emissions **263 kt**	Total CO_2 emissions **271 kt**	Higher
EU ETS CO_2 intensity (CO_2/boe)	**24.8**	**27.3**	Higher

KEY: Higher | Unchanged | Lower

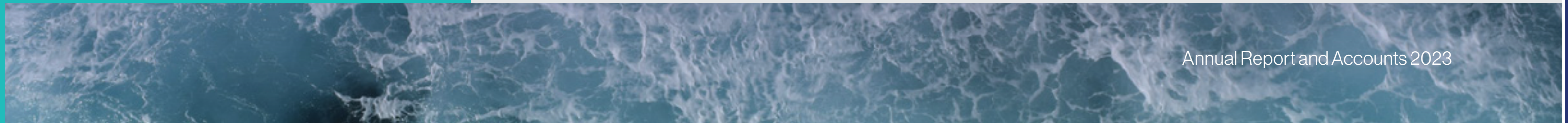
Performance status 2023: Discharge to sea[3]

Ospar reporting perimeter[1]

TOPIC	2022 PERFORMANCE	2023 PERFORMANCE	CHANGE
Discharge to sea	Discharged produced water 6.5 mm m^3	Discharged produced water 6.8 mm m^3	Higher
	Volume of oil discharged 44.6 tonnes	Volume of oil discharged 48.0 tonnes	Higher
	Oil concentration in water 6.9 mg/L	Oil concentration in water 7.0 mg/L	Higher
Spills	Number of oil and diesel spills[2] 6	Number of oil and diesel spills[2] 15	Higher
	Oil and diesel spills 0.25 tonnes	Oil and diesel spills 0.02 tonnes	Lower
	Number of chemical spills[2] 32	Number of chemical spills[2] 20	Lower
	Chemical spills 3.33 tonnes	Chemical spills 0.05 tonnes	Lower

1. Numbers have been verified and submitted by the DUC operator to DEA for OSPAR reporting. Awaiting Approval from OSPAR
2. Number of spills is 100% DUC.
3. Numbers are net to BlueNord unless stated otherwise

TOPIC	2022 PERFORMANCE	2023 PERFORMANCE	CHANGE
Chemical usage	Green chemicals 1,496 tonnes	Green chemicals 1,904 tonnes	Higher
	Yellow chemicals 2,812 tonnes	Yellow chemicals 3,082 tonnes	Higher
	Red chemicals 26 tonnes	Red chemicals 27 tonnes	Higher
	Black chemicals 0 tonnes	Black chemicals 0 tonnes	Unchanged
	Total chemicals 4,333 tonnes	Total chemicals 5,014 tonnes	Higher
Chemical discharge	Green chemicals 296 tonnes	Green chemicals 1,119 tonnes	Higher
	Yellow chemicals 1,575 tonnes	Yellow chemicals 1,848 tonnes	Higher
	Red chemicals 5 tonnes	Red chemicals 6 tonnes	Higher
	Black chemicals 0 tonnes	Black chemicals 0 tonnes	Unchanged
	Total chemicals 1,876 tonnes	Total chemicals 1,876 tonnes	Higher



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Emissions reduction initiatives

In 2023 BlueNord initiated an inventory of its Scope 1, 2, and 3 emissions, and is working alongside the Operator to set out an emissions reduction roadmap with GHG emissions reduction targets founded upon cost-effective CFR initiatives on an asset-by-asset basis.

We acknowledge that we have indirect emissions related to upstream and downstream activities. Under Scope 3, Category 11 of the GHG Protocol ('Use of sold product') constitutes the bulk of BlueNord scope 3 emissions. We are working to define the boundaries of our scope 3 emissions and to collect the data.

Carbon Capture and Storage

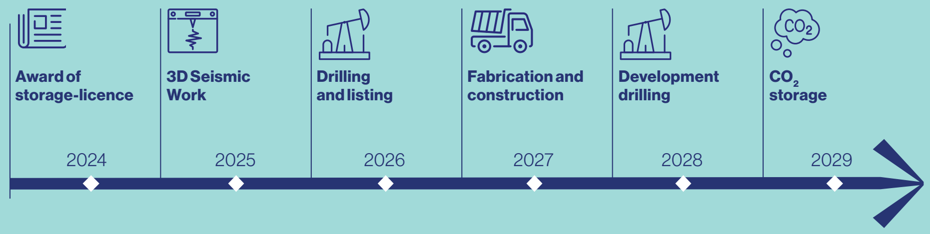
To support climate targets and reduce carbon emissions globally, 'CCS' technologies will have to be deployed at scale. CCS is a means by which hard-to-abate industries can mitigate climate change, by reducing/avoiding carbon emissions and even reducing atmospheric CO_2 concentration, when linked to energy production from biomass or CO_2 capture from the air.

It involves the separation, treatment and transportation of CO_2 from industrial sources to a long-term storage location. As noted in the International Energy Agency ('IEA')'s report Net Zero by 2050: A Roadmap for the Global Energy Sector, CCS can facilitate the transition to net zero by tackling emissions from existing assets and providing a way to address emissions from challenging sectors. BlueNord is involved in two CCS projects: Bifrost and Ruby.

Carbon Cuts

BlueNord has made a strategic investment in CarbonCuts A/S, intending to establish an onshore CO_2 storage location in Denmark and address Denmark's ambitions for onshore storage of CO_2.

Timeframe until the beginning of CCS operations for the Ruby project.



The Company will contribute to the Paris Agreement's goal of arresting global warming, with its core business to build, own and operate permanent geological sites for CO_2 storage. The target for the first storage of CO_2 is 2029. CarbonCuts' first project in the Rødby area has received local support and has attracted national and international political interest.

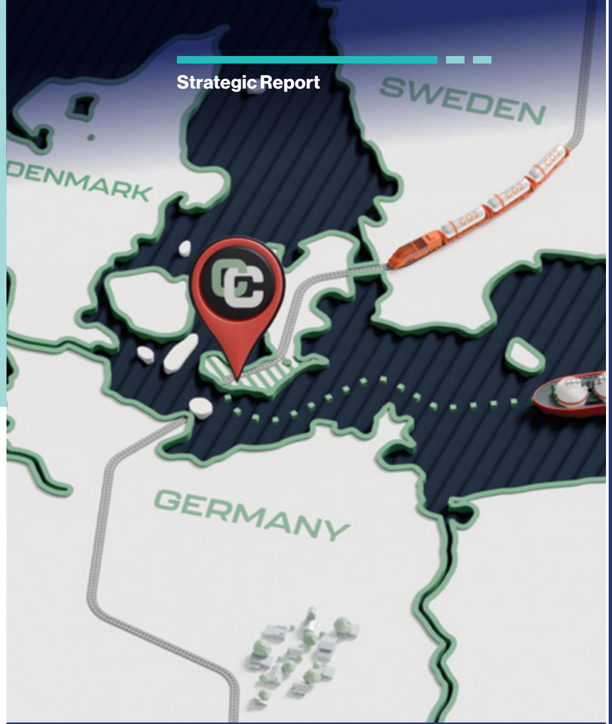
CarbonCuts A/S was registered as a legal entity in August 2022, specifically to explore the opportunity of CO_2 storage in the Rødby area. CarbonCuts A/S is a wholly owned subsidiary of the BlueNord Group, which has funded its activities since October 2022.

CarbonCuts and the municipality of Lolland have collaborated since early 2022 to mature the CO_2 storage site. The Ruby Project covers CO_2 receiving facilities, intermediate storage, pumping and injection facilities as well as a number of wells for injection and observation. Several CO_2 import options are being investigated to allow flexibility and optionality in terms of pace, customer requirements and volume. A phased development approach is being considered with CO_2 injection anticipated to commence by 2029.

CarbonCuts has gained solid political support via weekly contact with the local business association, Business Lolland-Falster. Obtaining public acceptance is of the highest priority, and CarbonCuts continues to actively engage with stakeholders, including local communities, regulatory authorities, and industry partners, seeking input and feedback to inform our strategic decisions, and to ensure our social licence to operate.

CarbonCuts is preparing for the next phases of 'Ruby', including seismic surveys expected to be conducted next winter should CarbonCuts be awarded the license. The focus remains firm on the goal: to launch a sustainable storage solution with accompanying infrastructure that can contribute to fulfilling Denmark's CO_2 goals and serve as an inspiration for CO_2 storage globally.

Headquartered in Kgs. Lyngby and as a subsidiary of BlueNord, CarbonCuts has access to extensive knowledge of the energy sector and the Danish subsurface. BlueNord's insights and capital strengthen CarbonCuts' position as a CO_2 storage operator.



"CarbonCuts provides a fit-for-purpose opportunity for BlueNord to drive strategic and effective sustainability activities, which can be scaled appropriately. We recognise the important role that we have to play in Denmark, and the Ruby project is crucial for both the climate and Denmark's CO_2 storage ambitions, and we look forward to advancing with CarbonCuts in a strong position as a full member of the BlueNord group.

Euan Shirlaw
Chief Executive Officer, BlueNord

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Bifrost

Project Bifrost is developing a concept for storing CO_2 in a depleted reservoir in the Harald field. This partnership is between the DUC, Ørsted and the Technical University of Denmark ('DTU'). This project assesses the potential for transporting CO_2 – captured onshore – via specialised shipping or existing pipelines, and finally injected into the empty gas reservoirs at the Harald field.

With a storage capacity of several million tonnes per year, the Harald-field was the perfect location for the partnership to study a future concept.

Efficiency optimisation

Reducing fuel gas consumption plays an important role in reducing DUC GHG emissions. In 2023, several projects have been carried out to improve energy efficiencies. New air filters have been installed on Dan DFG gas turbine and DFF compressor resulting in 1.3 kt CO_2eq reduction. Dan aftercooler pressure drop was reduced, which led to emissions reduction of 2.7 kt CO_2eq. HBD compression train cooling optimisation reduced emissions by 1.6 kt CO_2eq at Halfdan. Optimisation of lift gas with the setup of the Carbon Intensity Manager resulted in an estimated 4.2 kt CO_2eq reduction in 2023. More projects are being matured to further reduce fuel consumption at DUC's operations, such as air filters replacement at Dan and Halfdan power generators.

Electrification

Powering the DUC installation with renewable energy would substantially reduce scope 1 emissions. The DUC partnership is investigating whether electrification of the Oil and Gas operations can be technically feasible and economically viable. Options assessed include various renewable energy sources, different types of electricity transport technology, various designs of electrical substations, and scoping of brownfield work to convert directly driven machinery to electrically powered ones.

Flaring reduction and elimination

Following the re-routing of Halfdan oil production from Gorm to Dan over the course of 2023, routine flaring has been eliminated from DUC operations. The estimated reduction in emissions is 20 ktonCO_2e/yr. Remaining flaring is taking place either for safety reasons or during adhoc maintenance, testing or repair. Flaring reduction opportunities are being reviewed continuously. As an example, during 2023, a feasibility study on flare gas recovery from Gorm processing with the potential of reducing flaring on the Gorm facility by ~25% has been completed. The project is expected to be implemented by end 2024 with an estimated reduction in emissions of 9 ktonCO_2e/y.

Methane reduction

Methane is a potent GHG, with a 100-year global warming potential 28-34 times that of CO_2. Methane can be emitted because of incomplete gas combustion (fuel gas and flare), process release or leaks. In order to measure and monitor methane emissions, LDAR (Leak Detection and Repair) campaigns are carried out with platform Optical gas imaging (OGI) cameras or through drones campaigns.

The 2023 drone campaign led to a decrease in venting and fugitive emissions from the reconciliation of reported versus measured methane emissions, as flares were found to have better combustion efficiency than originally assumed. The DUC partnership is committed to reducing methane emissions in line with EU targets.

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Technology and innovation

BlueNord aims to be a meaningful participant in the energy transition. The Company has a focus on facilitating improved technical, commercial, and economic framing of environmental initiatives.

Together with DUC partners, BlueNord invests in research and development through the Technical University of Denmark ('DTU'), University of Copenhagen, Aarhus University, Aalborg University, and the Geological Survey of Denmark and Greenland. In 2014 DUC founded a research centre, the Danish Offshore Technology Centre ('DOTC'), which conducts research into responsible and efficient oil and gas production from the Danish North Sea with a reduced environmental and climate footprint.

In 2023 the DUC contributed funding amounting to DKK118 million to DOTC. The DOTC focuses on the following areas;

- Abandonment of offshore oil and gas fields, including the monitoring of abandoned installations in reference to an environmental baseline for long-term protection.
- CO_2 storage in old oil and gas fields.
- Produced water management; developing new technologies to optimise water treatment processes, with a view to achieving our vision of zero harmful discharge.
- Operations and maintenance technologies, including modular architecture for planning maintenance in a cost-effective way.

In addition to the research and development studies conducted at DTU, BlueNord is also participating in the INNO-CCUS partnership which is developing and maturing technology relating to the capture, storage and utilisation of CO_2.

Artificial Intelligence

BlueNord is utilising the power of AI to extract information from historical and real-time operations and production data. This enables us to optimise decision making processes and improve operational efficiencies by reducing data search times. It will improve real-time decision support during drilling operations and help us evaluate field development strategies based on field performance.

Looking to the future, AI will enable us to improve:

- Detection of emissions and monitoring of emissions performance and metrics.
- Identification of environmental risks associated with our operations, underlining our commitment to responsible and sustainable business practices.

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Water and biodiversity

Biodiversity is a priority for our stakeholders, and we are committed to engaging in research and dialogue to enhance further understanding of potential impacts and how we can contribute, including by leveraging natural climate solutions.

In partnership with the DTU and DOTC, BlueNord is investigating the role and importance of subsea structures, such as platforms, for cod stocks in the Danish North Sea. The current project – to evaluate the environmental baseline of cod populations around offshore structures – started with offshore data collection in summer 2023, and is due to complete with a further survey in 2024.

Also in partnership with the DTU and DOTC, BlueNord is devising ways to improve the treatment and disposal of the water produced alongside hydrocarbons. The current Produced Water Management Programme uses technology which purifies water to an exceptional standard, such that the water being let out to sea is of greater purity than that which legislation and discharge permits require. Nevertheless, our vision is to go further, and to completely eliminate harmful discharges associated with produced water.

We are improving and stabilising water treatment processes with new instrumentation and advanced process control technology. Biological treatment methods and advanced oxidation will be tested and, if found to be feasible, further developed. Projects to demonstrate the technology in offshore applications will be undertaken.

Circular Economy

We support DUC's ambition to locally recycle obsolete infrastructure. During the dismantling of the old platforms and structures from the Tyra field, 98.5% of the material was either directly reused or recycled at local Danish recycling yards. For example, a few of the generators were used again elsewhere, and other parts were processed and traded on the international market. We will use the wealth of knowledge gained during Tyra redevelopment over the coming decades to reduce the impact upon the environment from decommissioning and abandonment of offshore installations and pipelines relating to DUC operations. In partnership with the DOTC, BlueNord is researching cost-effective abandonment options that will deliver robust environmental protection.

"Biodiversity is a priority for our stakeholders, and we are committed to engaging in research and dialogue.

Task Force on Climate-related Financial Disclosures ('TCFD')

There is a growing demand for decision-useful, climate-related information, and creditors and investors are increasingly demanding access to risk information that is consistent, comparable, and clear.

For this reason the Financial Stability Board, the international body established by the G20 in 2009 to monitor and make recommendations about the global financial system, has created TCFD, to improve and widen reporting of climate-related financial information.

In line with TCFD recommendations, a report in accordance with TCFD is, as of 2022, an integral part of BlueNord's annual financial reporting. The report is reviewed annually by our Audit Committee, ESG Committee, and the Board.

TCFD encourages a standardised reporting structure for financially material climate-related risks and opportunities to give investors, lenders, and insurers enhanced comparability when assessing and pricing pertinent companies.

The TCFD framework is made up of 11 recommended disclosures divided into four pillars that represent core elements of how organisations operate. The four pillars are: governance, strategy, risk management, and metrics and targets.

Moreover, the framework separates into three main categories: risks related to the physical impacts of climate change, risks related to the transition to a lower-carbon economy, and climate-related opportunities. TCFD has also incorporated financial impact as an integral part of its disclosure recommendations.

For more about TCFD see the Appendix to this report from page 143.

"At BlueNord we have identified the most significant climate-related risks and opportunities we face."

GOVERNANCE	RECOMMENDED DISCLOSURES		
Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate related risks and opportunities.	b) Describe the management's role in assessing and managing climate-related risks and opportunities.	

STRATEGY	RECOMMENDED DISCLOSURES		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

RISK MANAGEMENT	RECOMMENDED DISCLOSURES		
Disclose how the organisation identifies, assesses, and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	b) Describe the organisation's processes for managing climate-related risks.	c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organisation's overall risk management.

METRICS & TARGETS	RECOMMENDED DISCLOSURES		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

In this report

Social

We strive for zero accidents, zero incidents, and zero impact to the environment.

0

Work-related accidents or injuries in 2023[1]

0.41%

Total sick leave[1]

1. Excluding non-operational DUC interests

The BlueNord health, safety and environment (HSE) policy has been revised and updated as of October 2023. Our vision of 'zero accidents, zero incidents, and zero impact to the environment' underpins our commitment to:

- Ensuring safe and efficient operations.
- Compliance with regulatory standards.
- Striving to reduce climate and other environmental impacts to as low as reasonably practicable.

BlueNord is ultimately accountable for the contribution of all our people to health, safety and environmental outcomes, and continuous improvement in these areas.

By complying with applicable standards and regulations and continually improving our management system we make positive progress towards the key goal of zero fatalities and zero recordable work-related accidents.

As a partner in DUC, we take responsibility for HSE by actively supporting the good HSE work of the Operator, and proactively participating in meetings and initiatives. Further to constructive dialogue regarding the offshore working environment issues on Total Energies platforms in DUC which began in 2022, we have built robust relations and trust, with our Lead Operations Engineer participating regularly in Tyra offshore meetings.

Planning of preventative safety and environmental work involves the participation of local health and safety representatives to maximise employee welfare and minimise our already low rates of sickness absence. In addition, all employees are offered annual on-site first aid and defibrillator courses, and ergonomic assessments as applicable.

Total sick leave in the BlueNord group was reported to be 0.41 percent in 2023. No work-related illness was reported.

Supply chain

Outside the DUC, our vendors are mostly in the Nordic and North Europe areas. They provide consultancy, legal and financial services, which are judged to involve minor risk. However, when considering new investments or when tendering for goods and services, due diligence and monitoring of prospective partners (as well as existing ones) is undertaken wherever applicable.

We also consider how we can ensure that our operations do not come into conflict with any fundamental human rights principles. As part of tender processes and when concluding contracts, we seek to confirm that all parties adhere to human rights, sound working conditions, employment terms, and our Code of Conduct.

For more information see the Governance section of this report from page 54.

Diversity, equity and inclusion

BlueNord believes embracing diversity, equity and inclusion ('DE&I') positively impacts recruitment and retention and drives performance across the Company.

BlueNord is an equal opportunity employer, committed to fostering DE&I in the workplace. We welcome and embrace a variety of skillsets and perspectives, and we value differences between people of different cultural backgrounds, ethnicity, age, gender, gender identification, gender expression, sexual orientation, functional ability, religion, and philosophies of life. These principles apply to all employment practices at BlueNord, including recruitment, hiring, compensation and benefits, promotion, training and development, and leave of absence.

BlueNord DE&I index

79.1
January 2022

80.5
January 2023

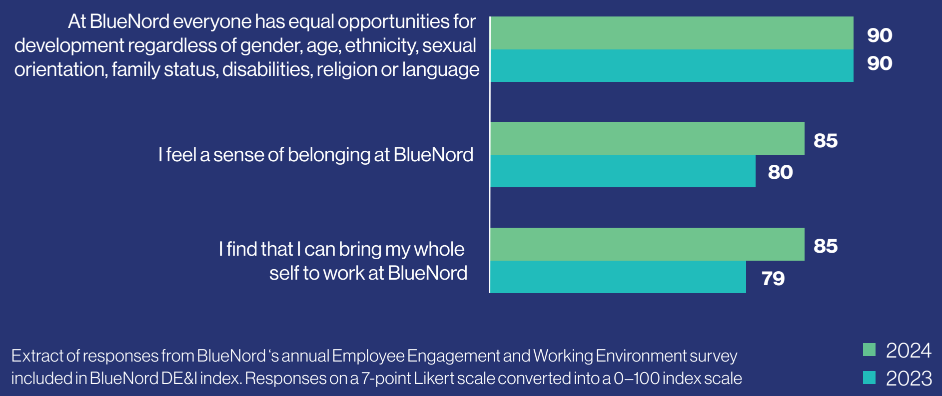
The Norwegian Equality and Anti-Discrimination Act stipulates that organisations must identify and address challenges regarding equality and diversity in the workplace before any incidents or discrimination take place. The Act's general activity duty applies to BlueNord; in addition, we are implementing the working method that the Act prescribes for specific activity duty: Investigate, Analyse, Implement and Evaluate results.

An initial assessment of challenges was carried out at the end of 2022. Gender-equalising terms for duration and payment of parental leave were implemented as part of BlueNord's leave policy. As of 2023, a set of questions to establish whether BlueNord is considered a safe, inclusive, and healthy workplace with equal opportunities and zero tolerance for harassment were included in our annual Employee Engagement and Working Environment survey.

Following the survey, inclusion was considered one of the topics to be further highlighted in the programme for our culture journey 2023. The survey performed in January 2024 proves that initiatives taken have had a positive impact.

As part of our culture journey 2023, sessions and activities involving all staff were undertaken to understand, recognise, and embrace diversity and its impact on our multinational teams and organisation. This has helped to foster a sense of belonging and integration within the BlueNord team. Correspondingly, we have enhanced the awareness of bias and blind-spots, cultural differences, and cross-cultural communication.

Extract from DE&I Index



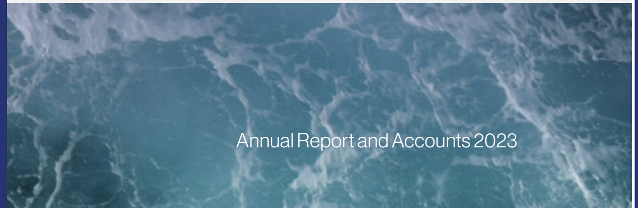
Extract of responses from BlueNord's annual Employee Engagement and Working Environment survey included in BlueNord DE&I index. Responses on a 7-point Likert scale converted into a 0–100 index scale

As part of the performance management process involving annual performance dialogue, mid-term review and personal development planning, performance evaluations are assessed and calibrated jointly by leaders to avoid the risk and impact of biases and discrimination.

BlueNord champions the hybrid working model, work-life balance, and support for our team across different stages of their lives. In addition, we support our employees with leave schemes to take care of children and close relatives, payment during sickness, and we have implemented gender-equalising terms for duration and payment of parental leave.

Channels and procedures are in place for reporting concerns about harassment of any kind, whether experienced by or witnessed by a staff member. Appropriate handling of any potential discrimination issue is detailed in the Company's harassment policy, supplementing the grievance process, and the existing Whistleblowing procedure and its related integrity channel.

No whistleblowing incidents have been reported since the implementation of our integrity channel in 2020. BlueNord will continue to improve its systematic approach to promoting equality and preventing discrimination in the workplace in 2024.



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Our people and values

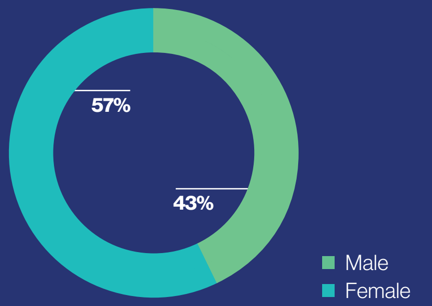
We believe that each and every one of our people makes a difference. We work as one team across our three locations, with forty employees and three in-house consultants at year end 2023.

BlueNord supports the principle of freedom of association and collective bargaining. We fully respect the right of employees to form and join trade unions, as well as the right to remain non-unionised. There are no trade unions currently represented at BlueNord. Thus, the Company is not bound by any collective bargaining agreements, except for what may follow from local legislation, case law and legal practice.

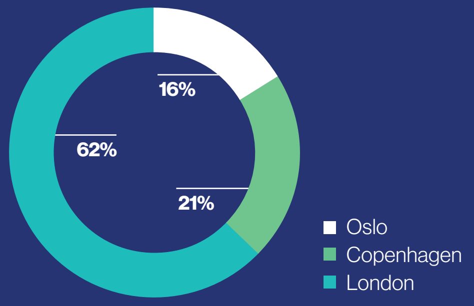
25 percent of the team works in a managerial role. However, BlueNord operates an essentially flat management structure, with just one leadership level in support of the Executive Team.

As an organisation, BlueNord is growing organically, focusing on and prioritising the presence of the best-qualified person in every role, regardless of their gender. This applies to both the recruitment of new employees and the assessment of performance and capabilities for internal advancement.

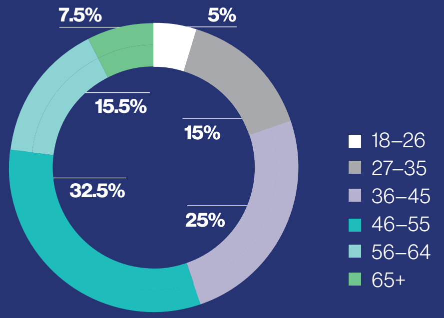
Gender split



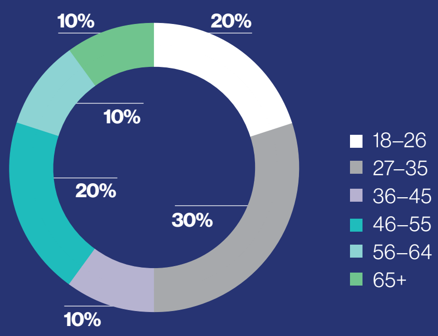
Full Time Equivalent 37.32



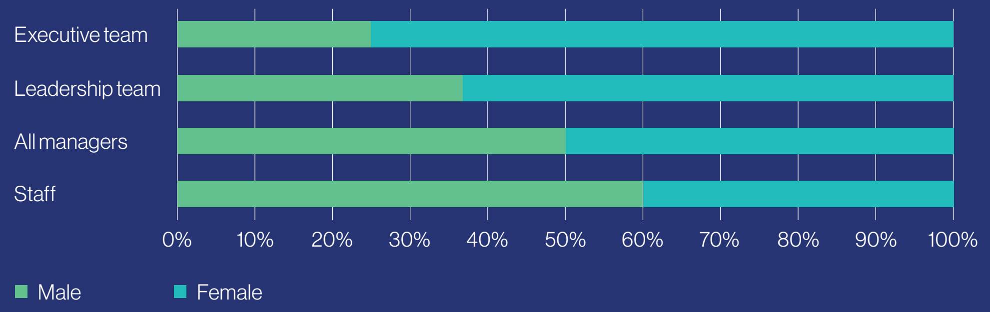
Age distribution



New employees



Leadership – gender distribution



"The best thing about working in BlueNord is that we are a small organisation with great colleagues.

bold.
purposeful.
dependable.

Building culture is a collective effort at BlueNord. We strive for an inclusive culture with full employee engagement, where everyone feels empowered, respected, and has a strong sense of belonging. With commitment from the Executive Team and active involvement from our team of Culture Ambassadors, the whole organisation has participated in our culture journey 2023, through Company-wide camps, team discussions, and one-to-one activities throughout the year.

Our team represents ten different nationalities and a wide range of ages, background, experiences, and ways of thinking. These are some of the reasons why many of our employees look forward to going to work every morning.

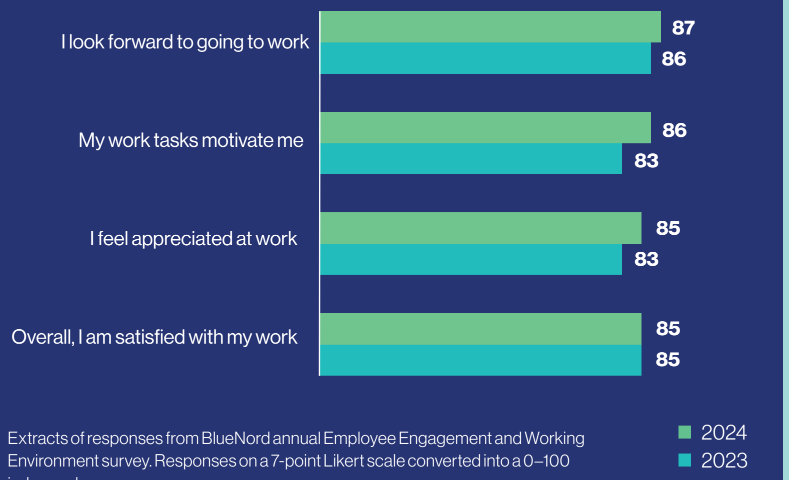
BlueNord Employee Engagement index

64.8
January 2022

79.1
January 2023

80.5
January 2024

Extract from Employee Engagement survey



Extracts of responses from BlueNord annual Employee Engagement and Working Environment survey. Responses on a 7-point Likert scale converted into a 0–100 index scale

The BlueNord values

In April 2023, the Company changed its name to BlueNord to better reflect the focus on the Danish North Sea, and its mission to provide Europe with energy towards a net-zero future. As part of this we revisited and revitalised our values, which are integral to our culture and vision of becoming a leading independent producer of gas in Europe.

Our values reflect our Company and our people. They serve as our compass, guiding us today, and towards the Company we want to be. They provide a framework for how we think, act and interact. Our values influence how we operate, lead, and make decisions.

Bold

We are determined, using our creativity and technical expertise to challenge the status quo, willing and unafraid to explore alternative paths.

Purposeful

We are ambitious, moving forward with purpose and a focus on value and results. Our people are connected, contributing to the bigger picture.

Dependable

We deliver on what we promise, sharing ideas and possibilities. We are in this together, supporting each other throughout.

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To enhance individual as well as team growth and high performance, our culture journey 2023 focused on the fundamentals for developing a positive and robust safety culture, and a learning organisation.

Our culture initiatives are rooted in our core values and have concentrated on the elements that foster psychological safety, trust and a sense of belonging, as well as open communication and feedback.

> "With commitment from the Executive Team and active involvement from our team of Culture Ambassadors, the whole organisation has participated in our culture journey 2023.

Meet our Culture Ambassadors

As a Culture Ambassador Network ('CAN') we are committed to support the integration of BlueNord's culture, in our day-to-day business.

We will be proactive in promoting our values and will operate with integrity and confidentiality.

We aim to role model the core values of the Company and uphold psychological safety and inclusivity in our workplace.

We will highlight the elements that BlueNord wants to characterise our culture by:

- Speaking about our previous, ongoing and upcoming culture initiatives.
- Encouraging colleagues to learn more about our culture initiatives, initiate and facilitate discussions.
- Role modelling.
- Pointing out to the management positive examples of good cultural behavior demonstrated by BlueNord team members.
- In addition to upskilling in our CAN meetings, we share experiences and lessons learned in facilitation, reflect and discuss relevant topics.
- In our encounters with the organisation, we identify culture and change challenges in our respective geographic areas, and support and help resolve these.

We work to continuously support and improve our culture.

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Education and training

Learning is part of our Company's culture. Continuous improvement and sharing knowledge and ideas are considered to be vital for the business to thrive. Employees at all levels are encouraged to consider how they upgrade their knowledge and skills, and development activities are included in every personal development plan. As of 2024, all training activity is to be recorded, to enable KPIs to be set for competence management and people development.

Experience and on-the-job training are a primary source of learning. This is backed by competence development and coaching, both individually and in teams, together with mentoring, job-shadowing, and formal training courses and sessions. Participation in seminars and conferences is also supported, as a means to keep abreast of industry trends and developments, update professional expertise, and to build and manage networks.

This activity has been further supplemented by new initiatives this year, including lunch-and-learn sessions which have been initiated by employees, inviting other professions to meetings to gain new insight into cross-disciplinary topics that impact our business.

3

Internships in 2023

Upskilling activities regarding giving and receiving feedback, and joint discussions around how to define our feedback culture, were also an essential part of our culture journey 2023 training programme, and this activity will be extended in the future.

To make sure all employees adhere to governing documents and the standards for business conduct at BlueNord, our Code of Conduct is among the mandatory documents for all employees to read and understand. This training forms part of our on-boarding process.

Handling insider information was a mandatory session with our legal advisers for all employees in 2023. This safeguards BlueNord, not only as a listed company, but also because most of our permanently-employed people are participating in our Long-Term Incentive ('LTI') programme and can become shareholders themselves.

An e-learning course related to our Code of Conduct and other governing documents, which will include subsequent annual refreshers and updates, is being developed for implementation in 2024.

Community engagement

We are committed to respecting local values and norms, performing our business activities with integrity and in an ethical manner, in full compliance with the laws and regulations of all countries in which we operate.

BlueNord is not a large employer, but through the business we carry out as partner in DUC, our operations generate a positive impact on communities. The economic multiplier effect of our engagement with contractors, and the purchasing of services and equipment, creates a platform for wider growth, employment and prosperity.

During 2023, we increased our number of interns from one to three. Two of these interns are working part-time in Operations until they complete their degrees in 2025. An international student worked for five months full-time in Finance, and was followed by a master's student now engaged until their degree is complete, also in 2025. Further internships are to be assessed this year, including the development of a structure for short-term summer internships. In 2024, we also plan to offer an IT apprenticeship at our Copenhagen office.

BlueNord helps socially vulnerable people to participate in society through our ties with Pant-for-Pant (Pledge-by-Pledge), a non-profit bottle collection service that employs socially disadvantaged and homeless people. BlueNord's recyclable bottles are donated to Pant-for-Pant service workers to help them build an everyday life with a real job, while working together for the environment.

BlueNord is proud to have raised funds in 2023 for, amongst others, The Norwegian Childhood Cancer Society and its corresponding foundations in Denmark and the UK. Our charitable giving policy is being developed for implementation in 2024. The policy aims to be a reflection of BlueNord's values of Bold, Purposeful, Dependable, and a commitment to our social responsibility.

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Governance

Governance, systems and processes

BlueNord believes that effective corporate governance is critical for ensuring accountability, achieving strategic goals and generating value for stakeholders.

The Company sets high standards of performance and professionalism based on honesty, integrity and fairness in its business practices. BlueNord works together with partners and contractors on the basis of the same principles of integrity and fairness, with zero tolerance for bribery and corruption.

Read our **Corporate Governance policy**

Code of Conduct

BlueNord is committed to conducting our business in a responsible, ethical and lawful manner. We aim always to be a trusted partner for customers, shareholders, colleagues, business partners and neighbours.

The BlueNord Code of Conduct forms the basis for the high standards of integrity in our business. The Code of Conduct applies to all Directors, officers, and employees, including subsidiaries in which BlueNord holds (directly or indirectly) an ownership interest. The Code of Conduct also applies to those acting for or on behalf of BlueNord. BlueNord expects our business partners, such as suppliers, subcontractors, joint venture partners, and other contracting parties, to adhere to standards consistent with this Code of Conduct.

Read our **Code of Conduct**

ESG Committee

Our ESG Committee was established in 2020 to support the BlueNord commitment to ESG and to evolve our contribution to the energy transition.

The Chief Corporate Affairs Officer reports directly to the Chief Executive Officer, and is supported by executive management, who are responsible for risk and opportunity identification, and for ensuring effective processes and mitigation efforts, including ESG matters, within managers' respective areas of responsibility.

Read our latest **ESG Committee report**

Anti-bribery and corruption

BlueNord has zero tolerance regarding bribery and corruption.

The Company expects the local management of each Group subsidiary to promote a strong anti-corruption culture. Each Company shall make active efforts to prevent undesirable conduct and ensure that their employees are capable of dealing with challenging situations.

Read our **Anti-Corruption and Bribery policy**

Human rights

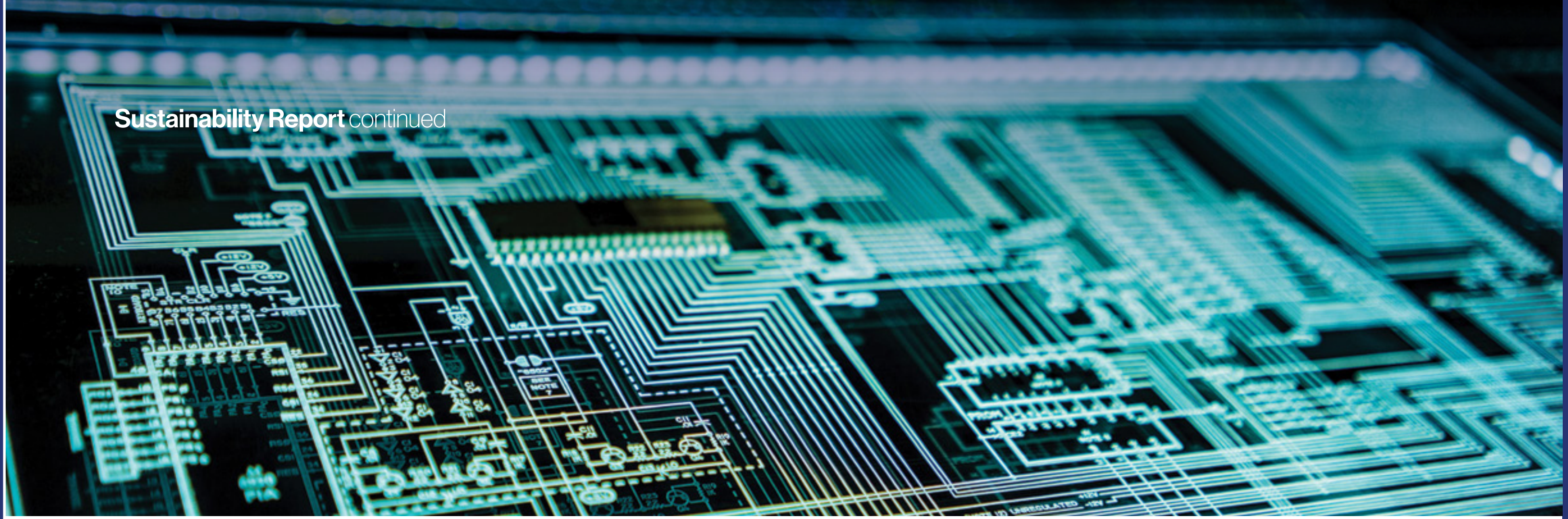
BlueNord is committed to respecting fundamental human and labour rights, both in operations and in relations with business partners, and to complying with applicable laws and regulations.

We conduct our business in a manner that respects the rights and dignity of all people. We support and acknowledge the fundamental principles of human and labour rights as defined in the International Bill of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights, and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work.

Our human rights work is also guided by the OECD Guidelines for Multinational Enterprises. Our human rights commitments are set out in our **Code of Conduct.**

Read our **Human and Working Rights & Diversity and Inclusion Policy**

In this report



Cyber security

BlueNord maintains an in-house IT department with overall responsibility for IT operations, security, governance, and strategy. Day-to-day IT operations are outsourced to a provider with extensive experience in the oil and gas industry, supplying infrastructure and general/industry-specific applications. BlueNord's IT environment also incorporates third-party SaaS applications.

Although situated in relatively safe and politically stable countries, BlueNord acknowledges that we are not immune to the rising risk of cyber attacks. To bolster our cyber security capabilities, BlueNord has partnered with a recognised firm of security experts, providing cyber security management, including risk assessments, endpoint security, round-the-clock monitoring of security events, and incident response. Procedures for handling cyber security incidents have been established and form part of the BlueNord Incident Management plan.

All staff are required to familiarise themselves with our Incident Management plan. This plan is in place to ensure personnel safety, environmental protection, safe recovery, and business continuity in the event of incidents, while also facilitating necessary communication with our stakeholders.

Our focus on security covers both external threats and internal risks. Internal measures include restricting access to our offices, conducting background checks, and requiring ID control for all new hires. IT security campaigns are run on a continuous basis. All staff and consultants working with our IT systems must confirm in writing that they have read and will adhere to BlueNord's End-user IT instruction.

This document includes both IT security requirements and acceptable-use policies. As new technology is acquired, the instruction and our IT security policy will be updated accordingly. In late 2023, BlueNord embarked on a private AI pilot project, which has in turn driven recent policy updates on the adoption of AI technology and the Company's stance on the use of public AI.

Business management system

BlueNord's business management system is guided by regulatory requirements, international, national and industry-specific standards. In close collaboration with a highly experienced team from Det Norske Veritas ('DNV') providing best practice in the oil and gas industry, further development of BlueNord's existing business management system was initiated in 2023 and is to be finalised in 2024.

Our management system ensures safe and efficient business operations, a joint way of working which is easily and efficiently accessible for anyone joining or partnering with BlueNord, and compliant with internal and external requirements for operations in the North Sea. All relevant business processes, governing documents and regulatory requirements for respective BlueNord disciplines are documented in the management system.

> **"Our management system ensures safe and efficient business operations.**

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Whistleblowing, harassment and grievance

Our Whistleblowing procedure and integrity channel, which is accessible on our corporate website and intranet, is managed by PricewaterhouseCoopers ('PwC'). The procedure applies to all officers, Directors and employees of the Company, whether temporary or permanent, full-time or part-time, and regardless of their location. Anyone doing business for or on behalf of BlueNord must also comply with the Whistleblowing procedure.

The procedure is mandatory reading for all new employees during on-boarding. We encourage employees, hire-ins and external parties to raise concerns and report suspected violations of applicable laws and regulations to our integrity channel. All reports made in good faith will be dealt with expeditiously, with persons reporting assured of no adverse consequences for themselves.

No whistleblowing incidents have been reported since the integrity channel was first implemented in 2020.

Employees and consultants are also encouraged to speak up about all other issues of concern in the workplace, and are supported to seek advice if they are in doubt. Our Harassment policy sets out protected channels for notification in the event that an individual has experienced behaviour that falls short of the exemplary standards we expect from all employees.

This policy also refers to the Grievance process in our management system, which can be initiated if a concern or a complaint is seen as appropriate for raising on a more formal basis. Correspondingly, any appeal process, where applicable, will be carried out according to local legislation.

"The KPIs of the variable pay programmes include emission reduction targets.

Remuneration

Remuneration for executives and employees is based on the following principles:

- A clear and transparent compensation policy.
- Compliance with regulatory requirements and principles of good business conduct.
- Fair treatment of all employees.
- Sustainable pay linking remuneration to performance, actual results and stakeholder value creation.

BlueNord's compensation policy includes Short-Term Incentives ('STI') and Long-Term Incentives ('LTI').

STI is a variable pay component, in the form of an annual bonus programme that rewards high performance based on the achievement of operational and financial targets. Targets are set annually and are tied to the execution of business strategy, including environmental metrics which for 2023 was related to emission intensity reductions.

LTI includes our Performance Shares programme. This uses a set of weighted KPIs which measure share price performance on both an absolute and relative basis (70 percent), emissions reduction performance (20 percent), and tenure (10 percent).

For more information about Executive Remuneration, see our **Executive Remuneration Report 2023**

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Risk management framework

Effective risk management is essential to successfully delivering our strategy. The risk management process needs to identify and determine the nature and extent of risk the Company is exposed to and the extent to which mitigation is required and thus, the level of risk that is acceptable.

Board of Directors
The Board is responsible for the Company's risk framework.

Meet the Board on page 55

The internal control framework supports the management and mitigation of risk. The process is designed to manage, mitigate and communicate, rather than eliminate, the risk of failure to achieve strategic priorities.

Risk management and internal control are given high priority by the Board of Directors. The Board is responsible for identifying principal risks and determining the nature and extent of those risks the Company is willing to take. The impact of climate-related risks are also taken into account and specific detail can be seen on page 52.

The Board is also responsible for monitoring the Company's risk management framework and for reviewing its effectiveness. The Audit Committee assists the Board of Directors on an ongoing basis in monitoring the Company's system for risk management and internal control.

Risk management process

The Company faces various risks which may impact the Company and not all these risks are necessarily in the Company's control. For this reason, the Company has established a risk management process to identify and assess how to respond to risks. That response can include acceptance, an action plan with mitigating factors to reduce the risk, transfer to third parties, or terminating the risk by ceasing certain activities.

The Executive Team sets the tone and is responsible for monitoring and managing the most significant risks, and identified risk owners are responsible for ensuring risks within their area are being appropriately managed.

Internal control

The Company's management is responsible for establishing and maintaining sufficient internal control over financial reporting. The Company's specific policies, standards and accounting principles have been developed for the annual and quarterly financial reporting of the Group. The Chief Executive Officer and Chief Financial Officer supervise and oversee the external reporting and the internal reporting processes. This includes assessing financial reporting risks and internal controls over financial reporting within the Group. The consolidated external financial statements are prepared in accordance with International IFRS and International Accounting Standards as adopted by the EU. The cyclical process works in practice as follows:

Strategic objectives and risk appetite sets the context at Board-level

Risk assessment includes risk identification through review meetings held with key personnel in the organisation on a quarterly basis. This includes an evaluation of likelihood and impact considering both quantitative and qualitative factors. The collated risks are maintained in the Company risk register and matrix.

Risk monitoring occurs on a quarterly basis through an Executive Team evaluation, monitoring and review of the risk register and matrix, which is to be presented to the Audit Committee along with the quarterly financial statements.

Risk mitigation requires an assessment of mitigation plans and controls based on risk appetite. Risk mitigation plans are developed between risk owners and with feedback from the Executive Team considering the risk appetite and context set at Board-level.

Status of the risk assessment is presented annually and reviewed with the Board and updated as required based on the current risk appetite and context, both internal and external.

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The risks and uncertainties described in this section are the material known risks and uncertainties faced by BlueNord at the time of publication.

KEY Increasing Unchanged Decreasing

Oil and gas production and reserves

Risk	Impact	Mitigation	Movement
Geographical concentration and field interdependency	Production of oil and gas is concentrated in a limited number of offshore fields in a limited geographical area of the Danish continental shelf. Consequently, the concentration of fields and infrastructure may result in incidents or events in one location affecting a significant part of BlueNord business. **Material influencing factors** • Four producing hubs that are interconnected and utilise the same infrastructure. • The fields within one hub are interconnected and one field can depend on another to extract hydrocarbons. • All gas produced on the different hubs is processed and transported to shore via the Tyra Hub or the Northern Offshore Gas Transport ('NOGAT') pipeline. • The Gorm Hub receives liquids from all the other hubs and sends it to shore via pipeline from Gorm E.	The Operator has ongoing inspection and maintenance plans in place to proactively maintain assets and minimise the risk of incidents. Where events occur, activities are adjusted to respond to specific issues as they arise, and isolated where possible to minimise the impact.	Unchanged
Actual reserves may differ from reported reserves estimates	The reported reserves and resources represent significant estimates based on several factors and assumptions made as of the reported date, all of which may vary considerably from actual results. Further, oil and gas production could also vary significantly from reported reserves and resources. Should the actual results of the Company deviate from the estimated reserves and resources, this may have a significant impact on the value of the Group's assets and cash flow from operations. **Material influencing factors** • Assumptions on which the reserves estimates are determined include geological and engineering estimates (which have inherent uncertainties), historical production, the assumed effects of regulation by governmental agencies and estimates of future commodity prices and operating costs. • The Company is a non-operated partner in the DUC and as such has less control of future decline-mitigating investments in the producing assets that have an impact on oil and gas production.	Reported reserves are based on independent technical expert's reports, which are carried out at least annually. BlueNord has a subsurface team with appropriate technical expertise that monitors and reviews production and reserves in addition to the external reserves reporting. This provides oversight of performance and expectations throughout the year to enable response and follow up on a timely basis should concerns arise.	Unchanged

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Oil and gas production and reserves continued

KEY: Increasing, Unchanged, Decreasing

Risk	Impact	Mitigation	Movement
Ongoing investment in developments	The Company makes and expects to continue to make substantial investments in its business for the development and production of oil and natural gas reserves. Such projects require substantial investments to bring into production, which come with several inherent risks. **Material influencing factors** • Development projects have inherent execution risks, including cost overruns and delays, in addition to the impact of commodity prices on the economics of a project. • The Company may also be unable to obtain needed capital or financing on satisfactory terms, which could lead to a decline in its oil and gas reserves.	The Company intends to finance future investments with cash flow from operations and borrowings under its RBL facility and other equity and debt facilities. The Company regularly monitors liquidity, borrowing base, and other financial ratios. Projects are screened for technical and non-technical risks with economics reviewed at multiple price scenarios.	Unchanged
Tyra redevelopment project	The Tyra redevelopment project is, to date, the largest project carried out on the Danish continental shelf. The project is now nearing completion, but the risk of delay remains, particularly with regards to the ramp-up of production and further uncertainty of performance once wells are unplugged. Such risks may have an adverse effect on BlueNord's financial position. **Material influencing factors** • The scope of the project includes removal of old facilities, modifying existing ones, and installing new features; there are inherent risks with such significant projects, including risks of cost overruns and delays. • The project has been delayed twice to date; the first in November 2020 due to the Covid-19 pandemic, and again in August 2022 driven by global supply chain challenges.	BlueNord maintains a regular dialogue with the Operator's key personnel on the project in addition to a review of weekly and monthly progress reporting. BlueNord's internal technical experts are closely involved with this review and have an established feedback process with the Operator.	Decreasing
Decommissioning estimates	There are significant uncertainties and significant estimation risks relating to the cost and timing for decommissioning of offshore installations and infrastructure. A significant deviation from such estimates may have a material adverse effect on the Company's results of operations, tax position, cash flow and financial condition. This includes the timing of when security may need to be put in place. **Material influencing factors** • Within the DUC, the partners are primarily liable to each other on a pro-rata basis and, secondarily, jointly and severally liable for all decommissioning obligations. • There is an obligation for participants to provide security for their respective share of any decommissioning liabilities ahead of actual decommissioning based on calculations as set out in the joint operating agreement.	Decommissioning estimates are reviewed at least on an annual basis and updated every five years in detail based on technological, regulatory and any other relevant information at the time. The need for decommissioning security is assessed annually.	Unchanged

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Market risks

KEY Increasing Unchanged Decreasing

Risk	Impact	Mitigation	Movement
Commodity prices	The Company's main business is to produce and sell oil and gas, therefore future revenues, cash flow, profitability, financing, and rate of growth depend substantially on prevailing prices of oil and gas. Because oil and gas are globally traded, the Company is unable to control or predict the prices it receives for the oil and gas it produces. Commodity price fluctuations could reduce the Company's ability to refinance its outstanding credit facilities and could result in a reduced borrowing base under credit facilities available to the Company, including the RBL facility. Fluctuations in commodity prices could also lead to impairments of the Company's assets. **Material influencing factors** • During 2023, volatility and uncertainty remained in the commodity market, however the spikes of 2022 did not recur, and global supply risks have been managed. The impact of conflict in various regions continues to have some impact but markets have tended to adapt to this situation. • The hydrocarbons produced from specific fields may also have a premium/discount in relation to benchmark prices, such as Brent, which may vary over time. • The majority of the natural gas produced by the Company is sold at Trading Hub Europe ('THE') prices. THE closely follows the Dutch Title Transfer Facility ('TTF') price. The Company is more exposed to additional price volatility deriving from proposed responses by the European Commission, as seen with the proposed Market Correcting Mechanism, however this has not recurred in 2023.	The Company actively seeks to reduce this risk through the establishment of hedging arrangements. BlueNord has to date executed this policy in the market through forward contracts. BlueNord enters hedging contracts on both oil and gas that mitigate the short-term impact of price volatility. Further detail on BlueNord's hedging policy can be found in note 2 to the financial statements and note 19 on financial instruments.	Unchanged
Foreign currency exposure	The Group is exposed to market fluctuations in foreign exchange rates. Significant fluctuations in exchange rates between euros and Danish kroner to US dollars, may materially adversely affect the reported results. **Material influencing factors** • Revenues are in US dollars for oil and in euros for gas, while operational costs, taxes and investments are primarily in US dollars, euros and Danish kroner. • The Company's financing is primarily in US dollars.	The Company considers currency risk to be low, as the main financial items held in a currency other than the functional currency of the respective components is offset by positions in other components of the Group and/or hedged.	Unchanged

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Cyber security

KEY: Increasing / Unchanged / Decreasing

Risk	Impact	Mitigation	Movement
Key infrastructure, networks or core systems are compromised or are otherwise rendered unavailable	A compromised network or infrastructure would seriously impair the Company's ability to maintain regular operations, including being able to continue reporting, regulatory and financial obligations if required information were not available. **Material influencing factors** • As in 2022, ongoing global tensions continue to raise IT security risks around cyber crime and similar threats. • Protection and monitoring of critical infrastructure continues to be a high priority in the Danish energy sector.	The Company has in place IT controls and processes, including preventative security routines, disaster recovery and business continuity plans. The Company elevated its IT security-related routines and IT systems to protect against cyber criminality and similar threats.	Unchanged

Financial liabilities

Risk	Impact	Mitigation	Movement
Available funding to meet the Company's financial liabilities	The Company has several debt instruments which expose it to interest rate risk and obligations to meet certain covenants. The Company's material hedging programme provides significant visibility over its ability to meet these requirements, however if the Company is unable to, then actions to rectify this position may be required. There can be no assurance that such actions will be available or enough to allow BlueNord to ultimately fulfil its obligations. The availability of funding and the nature and diversity of lenders being used can pose third party liquidity risk. **Material influencing factors** • Exposure to floating interest rates through the Company's USD 1.1 billion RBL. • Exposure to fixed interest rates through a USD 208.0 million convertible bond and a USD 175.0 million senior unsecured note. • Under these financing instruments, the Company is subject to several covenants, including maximum leverage relative to earnings and demonstration of a minimum level of liquidity.	The Company has fixed USD 1.0 billion of RBL interest rate exposure until 30 June 2024. The Company restructured the NOR13 convertible bond into the new NOR15 convertible bond with revised terms, including a later conversion date. The Group monitors its liquidity and covenant coverage continuously to ensure it will be able to meet its financial obligations as they fall due. As of the date of this report, the Company is in an ongoing refinancing process as part of the continuous review and optimisation of the capital structure.	Decreasing

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Financial liabilities continued

KEY Increasing Unchanged Decreasing

Risk	Impact	Mitigation	Movement
Future capital requirements	BlueNord's future capital requirements will be determined based on several factors, including production levels, commodity prices, future expenditures that are required to be funded, and the development of the Company's capital structure. To the extent the Company's operating cash flow is insufficient to fund the business plan at the time additional external capital may be required. BlueNord currently has a strong financial base, supported by existing liquidity and hedging positions, however any unexpected changes that result in lower revenues or increased costs may necessitate the raising of additional external capital. There can be no guarantee that, if required, BlueNord would be able to access the debt or equity markets on favourable terms, or if necessary be able to adequately restructure or refinance its debt.	BlueNord maintains a strong relationship with its banking syndicate through continual engagement to underpin its borrowing position and has an active investor relations strategy to support access to the capital markets.	Decreasing
Insurance risk	The Company maintains liability insurance in an amount that it considers adequate and consistent with industry standards. However, the nature of the risks inherent in oil and gas industry generally, and on the Danish continental shelf specifically, are such that liabilities could materially exceed policy limits or not be insured at all. In which event, the Company could incur significant costs that could have an adverse effect on its financial condition, results of operation and cash flow. **Material influencing factors** • Due to the ongoing geopolitical situation, there may be an increased risk for the Group's assets becoming a target of war acts and/or sabotage, as seen with the Nord Stream pipeline sabotage in September 2022. No such event was noted during 2023. • Any such acts of war or sabotage directed towards the Group's assets may have a material adverse effect on the Group's assets and financial position, and whether an incident is classified as an act of war or sabotage under the Group's insurances may have consequences for the Group's right to claim insurance proceeds under the relevant insurances.	The Company annually reviews the adequacy of insurance coverage.	Unchanged

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Third-party risk

KEY Increasing Unchanged Decreasing

Risk	Impact	Mitigation	Movement
Third-party risk	The Company does not have a majority interest in any of its licences and consequently cannot solely control such assets. Nor does the Company have operatorship over any of its assets. The Company therefore has limited control over management of such assets. Mismanagement by the Operator or disagreements with the Operator as to the most appropriate course of action may result in significant delays, losses or increased costs to it. Jointly owned licences (as is the case for the Company's licences) also result in possible joint liability, on certain terms and conditions. Other participants in licences may default on their obligations to fund capital or other funding obligations in relation to the assets. In such circumstances, the Company may be required under the terms of the relevant operating agreement or otherwise to contribute all or part of such funding shortfall. The Company may not have the resources to meet these obligations.	The Company has consultation rights or right to withhold consent in relation to significant operational and development matters, depending on: the importance of the matter, the level of its interest in the licence, or which licence the contractual arrangements for the licence apply to. The structure of engagement with the Operator is contractually set out in the joint operating agreement.	Unchanged

Politics, regulation and compliance

Risk	Impact	Mitigation	Movement
Changes in obligations arising from operating in markets that are subject to a high degree of regulatory, legislative and political intervention and uncertainty	Exploration and development activities in Denmark are dependent on receipt of government approvals and permits to develop assets. There is no assurance that future political conditions in Denmark will not result in the government adopting new or different policies and regulations relating to exploration, development, operation and ownership of oil and gas, environmental protection, and labour relations. Any of the above factors may have a material adverse effect on the Company's business, results of operations, cash flow and financial condition. **Material influencing factors** • Future political conditions in Denmark could result in government adopting new or different policies, meaning that the Company may be unable to obtain, maintain or renew required drilling rights, licences and permits resulting in work being halted. • Due to the Russian invasion of Ukraine, new regulations have been imposed by the EU, United States, United Kingdom and other governments, which affects the export and import of oil and gas to and from the Russian market. • Trade restrictions on the Russian market could increase the importance of the oil and gas fields in Europe, including in Denmark. Such increase in importance could result in governments adopting new regulations that could affect the assets and the operations of the Group.	The Company maintains a regular dialogue with the Danish Energy Agency as well as relevant government ministries. This ensures an up-to-date understanding is in place in order to act and respond on a timely basis to any impact on the business.	Unchanged

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Politics, regulation and compliance continued

KEY Increasing Unchanged Decreasing

Risk	Impact	Mitigation	Movement
Danish taxation and regulations	All of BlueNord's petroleum assets are located in Denmark and the petroleum industry is subject to higher taxation than other businesses. There is no assurance that future political conditions in Denmark will not result in the relevant government adopting different policies for petroleum taxation than those currently in place. **Material influencing factors** The law proposal on the Solidarity Contribution was enacted in 2023 and its impact on the Company is known and accounted for. No new exposures have been identified during 2023 As taxation has a major impact on the Company's results, such amendments may significantly impact the Group's cash flow and financial condition. A further tax yet to be adopted is regarding additional CO_2 duties. The proposal as currently presented would be implemented from 2025 but as it is still in proposal stage, the timing and extent of impact remains uncertain.	Dialogue is maintained with industry bodies and the relevant government ministries to understand proposed legislations before they are enacted and provide full impact analysis. There is a Compensation Agreement between the Danish state and the DUC such that the Companies participating in the DUC are entitled to compensation for tax increases. Due to the Agreement, any alterations in present legislation to the disadvantage of the DUC licencees can be challenged for compensation. The compensation would be determined with a view to the impact of the changes on the DUC, however these cannot exceed the net advantage deemed to have been obtained by the state.	Unchanged
Financial reporting risk	While BlueNord has in place internal controls covering the Company's financial reporting function, any material error or omission could significantly impact the accuracy of reported financial performance and expose the Company to a risk of regulatory or other stakeholder action.	Internal controls over financial reporting are designed and in operation.	Unchanged
Reputational risks	BlueNord may be negatively affected by adverse market perception as it depends on a high level of integrity to maintain the trust and confidence of investors, DUC participants, public authorities and counterparties. Any mismanagement, fraud or failure to satisfy fiduciary or regulatory responsibilities, or negative publicity resulting from other activities, could materially affect the Company's reputation, as well as its business, access to capital markets and commercial flexibility.	Clear code of conduct, ethical guidelines and Whistleblower procedure are in place. See more on Governance on page 54.	Unchanged

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Climate risk

KEY: Increasing / Unchanged / Decreasing

Risk	Impact	Mitigation	Movement
Changes to and impacts of environmental regulations	All phases of the oil and gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material, in addition to loss of reputation. **Material influencing factors** • Environmental legislation provides for, among other things, restrictions and prohibitions on spills, and releases or emissions of various substances produced in association with oil and gas operations. • Legislation also requires that wells and facility sites are operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. • The Company is subject to legislation in relation to the emission of carbon dioxide, methane, nitrous oxide and other GHGs. • Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability, and potentially increased investments and operating costs. • With all assets on the Danish continental shelf, the Company is highly exposed to changes in Danish law.	The Company maintains a regular dialogue with the Danish Energy Agency as well as relevant government ministries. This ensures an up-to-date understanding is in place to act and respond on a timely basis to any impact on the business. The Operator has a framework and controls in place to manage within regulatory requirements. BlueNord maintains an overview of the requirements and dialogue with the Operator through the appropriate joint committees.	Unchanged

See also climate risks outlined under TCFD on page 34.

Governance Report

Good corporate governance is key for a successful, sustainable business

This section of the report demonstrates that BlueNord maintains robust systems and practices that support the Board, Company and the Executive Team in making good decisions for the future of the business, in the interest of all stakeholders.

Riulf Rustad
Executive Chair

The stakeholders of the Company include employees, contractors, suppliers, partners, regulators, end users, and others who interact with or are affected by the environment in the vicinity of the Company's assets and operational areas.

The Board believes that good corporate governance is an essential building block for the development of a successful and sustainable business. This belief is rooted in the understanding that sound governance structures, clear roles and responsibilities, and robust accountability mechanisms are instrumental in driving business success and resilience over the long term.

To support the Board and as a framework for the Company to adhere to, BlueNord seeks to comply with the Norwegian Code of Practice, which is available on the Norwegian Corporate Governance Committee website (**www.nues.no**).

The Company's corporate values and code of conduct also provide a framework on which the Company acts and decisions are made. The code of conduct describes the Company's ethical commitments and requirements related to business practice and personal behaviour.

BlueNord has a diverse board, with the relevant experience and skills to support the Company and best practice. The composition of the Board is such that it can operate independently of any special interests.

The Executive Team also has extensive and relevant experience, applicable to supporting best practice, including technical, operational, financial, financial market and other wider corporate skills. The CEO and other members of the Executive Team report to the Board on Company activities on a monthly basis.

The Board shall hold at least five ordinary proceedings each year. During 2023, attendance at Board meetings was 96.4 percent. Board meetings are based around a formal agenda. The Board will annually seek to define and evaluate the Company's objectives, main strategies and risk profiles to ensure it continues to create value.

To ensure a more detailed assessment and of key areas of the business, the Board is supported by various committees, which include audit, nominations, remuneration and ESG. With an exception from the Nomination Committee, the committees are made up of members of the Board. Designated representatives from the administration participate in the respective committee meetings as required, depending on their relevant position and skills.

Board committees meet regular during the year, and the average attendance during 2023 was 91.7 percent. Committee meetings are held in person or online and are based around a formal agenda, with the saliant points reported to the wider Board.

The Board aims to ensure there is the opportunity for continuous and transparent dialogue with shareholders. This includes key decisions being put to shareholders on an annual basis through an Annual General Meeting ('AGM'). The meeting is held virtually to encourage attendance and participation, with the option to vote and asking questions.

Corporate and Social Responsibility
Find out more in our **Sustainability Report**.

Find out more on page 25

Board of Directors

COMMITTEE MEMBERSHIP KEY

- C Chair
- R Remuneration Committee member
- E ESG Committee member
- A Audit Committee member

Riulf Rustad C

Executive Chair

Riulf Rustad is a Norwegian businessman with a long track record from investments in sectors such as oil and gas, oil services and offshore. Mr. Rustad operates through his platform Ousdal AS and holds/has held various Board positions, both in listed and unlisted companies. Mr. Rustad was elected as Chair of the Board of Directors of BlueNord in 2016, and was re-elected at the AGM of 19 May 2022 for a period of two years.

Marianne Lie R A

Board member

Marianne Lie is the owner of Fajoma Consulting AS and is the founder and Managing Director of Forum for Miljøteknologi (FFM). She holds/has held several Board positions both in listed and unlisted companies. Lie has served as a member of the Board of Directors in BlueNord since 26 May 2016, and was re-elected at the AGM of 19 May 2022 for a period of two years.

Tone Kristin Omsted A

Board member

Tone Omsted holds a BA Hons. in Finance from the University of Strathclyde. She has broad experience from corporate finance and capital markets, and currently serves as Head of Investor Relations at Entra ASA. Previous experience includes 14 years as an investment banking executive at SEB Enskilda. She has also served on the Board of Directors of Panoro Energy ASA. Ms Omsted has served as Member of the Board of Directors of BlueNord since 26 May 2016, and was re-elected at the AGM of 19 May 2022 for a period of two years.

Colette Cohen E

Board member

Colette Cohen is a chemistry graduate from Queens University Belfast and also holds a master's degree in Project Management and Economics. Her career began with BP in 1991 and she has worked for companies including ConocoPhillips and Britannia in the North Sea, Norway, the US and Kazakhstan. Colette was SVP for Centrica Energy's E&P UK/NL was the CEO of The Net Zero Technology Centre for seven years until 2023. Ms. Cohen has served as member of the Board of Directors of BlueNord since 7 August 2019, and was re-elected at the AGM of 25 April 2023 for a period of two years.

Robert J. McGuire E

Board member

Robert McGuire is the founder of Longwing Partners LLC, a strategic advisory firm. He has a 30-year global track record as an adviser, investor and business leader, has served on numerous Boards and has extensive experience in the energy sector, having led the European energy businesses at both Goldman Sachs and J.P.Morgan. Bob is also an independent director at TSX-listed GDI Integrated Facilities Services. He has a BA from Boston College and an MBA from Harvard Business School. Mr. McGuire was elected as member of the Board of Directors of BlueNord at an Extraordinary General Meeting held on 2 March 2020, and was re-elected at the AGM of 19 May 2022 for a period of two years.

Peter Coleman A

Board member

Peter Coleman joined Taconic, a shareholder in BlueNord, in April 2018 where he is a Director focusing on European credit, based in their London office. Prior to joining Taconic, Peter was a Managing Director on the European distressed debt team at SVP Global. Previously, he was an Investment Director in distressed debt at Sisu Capital and prior to this, he was a Director in the corporate finance group and tax group at PricewaterhouseCoopers. Peter earned a dual LL. B. and B. Com. from Victoria University in New Zealand in 1996. Mr. Coleman has served as member of the Board of Directors of BlueNord since 19 May 2021, and was re-elected at the AGM of 25 April 2023 for a period of two years.

Jan Lernout R

Board member

Jan Lernout is a partner and portfolio manager at Kite Lake Capital Management (UK) LLP, a shareholder in BlueNord, which he founded in July 2010. Prior to that he was a partner and portfolio manager at Cheyne Capital Management (UK) LLP and an Executive Director and member of the Investment Committee in the European Special Situations Group (ESSG) at Goldman Sachs International. He holds a Master in Commercial Engineering from KU Leuven and an MBA from the University of Chicago Booth School of Business. He is a CFA Charterholder. Mr. Lernout has served as member of the Board of Directors of BlueNord since 19 May 2021, and was re-elected at the AGM of 25 April 2023 for a period of two years.

Riulf Rustad

Marianne Lie

Tone Kristin Omsted

Colette Cohen

Robert J. McGuire

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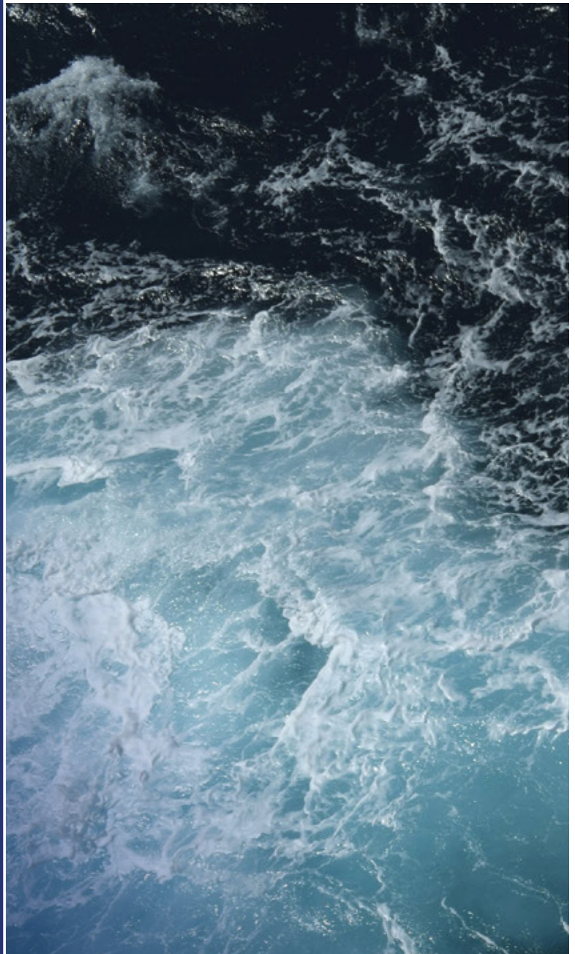
Executive Team



Euan Shirlaw

Chief Executive Officer

Euan has served as the Chief Executive Officer of BlueNord since May 2022. He initially joined the company as the Chief Financial Officer in 2019 and additionally held the role of Acting Managing Director from November 2021. He has a background of providing strategic advice to a wide range of oil and gas companies on acquisition, divestment and merger activity, as well as raising debt and equity capital. Prior to joining BlueNord, Euan was a senior member of the oil and gas advisory team at BMO Capital Markets, having also focused on the Energy space while working with Credit Suisse, RBC Capital Markets and Rothschild in London. He has an MSc in Business and Accountancy from the University of Edinburgh.

Jacqueline Lindmark Boye

Chief Financial Officer

Jacqueline joined BlueNord in 2019 and was appointed Chief Financial Officer in October 2023, after being a member of the Executive Team since November 2022. She has over 20 years' experience in finance and audit within the energy industry in Australia, the UK and Denmark. Prior to joining BlueNord, Jacqueline has held various roles, including leadership with Shell, AGL Energy, EY and PwC. She holds a Bachelor in Commerce and Bachelor in Arts from Monash University in Australia and is a member of the Chartered Accountants Australia and New Zealand.

Marianne Eide

Chief Operating Officer

Marianne joined BlueNord in 2022 and holds the position of Chief Operating Officer. She has 30 years of experience in the upstream oil and gas industry. Prior to joining BlueNord, she held senior management, commercial and technical roles with Shell, BG Group, Gaz de France, Conoco and Equinor, both based in Norway and the United Kingdom. Marianne has an MSc in Petroleum Engineering from the Norwegian Institute of Technology in Trondheim.

Cathrine F. Torgersen

Chief Corporate Affairs Officer

Cathrine joined BlueNord in 2020 and holds the position of Chief Corporate Affairs Officer. She previously had the role as Senior Account Director in Hill+Knowlton, where she advised a wide range of oil and gas and shipping companies. During her seven years in Hill+Knowlton, she was a member of the Management Team and was also leading the Financial Communications practice. Prior to joining Hill+Knowlton, Cathrine worked with institutional high-yield sales at Pareto Securities Inc. in New York and Clarksons Platou Securities. She has a BSc in Business Administration and Finance from Bocconi University.

Euan Shirlaw

Jacqueline Lindmark Boye

Marianne Eide

Cathrine F. Torgersen

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Corporate Governance Report

BlueNord ASA ('the Company') has made a strong commitment to ensure trust in the Group and to enhance value creation for shareholders and society over time. The Company acts in a responsible and prudent manner through efficient decision making and communication between the management, the Board of Directors ('the Board', 'Board of Directors') and the shareholders of the Company, represented by the AGM.

The Company's framework for corporate governance is intended to decrease business risk, maximise value and utilise the Company's resources in an efficient and sustainable manner, to the benefit of shareholders, employees and society at large. The Company will seek to comply with the Norwegian Code of Practice for corporate governance ('Corporate Governance Code'), which is available on the Norwegian Corporate Governance Committee website: **www.nues.no**.

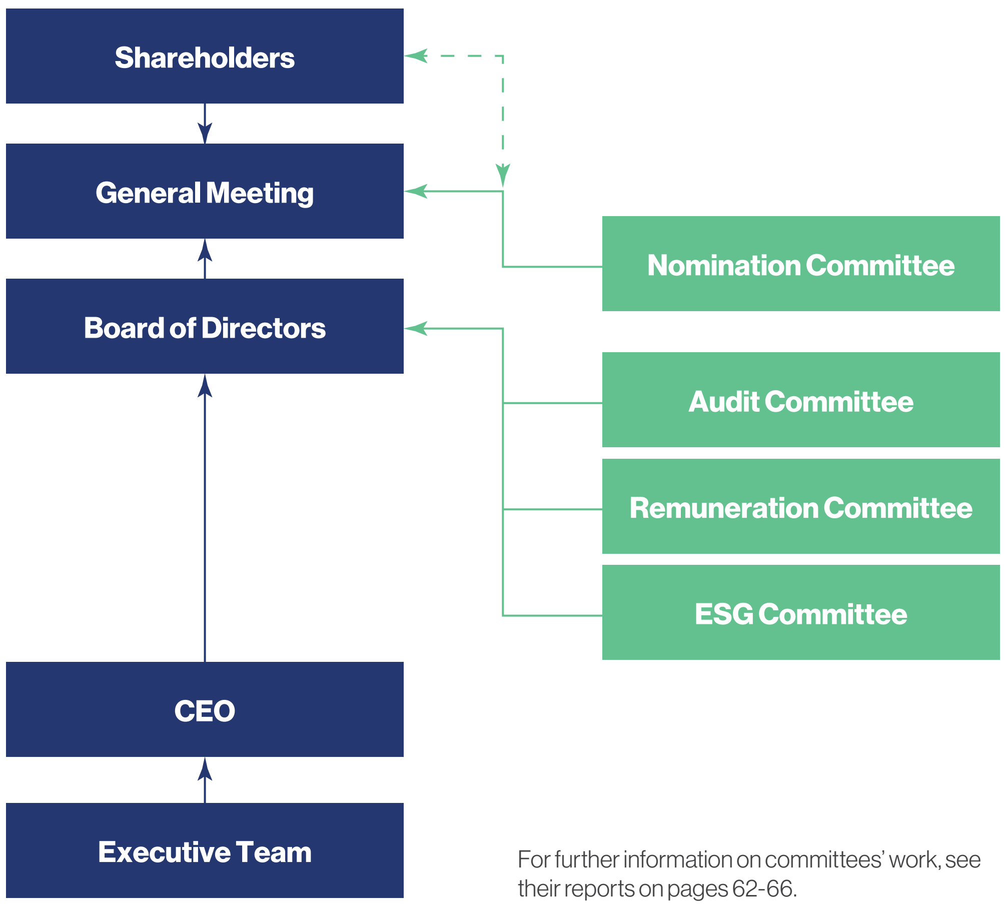
The principal purpose of the Corporate Governance Code is to ensure: (i) that listed companies implement corporate governance that clarifies the respective roles of shareholders, the Board of Directors and executive management more comprehensively than that which is required by legislation; and (ii) effective management and control over activities with the aim of securing the greatest possible value creation over time in the best interest of companies, shareholders, employees and other parties concerned.

The Company will, due to the listing of its shares on Oslo Børs, be subject to reporting requirements for corporate governance under the Accounting Act section 3-3b, as well as Oslo Børs' Rule Book II section 4.4. The Board of Directors will include a report on the Company's corporate governance in each Annual Report, including an explanation of any deviations from the Corporate Governance Code. The corporate governance framework of the Company is subject to annual review by the Board of Directors.

According to the Company's own evaluation, the Company deviates from the Corporate Governance Code on the following points:

- **Item 4:** The Board of Directors of the Company has been, and is expected to be, provided with authorisations to acquire own shares and issue new shares. Not all such authorisations have separate and specific purposes for each authorisation, as the purposes of the authorisations shall be explained in the notices to the general meetings adopting the authorisations.
- **Item 11:** Options have been granted to members of the Board of Directors through the share option programme of the Company, first implemented at an extraordinary general meeting in October 2018 and later extended and expanded.
- **Item 14:** Due to the unpredictable nature of takeover situations, the Company has decided not to implement detailed guidelines on takeover situations. In the event a takeover were to occur, the Board of Directors will consider the relevant recommendations in the Corporate Governance Code and whether the concrete situation entails that the recommendations in the Corporate Governance Code can be complied with or not.

Governance operating model – Organisational design and Committee Structure



For further information on committees' work, see their reports on pages 62-66.

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Corporate Governance Report continued

1. Implementation and reporting on corporate governance

The Board of BlueNord is responsible for compliance with corporate governance standards. BlueNord is a Norwegian public limited Company ('ASA'), listed on the Oslo Stock Exchange and established under Norwegian law.

In accordance with the Norwegian Accounting Act, section 3-3b, BlueNord includes a description of principles for corporate governance as part of the Board of Directors' Report in the Annual Report. The Company will seek to comply with the Corporate Governance Code.

The Company's strategy is to continue its value creation to replace and maximise recovery of proven reserves and resources and to continue to explore new opportunities in and above the ground.

2. Business

The Company is a publicly owned oil, gas and offshore industry Company with a strategic focus on value creation through increased recovery, enabled by a competent organisation with a long-term view on reservoir management and the capability to invest in and leverage new technology.

On an annual basis, the Board defines and evaluates the Company's objectives, main strategies and risk profiles for the Company's business activities to ensure that the Company creates value for shareholders.

The Company integrates considerations related to its stakeholders, as well as social, environmental and sustainability considerations into its value creation and shall achieve its objectives in accordance with the Company's Code of Conduct.

The Company's business is defined in the following manner in the Company's Articles of Association, section 3: 'The object of the Company is direct and indirect ownership of and participation in companies and enterprises within exploration, production, and sale related to oil and gas, and other activities related hereto.'

3. Equity and dividends

3.1 Equity

As of 31 December 2023, the Company's consolidated equity was USD 813.6 million, which is equivalent to approximately 26 percent of total assets. The Company's equity level and financial strength shall be considered in light of its objectives, strategy and risk profile.

3.2 Dividend policy

The Company has not paid any dividends to date, whether in cash or in kind.

The Company does not expect to make dividend payments prior to completion of the Tyra redevelopment project. The Company established in February 2024 its distribution policy for the period 2024 to 2026.

3.3 Share capital increases and issuance of shares

At the AGM held on 25 April 2023, The Board of Directors was authorised to increase the Company's share capital by up to NOK 1,414,463 (this represents 2,620,203 shares at a nominal value of NOK 0.5398295) valid until the AGM in 2024, but in no event later than 30 June 2024.

Outstanding shares as of 11 April 2024 were 26,205,849, which is an increase of 497,425 shares compared to year-end 2022. During the year, 494,853 shares were issued following conversion of BNOR13 and 2,572 shares issued following conversion of parts of BNOR15.

3.4 Purchase of own shares

The Board of Directors of the Company has been authorised to acquire and dispose own shares with a total nominal amount up to NOK 1,414,462 (this represents 2,620,203 shares), valid until the AGM in 2024, however in any event no later than 30 June 2024. The authorisation can be used in relation to incentive schemes for employees/Directors of the Group, as consideration in connection with acquisition of businesses and/or for general corporate purposes.

As of 21 March 2024, the Company holds 100,521 of its own shares, approximately 0.38 percent.

4. Equal treatment of shareholders and transactions with related parties

4.1 Class of shares

The Company has one class of shares. All shares carry equal rights in the Company, and the articles of association do not provide for any restrictions, or rights of first refusal, on transfer of shares. Share transfers are not subject to approval by the Board of Directors.

4.2 Pre-emption rights to subscribe

According to the Norwegian Public Limited Liability Companies Act section 10-4, the Company's shareholders have pre-emption rights in share offerings against cash contribution. Such pre-emption rights may, however, be set aside, either by the general meeting or by the Board of Directors if the general meeting has granted a Board authorisation which allows for this. Any resolution to set aside pre-emption rights will be justified by the common interests of the Company and the shareholders, and such justification will be publicly disclosed through a stock exchange notice from the Company.

4.3 Trading in own shares

The Board of Directors will aim to ensure that all transactions pursuant to any share buy back programme will be carried out either through the trading system at Oslo Børs or at prevailing prices at Oslo Børs and in accordance with the Market Abuse Regulation ('MAR'). In the event of such a programme, the Board of Directors will take the Company's and shareholders' interests into consideration and aim to maintain transparency and equal treatment of all shareholders. If there is limited liquidity in the Company's shares, the Company shall consider other ways to ensure equal treatment of all shareholders.

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4.4 Transactions with close associates

The Board of Directors aims to ensure that any non-immaterial future transactions between the Company and shareholders, a shareholder's parent Company, members of the Board of Directors, executive personnel or close associates of any such parties are entered into on arm's length terms. For any such transactions that do not require approval by the general meeting pursuant to the Norwegian Public Limited Liability Companies Act, the Board of Directors will, on a case-by-case basis, assess whether a fairness opinion from an independent third party should be obtained.

4.5 Guidelines for Directors and executive management

The Board of Directors has adopted rules of procedures for the Board of Directors which, inter alia, include guidelines for notification by members of the Board of Directors and executive management if they have any material direct or indirect interest in any transaction entered into by the Company.

5. Freely negotiable shares

The shares of the Company are freely transferable. There are no restrictions on transferability of shares pursuant to the Articles of Association.

6. General meetings

6.1 Notification

The notice for a general meeting, with reference to or attached support information on the resolutions to be considered at the general meeting, shall as a principal rule be sent to shareholders no later than 21 days prior to the date of the general meeting.

The Board of Directors will seek to ensure that the resolutions and supporting information are sufficiently detailed and comprehensive to allow shareholders to form a view on all matters to be considered at the meeting. The notice and support information, as well as a proxy voting form, will normally be made available no later than 21 days prior to the date of the general meeting on the Company's website: **www.bluenord.com/general-meetings**.

6.2 Participation and execution

To the extent deemed appropriate or necessary by the Board of Directors, the Board of Directors will seek to arrange for the general meeting to vote separately on each candidate nominated for election to the Company's corporate bodies.

The Board of Directors and the Nomination Committee shall, as a general rule, be present at general meetings. The auditor will attend the ordinary general meeting and any extraordinary general meetings to the extent required by the agenda items or other relevant circumstances. The Board of Directors will seek to ensure that an independent chair is appointed by the general meeting if considered necessary based on the agenda items or other relevant circumstances.

The Company will aim to prepare and facilitate the use of proxy forms which allows separate voting instructions to be given for each item on the agenda and to nominate a person who will be available to vote on behalf of shareholders as their proxy. The Board of Directors may decide that shareholders may submit their votes in writing, including by use of electronic communication, in a period prior to the general meeting. The Board of Directors should seek to facilitate such advance voting.

7. Nomination Committee

The Nomination Committee is provided for and governed by the Articles of Association, in addition to instructions for the Nomination Committee. For more information relating to the Nomination Committee, read the Nomination Committee report on page 66.

8. Board of Directors: composition and independence

Pursuant to the Articles of Association, section 5, the Company's Board of Directors shall consist of three to seven members, which are shareholders' elected members in accordance with a decision by the AGM.

The composition of the Board of Directors should ensure that the Board can attend to the common interests of all shareholders and meet the Company's need for expertise, capacity and diversity. Attention should be paid to ensuring that the Board can function effectively as a collegiate body.

The composition of the Board of Directors should ensure that it can operate independently of any special interests. The majority of the shareholder-elected members of the Board should be independent of the Company's executive personnel and material business contacts. At least two of the members of the Board elected by shareholders should be independent of the Company's main shareholder(s), the executive personnel and material business contacts.

The Board of Directors should not include executive personnel. If the Board does include executive personnel, the Company should provide an explanation for this and implement consequential adjustments to the organisation of the work of the Board, including the use of Board committees to help ensure more independent preparation of matters for discussion by the Board.

The Chair of the Board of Directors should be elected by the AGM.

The term of office for members of the Board of Directors should not be longer than two years at a time. The Board members can be elected for a shorter term by the AGM. The Annual Report should provide information to illustrate the expertise of the members of the Board of Directors and information on their record of attendance at Board meetings. In addition, the Annual Report should identify which members are considered to be independent.

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9. The work of the Board of Directors

9.1 Rules of procedures for the Board of Directors

The Board of Directors is responsible for the overall management of the Company and shall supervise the Company's business and the Company's activities in general.

The Norwegian Public Limited Liability Companies Act regulates the duties and procedures of the Board of Directors. In addition, the Board of Directors has adopted supplementary rules of procedures, which provide further regulation on, inter alia, the duties of the Board of Directors and the Chief Executive Officer, the division of work between the Board of Directors and the Chief Executive Officer, the annual plan for the Board of Directors, notices of Board proceedings, administrative procedures, minutes, Board committees, transactions between the Company and the shareholders, and matters of confidentiality.

The Board shall produce an annual plan for its work, with a particular emphasis on objectives, strategy and implementation. The Chief Executive Officer shall at least once a month, by attendance or in writing, inform the Board of Directors about the Company's activities, position and profit trend.

The Board of Directors' consideration of material matters in which the Chair of the Board is, or has been, personally involved, shall be chaired by some other member of the Board. The Board of Directors shall evaluate its performance and expertise annually and make the evaluation available to the Nomination Committee.

9.2 Audit Committee

The Company's Audit Committee is governed by the Norwegian Public Limited Liability Companies Act and a separate instruction adopted by the Board of Directors. To read the latest Audit Committee Report, please see page 63 of this report.

9.3 Remuneration Committee

The Company's Remuneration Committee is governed by an instruction adopted by the Board of Directors. To read the latest Remuneration Committee Report, please see page 64 of this report.

9.4 ESG Committee

The Environment, Social & Governance (ESG) Committee is governed by an instruction adopted by the Board of Directors. To read the latest ESG Committee report, please see page 65 of this report.

10. Risk management and internal control

Risk management and internal control are given high priority by the Board of Directors, which ensures that adequate systems for risk management and internal control are in place. For more information about how risks are managed, please see the risk report on page 44.

11. Remuneration of the Board of Directors

The remuneration of the Board of Directors shall be decided by the AGM, and reflects the Board of Directors' responsibilities, expertise, time commitment and the complexity of the Company's activities. For more detail, on the Board's remuneration, please refer to the Executive Remuneration Report 2023 on **www.bluenord.com**.

12. Remuneration of the executive management

The Board of Directors has in accordance with the Norwegian Public Limited Liability Companies Act section 6-16 prepared a policy for executive management remuneration. The policy includes the main principles applied in determining the salary and other remuneration of executives as further set out in the regulation on policies and reports on remuneration for executive management (Nw. Forskrift om retningslinjer og rapport og godtgjørelse for ledende personer). The Company shall annually prepare a report on remuneration to executive management in accordance with the Norwegian Public Limited Liability Companies Act section 6-16b. For more detail, please refer to the Guidelines on Executive Remuneration adopted by the AGM on 19 May 2022 on **www.bluenord.com**.

13. Information and communications

13.1 General

The Board of Directors has adopted a separate manual on disclosure of information, which sets forth the Company's disclosure obligations and procedures. The Board of Directors will seek to ensure that market participants receive correct, clear, relevant and up-to-date information in a timely manner, taking into account the requirement for equal treatment of all participants in the securities market.

The Company will, each year, publish a financial calendar, providing an overview of the dates for major events such as its ordinary general meeting and publication of interim reports.

13.2 Information to shareholders

The Company shall have procedures for establishing discussions with shareholders to enable the Board to develop a balanced understanding of the circumstances and focus of such shareholders. Such discussions shall be done in compliance with the provisions of applicable laws and regulations.

All information distributed to the Company's shareholders will be published on the Company's website at the same time as it is sent to shareholders, at the latest.

14. Takeovers

In the event the Company becomes the subject of a takeover bid, the Board of Directors shall seek to ensure that the Company's shareholders are treated equally and that the Company's activities are not unnecessarily interrupted. The Board of Directors shall also ensure that the shareholders have sufficient information and time to assess the offer.

There are no defence mechanisms against takeover bids in the Company's Articles of Association, nor have other measures been implemented to specifically hinder acquisitions of shares in the Company. The Board of Directors has not established written guiding principles for how it will act in the event of a takeover bid, as such situations are normally characterised by concrete and one-off situations, which make a guideline challenging to prepare.

In the event a takeover were to occur, the Board of Directors will consider the relevant recommendations in the Corporate Governance Code and whether the concrete situation entails that the recommendations in the Corporate Governance Code can be complied with or not.

15. Auditor

The Board of Directors will require the Company's auditor to annually present to the Audit Committee a review of the Company's internal control procedures, including identified weaknesses and proposals for improvement, as well as the main features of the plan for the audit of the Company.

Furthermore, the Board of Directors will require the auditor to participate in meetings of the Board of Directors that deal with the annual accounts; at least one Board meeting with the auditor shall be held each year in which no member of the executive management is present.

The Board of Directors' Audit Committee shall review and monitor the independence of the Company's auditor, including in particular the extent to which services other than auditing provided by the auditor or the audit firm represents a threat to the independence of the auditor.

The remuneration to the auditor for statutory audit will be approved by the ordinary general meeting. The Board of Directors should report to the general meeting on details of fees for audit work and any fees for other specific assignments.

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Board Activities

The Board has responsibility for the overall management of the Company, including strategic priorities, identifying and assessing principal risks, as well as the level of risk deemed appropriate for the Company to take. The Board is responsible for establishing and thereafter monitoring the risk and internal control framework. The Board delegates a level of day-to-day management to the CEO and Executive Team; however, the Board retains the ultimate decision-making authority.

The Board held eight meetings during 2023. A further three meetings were held in 2024, one related to the Tyra update and two prior to the publication of Q4 and this Annual Report and Accounts. In addition, three written resolutions were approved related to approval of the 2024 budget/Tyra CCE4, CarbonCuts license application submission and Harald East Middle Jurassic Investment proposal.

Name	Attendance							
Riulf Rustad (Chair)	✓	✓	✓	✓	✓	✓	✓	✓
Marianne Lie	✓	✓	✓	✓	✓	✓	✓	✓
Tone Omsted	✓	✓	✓	✓	✓	✓	✓	✓
Colette Cohen	✓	✓	✓	✓	✓	✓	✓	✓
Robert McGuire	✓	✓	✓	✓	✓	✓	✓	✓
Jan Lernout		✓	✓	✓	✓	✓	✓	✓
Peter Coleman		✓	✓	✓	✓	✓	✓	✓

The areas of focus covered through Board meetings during 2023 has included:

- Established strategic priorities, including ESG strategy and rebranding.
- Operational and performance updates, including regular monitoring of the Tyra redevelopment project, Health, Safety, Security and Environment ('HSSE'), capital structure and liquidity outlook.
- Reviews and considers forecast medium-term liquidity position of the Company.
- Approval of restructuring of the NOR13 convertible bond loan and approval of the voluntary exchange offer into the new BNOR15 convertible bond loan.
- Annually review of the ten top risks in the Company's enterprise risk matrix.
- Review of executive management structure and performance, including the appointment of Jacqueline Lindmark Boye as CFO.
- Approval of the tax protection principles related to Global position.
- Review of executive management remuneration, the Company's Short Term and Long-Term Incentive programmes and their KPIs and awards as endorsed by the Remuneration Committee.
- Approval of the Halfdan Ekofisk infill investment decision.
- Review of the various Board committees' performance and confirmation of membership and continued committee structure.

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Audit Committee Report

The Audit Committee consists of the following Board members:

- Marianne Lie (Chair)
- Tone Omsted
- Peter Coleman

All members are independent of the Company's executive management and all three committee members sit on the Board of Directors of BlueNord ASA.

Committee meeting attendance

Name	Attendance					
Marianne Lie	✓	✓		✓	✓	✓
Tone Omsted	✓	✓	✓	✓	✓	✓
Peter Coleman		✓	✓	✓		✓

BlueNord has established an Audit Committee with formally delegated duties and responsibilities within written terms of reference.

Marianne Lie
Audit Committee Chair

Work of the Audit Committee

- Support the Board's responsibilities relating to the integrity of financial reporting and the financial reporting process.
- Evaluate the risk management of financial reporting and monitor the systems for internal controls.
- Review the external auditors' independence and objectivity and review the effectiveness and quality of the annual audit plan.
- Develop and implement policy for any engagement of external auditors to supply non-audit services.

Activities during the year

The committee held six scheduled meetings during 2023. A further two meetings were held in 2024, prior to the publication of Q4 and this Annual Report and Accounts. In addition to the members of the committee listed on this page, meetings of the Committee were also attended by the CFO and the Head of Group Reporting. The Company's auditor works closely with the Audit Committee and attended all meetings during the year.

The committee spent considerable time during the year reviewing all interim and annual reports before they are reviewed by the Board of Directors and then published. Any identified risks and their effects on financial reporting are discussed on a quarterly basis; in addition, the management give a quarterly update on compliance.

Every quarter, the Audit Committee reviews the memorandum for tax and impairment triggers. New accounting effects and issues are monitored on a quarterly basis by the committee. Prior to the year-end closing, the committee reviews key assumptions and accounting principles, and discusses early warning and key issues.

During the year, the Audit Committee has worked together with executive management and the auditor to further develop the already strong cooperation and improve the processes and internal control environment related to material financial reporting lines.

In 2023 the Audit Committee also held a joint session with the ESG Committee to discuss and agree how to work together regarding sustainability reporting to ensure both Committees contribute effectively as this develops within the Company. The Audit Committee has a key role in ensuring non-financial data is properly integrated into the risk and control framework whilst the ESG Committee focuses on strategy development and performance. The two committees will regardless have overlapping responsibilities and will remain coordinated as sustainability reporting and performance assessment develops.

2023 meeting summary

In the course of eight meetings during FY2023/24, the Audit Committee has continued to work on a range of audit matters.

These include overall performance and tax issues, compliance, reviews of policy documentation, updates to delegated authority, and liquidity forecasts. Reviews have also taken place regarding internal controls and business continuity planning ('BCP').

The committee received updates from KPMG regarding the final report on the inspection from the Financial Supervisory Authority of Norway (FSA). In addition, the committee was informed of the new era of sustainability reporting triggered by CSRD, and half-year accounting issues. Discussions were held on impairment triggers and accounting effects, as well as tax effects.

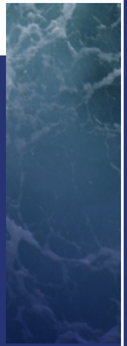
A review of the updated finance process descriptions and risk and control matrix was undertaken, as well as a review of the new internal materiality assessment. The committee reviews the Enterprise risk matrix on a quarterly basis. In addition, the committee discussed the financial reporting risks and the proposed distribution policy.

Remuneration Committee Report

The Remuneration Committee consists of the following Board members:

- Marianne Lie (Chair)
- Jan Lernout

These members are independent of the Company's executive management, and both committee members sit on the Board of Directors of BlueNord ASA (since May 2016 and May 2021, respectively).



Committee meeting attendance

Name	Attendance				
Marianne Lie	✓	✓	✓	✓	✓
Jan Lernout	✓	✓	✓	✓	✓

The Remuneration Committee is a preparatory and advisory committee which supports the Board with regard to executive management compensation.

Marianne Lie
Remuneration Committee Chair

Role of the Remuneration Committee

- Prepare the annual executive remuneration report and, at least annually, review and recommend any amendments to the guidelines for executive remuneration, to be proposed by the Board for adoption by the AGM;
- monitor, evaluate and approve the application of the guidelines for the remuneration provided to executive management;
- request information and assistance from executive management which is deemed relevant for the Remuneration Committee to carry out its tasks; and
- seek advice and recommendations from sources outside of the Company if relevant and subject to appropriate confidentiality.

2023 meeting summary

The committee convened for five scheduled meetings in 2023, with the CEO and EVP People and Capability invited to attend where relevant.

The executive remuneration guidelines were reviewed, with no changes made from those approved by the AGM in May 2022. The audited Executive Remuneration Report, which was prepared in line with the Public Limited Liability Companies Act § 6-16b and best practices in remuneration disclosure, was endorsed.

In Q2 2023 and upon the Board's request, a benchmarking exercise for executive remuneration was conducted by Mercer. After a comprehensive review of the report, the committee recommended no changes to BlueNord's total compensation policy or the executive remuneration structure.

The committee reviewed and recommended the proposed annual salary increase for eligible executives and employees in 2023. It also endorsed and recommended employment terms for the new CFO, appointed in October 2023, and the promotion of the previous EVP of Investor Relations and ESG to Chief Corporate Affairs Officer, which involved no change in employment terms.

The committee reviewed and endorsed the 2023 KPIs for the Company's Short Term Incentive programme. It also examined and endorsed the programme's 2022 KPIs' achievement and the proposed annual performance bonus payment for executives and employees.

The committee reviewed and endorsed the achievement of KPIs for the first performance period of the 2022 LTI programme, which involves annual vesting. It then recommended the first award of performance shares to eligible executives and employees. The committee also reviewed and endorsed the grant and KPIs for the 2023 LTI programme's three-year performance and vesting period. However, due to the executive remuneration benchmark exercise conducted in Q2, the Board did not approve the grant for the performance period 1 January 2023 to 31 December 2025, until July 2023.

In Q4 2023, the Committee evaluated its own structure and performance. Measures were set with the Company's management to ensure the KPIs for variable pay are endorsed and available for the Board's approval at the first month of each programme's performance period.

Executive Remuneration Report 2023

For more details on the executive remuneration, please read the full report here: **www.bluenord.com/reports-and-presentations.**

ESG Committee Report

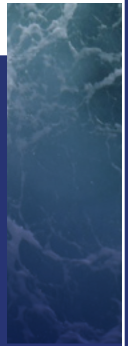
The ESG Committee consists of the following Board members:

- Colette Cohen (Chair)
- Robert McGuire

All members are independent of the Company's executive management and all committee members sit on the Board of Directors of BlueNord ASA.

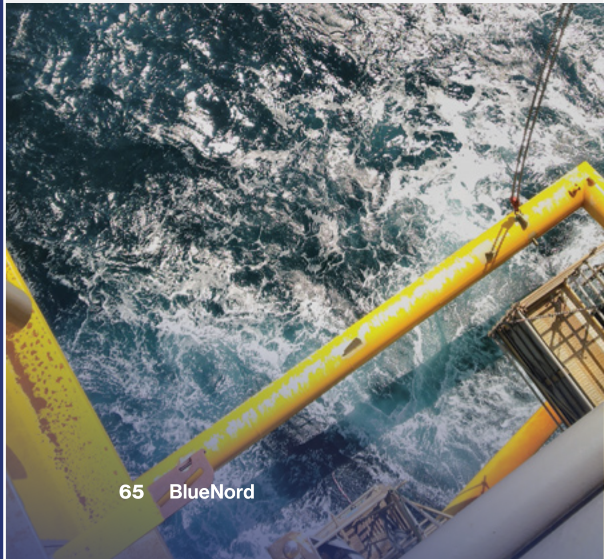
Committee meeting attendance

Name	Attendance			
Colette Cohen	✓	✓	✓	✓
Robert McGuire	✓	✓	✓	✓



The Company's ESG Committee is a preparatory and advisory committee to the Board, established in 2020 to support the commitment to ESG and to evolve the Company's role as a contributor in the energy transition.

Colette Cohen
ESG Committee Chair



The ESG Committee shall:

- support the development of the Company's overall environmental, social and governance strategy;
- oversee the Company's ESG activities and assess if any developments or investments are compatible with, and supportive of, the strategic objectives of the Company;
- ensure that the Board is informed on material relevant topics or events related to the Company's work on ESG;
- review the Company's ability to address and mitigate risks related to ESG; and
- ensure that the Company strives for transparency and high standards in its ESG reporting.

Activities during the year

The committee held four scheduled meetings during 2023. A further meeting was held in 2024, prior to the publication of this Annual Report. In addition to the members of the committee listed on this page, meetings of the committee were also attended by the CEO, the Chief Corporate Affairs Officer and by invitation, the CFO or other members of the leadership team for specific topics.

The committee has worked closely with key members from the Executive Team during 2023 to develop the ESG strategy of the Company, to identify material topics and to assess risks and opportunities that are relevant to the Company. The committee has also been involved in improvements of the standards and transparency of the ESG reporting of BlueNord.

In addition, during 2023 the Committee was involved in developments and recommendations made to the Board in relation to CarbonCuts and the eventual license application for onshore CO_2 storage in Denmark completed in January 2024.

The ESG Committee also held a joint session with the Audit Committee to discuss and agree how to work together regarding sustainability reporting to ensure both Committees contribute effectively as this develops within the Company. The ESG Committee focuses on strategy development and performance and it is acknowledged that the two committees will have overlapping responsibilities and will remain coordinated as sustainability reporting and performance develops.

Following the committee's work during 2023 and to date in 2024, the Company is today reporting against the TCFD framework and it has taken measures to adapt to the Norwegian Transparency Act and the Anti-Discrimination Act. In addition, the Company has further progressed in its preparations to align itself to report against the new ESRS, which is expected from 2025 including establishing responsibilities within teams to work on and understand future reporting requirements, double materiality assessment, gap analysis and prepare the reporting structure going forward. This work will continue during 2024 to establish baselines from which targets can be set and measured and processes and controls for the gathering of data to support performance reporting.

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Nomination Committee Report

The Nomination Committee in BlueNord consists of:

- Richard Sjøqvist (Chair)
- Kristian Utkilen
- Annette Malm Justad

All members were elected in 2022 for two years and are consequently up for election in 2024.

Committee meeting attendance

Name	Attendance				
Richard Sjøqvist	✓	✓	✓	✓	✓
Kristian Utkilen	✓	✓	✓	✓	✓
Annette Malm Justad	✓	✓	✓	✓	✓

According to the Articles of association § 6 the Nomination Committee shall consist of three members.

The term of office shall be two years unless the AGM determines that the term shall be shorter. The Nomination Committee shall prepare a motion for the Annual General Meeting relating to:

- Election of members of the Board of Directors and the chairperson of the Board of Directors.
- Election of the members of the Nomination Committee and the chairperson of the Committee.
- The remuneration of the Directors and the members of the Nomination Committee.
- Any amendments of the Nomination Committee's Mandate and Charter.

Richard Sjøqvist
Nomination Committee Chair

Work of the Nomination Committee:

The Chair of the Nomination Committee is responsible for the committee's work and call of meetings, however each member can request a committee meeting. The Nomination Committee shall regularly review the structure and composition of the Board, including the knowledge, skills, experience and diversity of the Board. It shall keep under regular review that the needs of the Company are reflected in the Board composition and give full consideration to succession planning for the Board members. The Nomination Committee shall also ensure that there is a formal and transparent procedure for the appointment of new Directors to the Board.

The Nomination Committee has contact with the Company's shareholders, Board of Directors and the Company's executive personnel. All shareholders of BlueNord have the possibility to propose candidates. If a candidate is proposed, the Nomination Committee shall consider the experience, competence and capacity of each candidate.

The Nomination Committee's proposal for the 2024 Annual General Meeting will be published and made available on **www.bluenord.com/general-meetings/** at the Annual General Meeting at latest.

Activities during the period

The committee has taken note of the paragraph 5 of the Articles of Association in which it is stated that the Board of Directors shall have from three to seven shareholders elected members and that such Board members are elected to a two-year period unless the general meeting decides upon a shorter term.

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Directors' Report

> "The Tyra II field start-up will lead to a step-change in BlueNord's future performance.

BlueNord ASA (BlueNord, 'the Company') is a Norwegian company listed on the Oslo Stock Exchange. The Company was established in 2005 and has a strategic focus on value creation through increased recovery of hydrocarbons, enabled by a competent organisation with a long-term view on reservoir management and the capability to invest in and leverage new technology.

Following the acquisition of Shell's Danish upstream assets in 2019, BlueNord ASA holds a 36.8 percent non-operated interest in the DUC and is the second largest oil and gas producer in Denmark. DUC is a joint venture between TotalEnergies (43.2 percent), BlueNord (36.8 percent) and Nordsøfonden (20.0 percent), and comprises four hubs (Halfdan, Tyra, Gorm and Dan) and 11 producing fields. It is operated by TotalEnergies, which has extensive offshore experience in the region and worldwide.

Since the acquisition in 2019, BlueNord has built a meaningful presence in Denmark and established good relationships with its partners TotalEnergies and Nordsøfonden, as well as other stakeholders including the DEA.

Production assets and field developments

The Company delivered strong production from the Halfdan, Dan and Gorm hubs in 2023 with a yearly average of 24.9 mboepd and an overall operational efficiency at approximately 86.1 percent. Production during the year benefitted from an increased level of well optimisation activity and higher uptime than planned due to reduced duration of planned shutdowns.

The Tyra redevelopment project was completed in March 2024, with production start-up 21 March 2024. The Tyra redevelopment project is the largest project ever carried out on the Danish continental shelf. As the offshore installation campaign for Tyra II was completed in 2022, the main work in 2023 has been related to testing and commissioning and the tie-in of facilities. This work included testing the gas turbine generators, reconnecting the export pipeline to Denmark, completion of subsea work, reconnecting all satellite fields and completion of leak testing.

The annual revision of reserves, performed by an independent organisation (ERCE) in accordance with SPE PRMS 2018 standards, resulted in total 2P reserves at year end 2023 of 185.6mmboe.

Capital structure

Convertible bond (BNOR13)

The main part of the convertible bond loan (BNOR13) was transferred into the convertible bond loan (BNOR15) in 2022, the opening value in 2023 was USD 0.2 million with an eight-year tenor and a mandatory conversion to equity after five years was issued in 2019. BNOR13 has paid in kind ('PIK') interest with additional bonds at a coupon rate of 8.0 percent.

In December 2023, the remaining convertible bond loan was converted into equity in December 2023.

Convertible bond (BNOR15)

USD 228.4 million convertible bond with a five-year tenor and a conversion to equity or cash settlement after three years. BNOR15 consists of USD 151.4 million converted from BNOR13 plus additional compensation bonds of USD 56.2 million. BNOR15 has PIK interest with additional bonds at a coupon rate of 8.0 percent.

BlueNord may alternatively, at its own discretion, pay cash interest of 6.0 percent. Should the instrument be in place beyond the three-year conversion period, the interest rate of BNOR15 will be reduced to 0.0 percent for the remaining period subject to approval from RBL lenders.

Reserve-based lending facility

The BlueNord RBL facility is a seven-year, first lien, senior secured RBL with a total facility amount of USD 1.1 billion, including a Letter of Credit sub-limit of USD 100.0 million.

At the end of 2023, USD 850.0 million was drawn under the RBL, with an additional USD 100.0 million Letter of Credit outstanding. Principal repayments on the facility will commence from the second half of 2024, and interest is charged on debt drawings based on the secured overnight financing rate ('SOFR') and a margin of 4.0–4.5 percent. In October 2023, BlueNord made a drawdown of USD 50.0 million. In addition, the Company hedged the SOFR rate on USD 1.0 billion of principal from 1 November 2021 to 30 June 2024 at a rate of 0.4041 percent.

Senior unsecured note (BNOR14)

USD 175.0 million senior unsecured note with a coupon rate of 9.0 percent and a maturity in June 2026. In order to reduce exposure to future market volatility, BlueNord ASA successfully reached an agreement with its bondholders in 2021, adding additional headroom to certain financial covenants.

Group financial results for 2023

The consolidated financial statements of BlueNord have been prepared in accordance with IFRS and interpretations from the IFRS interpretation committee ('IFRIC'), as endorsed by the EU.

See the section on the Financial Review, on pages 23 and 24.

Risk mitigation

The Company actively seeks to reduce the risk it is exposed to regarding fluctuating commodity prices through the establishment of hedging arrangements.

Currently all the Company's commodity price hedging arrangements are executed solely in the market through forward contracts. At the time of this report, the Company had purchased the following:

Oil		Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25
Volumes	(bbl)	900,000	900,000	957,000	957,000	795,000	795,000
Price	(USD/bbl)	61.3	61.3	72.5	72.5	74.5	74.5
Equiv. daily production	(mbblpd)	9.9	9.9	10.4	10.4	8.8	8.7

Oil		Q3-25	Q4-25	Q1-26	Q2-26	Q3-26	Q4-26
Volumes	(bbl)	900,000	900,000	525,000	525,000	225,000	225,000
Price	(USD/bbl)	73.7	73.7	74.5	74.5	71.1	71.1
Equiv. daily production	(mbblpd)	9.8	9.8	5.8	5.8	2.4	2.4

Gas		Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25
Volumes	(MWh)	420,000	495,000	495,000	450,000	450,000	345,000
Price	(EUR/MWh)	99.4	41.4	41.4	45.6	45.6	33.9
Equiv. daily production	(mboepd)	2.7	3.2	3.2	2.9	2.9	2.2

Gas		Q3-25	Q4-25	Q1-26	Q2-26	Q3-26	Q4-26
Volumes		345,000	255,000	255,000	60,000	60,000	–
Price		33.9	32.2	32.2	27.5	27.7	–
Equiv. daily production		2.2	1.6	1.7	0.4	0.4	–

In addition, the Company has a swap transaction with a group of banks to fix the Company's floating interest rate exposure under the RBL facility. See the section on risk factors and risk management on pages 84 to 87, and note 19 in the consolidated financial statements.

Principal risks and uncertainties

The Company is required to give a description of the principal risks and uncertainties which it faces. These principal risks and uncertainties are included as part of the risk report and can be found on page 44.

Going concern assumption

Pursuant to the Norwegian Accounting Act section 3-3a, the BlueNord Board confirms that the requirements of the going concern assumption are met and that the annual accounts have been prepared on that basis.

Our financial integrity, and our working capital and cash position, are considered satisfactory in relation to the planned activity level for the next 12 months.

Health, environment and safety

BlueNord puts emphasis on its employees performing Company activities in line with the principals of business integrity and with respect for people and the environment. During 2023, BlueNord was, through its ownership in the DUC in which TotalEnergies is the operator, involved in production of oil and gas, which could cause emissions to the sea and air.

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 health, safety, environment and quality ('HSEQ') and safe business practice are an integral part of BlueNord operations and business performance.

For more information, see the Sustainability section on pages 25 to 43.

Personnel resources and working environment

As at end 2023, the Group had 40 employees equal 37.32 FTE, including 3 interns, and 43.0 percent of the employees were women. The total growth rate in 2023 was 13.9 percent and the rolling 12 months retention rate 91.9 percent and attrition rate 5.2 percent per December 2023. In October 2023, Jacqueline Lindmark Boye was appointed as CFO and Cathrine Torgersen promoted to Chief Corporate Affairs Officer.

As at end 2023, the Company's Board of Directors consists of three women and four men, all elected by shareholders. There are no employee representatives on the Board. As at end 2023, more than 40.0 percent of the Board members are women.

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BlueNord is an equal opportunity employer, committed to fostering diversity and inclusion in the workplace. We welcome and embrace a variety of skillsets, perspectives, and we value differences between people of different cultural backgrounds, ethnicity, age, gender, gender identification, gender expression, sexual orientation, functional ability, religion, and philosophies of life. These principles apply to all employment practices at BlueNord, including recruitment, hiring, compensation and benefits, promotion, training and development, and leave of absence.

Management compensation is described in the Executive Remuneration Report. Sick leave in the Group was 0.41 percent in 2023.

For more information, see the sustainability section on pages 25 to 43.

Research and development

BlueNord invests in research and development to support and further grow its exploration and production ('E&P') and energy transition activities.

For more information, see the Sustainability section on page 25.

Corporate governance

The Board wishes to maintain an appropriate standard of corporate governance and to fulfil the recommendations in the Norwegian Code of Practice for Corporate Governance. Corporate governance in BlueNord is based on equal treatment of all shareholders, a principle which is reflected in the decisions taken at the general assembly.

For more information about the Board's composition and activities during the year, see the section on corporate governance on page 57 in this report.

AGM

The AGM held on 25 April 2023 re-elected Colette Cohen, Jan Lernout and Peter Coleman. All matters on the agenda were approved.

For more information about corporate governance and corporate social responsibility, see the relevant sections of this report. Also, see **www.bluenord.com/corporate-governance** and **www.bluenord.com/csr**.

Directors' and officers' liability insurance

The Company has acquired and maintains a Directors' and officers' insurance policy to cover the personal liability for financial losses that Directors and officers of the Company, and the Directors and officers of the Company's subsidiaries, may incur in their capacities as such (Nw. styre og ledelsesansvar). The policy is placed with a reputable international carrier on market terms.

Ownership

There are no restrictions on the transfer of shares in BlueNord ASA. The Company currently has approximately 2,600 shareholders and 23.59 percent of the shares are held by residents of Norway.

BlueNord ASA

In 2023, the parent Company was a holding Company and the operating expenses mainly consisted of shareholder costs, consultancy fees, legal fees and payroll expenses. Net financial loss mainly due to interest expenses from bond loans, partly offset by interest received from Group companies.

For more information about financial risk and market conditions, and a statement regarding going concern, please see the relevant sections above. These comments are also valid for the parent Company.

Parent Company financial results for 2023

Personnel expenses were USD 5.8 million in 2023 (2022: USD 4.4 million), with the increase mainly due to an increase in average full-time equivalents and full-year cost related to the LTIP, which is valued and accounted for according to IFRS 2. Other operating expenses amounted to USD 3.5 million in 2023 (2022: USD 4.1 million); the decrease is related to lower consultant and legal fees. The net operating result for 2023 was a loss of USD 5.7 million (2022: USD 6.0 million).

Net financial items amounted to an expense of USD 4.7 million in 2023 (2022: USD 76.5 million). The decreased financial expense mainly related to the effect in 2022 of the extinguishment of the BNOR13 bond loan, in addition to decreased write-down of loans to subsidiaries, increased interest income from intercompany loans and lower foreign exchange losses compared to 2022.

The Company's net result for the year amounted to a loss of USD 10.4 million (2022: USD 82.5 million).

Allocations

The result for the year for BlueNord ASA in 2023 was a loss of USD 10.4 million. The Board proposes the following allocations:

- allocated from other equity: USD 10.4 million; and
- total appropriation: USD 10.4 million.

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Outlook

BlueNord ASA has a stable business, underpinned by the Company's position in the DUC and further supported by risk mitigations. The volatility in prices has been significant and management is continuously assessing the market to mitigate commodity price volatility. The Company has during 2023 entered into fixed-price swap contracts for additional oil and gas volumes from 2024 to 2026.

The Company monitors global as well as local political and economic conditions that may affect future results. The Company has not identified any negative impact on the Company's assets or income. See further detail on this issue and mitigations as outlined in the section Principal Risks and Uncertainties on page 45.

First gas from the Tyra II field was achieved 21 March 2024, with ramp-up to maximum technical capacity expected within four months. This will lead to a step-change in performance for BlueNord, with a doubling of production combined with a lowering of lifting cost per boe and emissions intensity. Direct field operating expenditure is expected to decrease to USD 13 per barrel on average in 2025.

BlueNord ASA has a cash position with total liquidity of USD 316.7 million at the end of 2023 with cash on balance sheet of USD 166.7 million and undrawn RBL capacity of USD 150.0 million. The Company has a solid basis for executing the strategy and the ambition to deliver material shareholder returns and significant value creation.

Activity to progress value additive organic DUC investment projects also continues, and we will seek to sanction projects as they are sufficiently matured. BlueNord ASA believes economic investments in these projects will help to replace produced reserves and provide strong financial returns benefitting the Company's shareholders.

The Company expects increased production from Q2 2024; the increase is driven by the Tyra production start-up.

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

The following sections of BlueNord ASA Annual Report constitute part of the Director's Report.

Annual Report Chapter Reference	Content	Page Reference
Strategic Report	Financial Review	23–24
Strategic Report	Sustainability Report	25–43
Strategic Report	Principal Risks and Uncertainties	45–52
Governance Report	Corporate Governance Report	57–61
Appendix 4	Norwegian Transparency Act Statement	153–154

Oslo
11 April 2024

Riulf Rustad
Executive Chair

Tone Kristin Omsted
Board member

Marianne Lie
Board member

Colette Cohen
Board member

Robert J. McGuire
Board member

Jan Lernout
Board member

Peter Coleman
Board member

Euan Shirlaw
Chief Executive Officer

Reporting of Payments to Governments

This report is prepared in accordance with the Norwegian Accounting Act section § 3-3 d) and Securities Trading Act § 5-5 a). It states that companies engaged in activities within the extractive industries shall annually prepare and publish a report containing information about their payments to governments at country and project level. The Ministry of Finance has issued a regulation (F20.12.2013 nr 1682 – 'the regulation') stipulating that the reporting obligation only applies to reporting entities above a certain size and to payments above certain threshold amounts. In addition, the regulation stipulates that the report shall include other information than payments to governments, and it provides more detailed rules applicable to definitions, publication and Group reporting.

The management of BlueNord ASA has applied judgement in the interpretation of the wording in the regulation with regards to the specific type of payment to be included in this report, and on what level it should be reported. When payments are required to be reported on a project-by-project basis, it is reported on a field-by-field basis. Only gross amounts on operated licences are to be reported, as all payments within the licence performed by non-operators will normally be cash calls transferred to the operator and are as such not payments to the government. All activities in BlueNord ASA within the extractive industries are located on the Danish continental shelf and all are performed as non-operator. All the reported payments below are to the Danish government.

Income tax

The income tax is calculated and paid on a corporate level and is therefore reported for the whole Company rather than licence-by-licence. The income tax payment in 2023 is a USD 40.0 million second instalment repayment for 2022 pertaining to the special tax incentives implemented in 2017. This repayment is triggered from 2022 and onwards if commodity prices exceed certain thresholds. It constitutes a repayment of tax benefits previously received from the incentive scheme, in the case of market conditions significantly improving compared to the assumptions in 2017, where the incentive scheme was implemented.

Further, in 2023 BlueNord paid USD 141.0 million of 25 %-chapter 2 hydrocarbon tax pertaining to 2022 earnings and USD 16.0 million pertaining to prior years. The Group also paid Danish corporate tax for income 2022 of USD 9.0 million. In addition, BlueNord paid the first instalment of the temporary EU-solidarity contribution, which is calculated at 33.0 percent of 2023 earnings. The instalment amounted to USD 24.0 million.

Other information required to be reported

In accordance with the regulation (F20.12.2013 nr 1682), BlueNord ASA is also required to report on investments, operating income, production volumes and purchases of goods and services. All reported information is relating to BlueNord ASA activities within the extractive industries on the Danish continental shelf:

- Total net investments amounted to USD 347.6 million, as specified in the cash flow analysis in the financial statements.
- Sales income (petroleum revenues) in 2023 amounted to USD 791.5 million, as specified in note 4 to the financial statements.
- Total production in 2023 was 9.1 million barrels of oil equivalents, see note 5 to the consolidated financial statements.
- For information about purchases of goods and services, reference is made to the Income Statement and the related notes.

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Contents for Consolidated Statements

Consolidated Statement of Comprehensive Income
As of 31 December

USD million	Note	2023	2022 restated(1)
Total revenues	4	**795.0**	966.9
Production expenses	5	**(340.1)**	(323.4)
Exploration and evaluation expenses	6	**(1.4)**	(0.7)
Personnel expenses	7	**(18.0)**	(12.5)
Other operating expenses	8	**(14.1)**	(19.1)
Total operating expenses		**(373.6)**	(355.7)
Operating result before depreciation, amortisation and impairment ('EBITDA')		**421.4**	611.2
Depreciation/amortisation/impairment	11	**(102.6)**	(133.5)
Net operating result ('EBIT')		**318.8**	477.7
Financial income	13	**23.1**	61.3
Financial expenses	13, 10	**(98.3)**	(230.0)
Net financial items		**(75.2)**	(168.7)
Result before tax ('EBT')		**243.6**	309.0
Income tax benefit/(expense)	14, 10	**(133.7)**	(317.8)
Net result for the year(2)		**109.8**	(8.8)
Other comprehensive income:			
Items that are or may be subsequently reclassified to profit or loss:			
Realised cash flow hedge	19	**(49.1)**	224.7
Related tax – realised cash flow hedge	14, 19	**19.1**	(151.2)
Changes in fair value cash flow hedges	19	**107.8**	(40.4)
Related tax – changes in fair value cash flow hedges	14, 19	**(66.8)**	48.2
Currency translation adjustment		**1.4**	(2.0)
Total other comprehensive income for the year		**12.4**	79.3
Total comprehensive income for the year(2)		**94.2**	48.8
Basic earnings/loss USD per share	15	**4.2**	(0.4)
Diluted earnings/loss USD per share	15	**4.2**	(0.4)

(1) The comparative information is restated on account of correction of errors. See note 10 Restatement of borrowing cost.
(2) 100 percent attributable to equity holders of the parent company

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Consolidated Statement of Financial Position
As of 31 December

USD million	Note	31.12.2023	31.12.2022 restated[1]	01.01.2022 restated[1]
Non-current assets				
Intangible assets	9	**151.6**	160.4	166.0
Deferred tax assets	14, 10	**218.5**	239.1	455.2
Property, plant and equipment	11, 10	**2,427.9**	2,083.3	2,009.8
Right of Use asset		**1.4**	0.9	0.7
Restricted bank deposits	18, 19	**213.9**	203.7	205.5
Receivables non-current	16	**3.7**	0.8	–
Derivative instruments	19	**14.0**	33.7	9.7
Total non-current assets		**3,031.0**	2,721.8	2,846.9
Current assets				
Derivative instruments	19	**71.7**	130.9	–
Trade receivables and other current assets	16	**88.7**	128.6	108.9
Inventories	17	**54.7**	55.9	51.4
Cash and cash equivalents	18	**166.7**	268.4	122.6
Total current assets		**381.9**	583.9	283.0
Total assets		**3,412.9**	3,305.7	3,129.9

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Consolidated Statement of Financial Position continued
As of 31 December

USD million	Note	31.12.2023	31.12.2022 restated(1)	01.01.2022 restated(1)
Equity				
Share capital	20	**1.7**	1.7	29.5
Other equity	10	**811.9**	662.5	502.7
Total equity		**813.6**	664.2	532.2
Non-current liabilities				
Asset retirement obligations	22	**1,033.7**	946.1	1,003.0
Convertible bond loans	19, 23	**201.7**	188.7	157.1
Bond loan	19, 23	**169.1**	166.9	164.9
Reserve-based lending facility	19, 23	**695.8**	764.0	857.3
Derivative instruments	19	**56.3**	90.4	100.9
Other non-current liabilities		**1.1**	0.7	25.4
Total non-current liabilities		**2,157.7**	2,156.8	2,308.6
Current liabilities				
Reserve-based lending facility	19, 23	**125.0**	–	–
Asset retirement obligations	22	**15.4**	9.8	26.2
Tax payable	14	**140.0**	209.0	16.0
Derivative instruments	19	**35.9**	125.3	116.3
Trade payables and other current liabilities	24	**125.3**	140.6	130.5
Total current liabilities		**441.6**	484.7	289.1
Total liabilities		**2,599.3**	2,641.5	2,597.7
Total equity and liabilities		**3,412.9**	3,305.7	3,129.9

(1) The comparative information is restated on account of correction of errors. See note 10 Restatement of borrowing cost.

Oslo
11 April 2024

Riulf Rustad
Executive Chair

Tone Kristin Omsted
Board member

Marianne Lie
Board member

Colette Cohen
Board member

Robert J. McGuire
Board member

Jan Lernout
Board member

Peter Coleman
Board member

Euan Shirlaw
Chief Executive Officer

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Consolidated Statement of Changes in Equity
As of 31 December

All figures in USD million	Share capital	Share premium fund	Treasury share reserve	Currency translation fund	Cash flow hedge reserve	Other equity	Total equity
2022							
Equity on 01.01.2022 as previously reported	29.5	707.0	(0.5)	2.6	(67.5)	(178.9)	492.2
Impact of restatement 01.01.2022 (note 10)						40.0	40.0
Restated equity 01.01.2022						(138.9)	532.2
Net result for the period						(30.5)	(30.5)
Impact of restatement 2022 (note 10)						21.7	21.7
Other comprehensive income							
Realised cash flow hedge	–	–	–	–	224.7	–	224.7
Related tax – realised cash flow hedge	–	–	–	–	(151.2)	–	(151.2)
Changes in fair value cash flow hedges	–	–	–	–	(40.4)	–	(40.4)
Related tax – changes in fair value cash flow hedges	–	–	–	–	48.2	–	48.2
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 restated	1.7	768.4	(0.1)	0.5	13.9	(120.1)	664.2
2023							
Equity as of 01.01.2023 restated	**1.7**	**768.4**	**(0.1)**	**0.5**	**13.9**	**(120.1)**	**664.2**
Net result for the period						**109.8**	**109.8**
Other comprehensive income							
Realised cash flow hedge	**–**	**–**	**–**	**–**	**(49.1)**	**–**	**(49.1)**
Related tax – realised cash flow hedge	**–**	**–**	**–**	**–**	**19.1**	**–**	**19.1**
Changes in fair value cash flow hedges	**–**	**–**	**–**	**–**	**107.8**	**–**	**107.8**
Related tax – changes in fair value cash flow hedges	**–**	**–**	**–**	**–**	**(66.8)**	**–**	**(66.8)**
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**	**2.2**	**813.6**

(1) For further information see Borrowings note 22.

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Consolidated Statement of Cash Flows
For the year ended 31 December

USD million	Note	2023	2022 restated[1]
Cash flows from operating activities			
Net result for the year	10	**109.8**	(8.8)
Adjustments for:			
Income tax benefit/(expense)	14, 10	**133.7**	317.8
Net financial items	13, 10	**75.2**	168.7
Depreciation/impairment	11	**102.6**	133.5
Share-based payments expenses		**5.2**	1.4
Interest received[2]	13	**9.6**	2.0
Other financial items paid		**(8.4)**	(3.4)
Net gain on sale of assets	13	**–**	(0.2)
Changes in:			
Trade receivable	16	**34.1**	(7.8)
Trade payables	24	**11.5**	(15.6)
Inventories and spare parts	17	**1.2**	(4.5)
Prepayments	16	**(0.6)**	(4.2)
Over/under-lift	16	**6.3**	(7.7)
Other current balance sheet items[3]		**(0.6)**	1.6
Cash flow from operating activities		**479.7**	572.9
Tax (paid)/received		**(229.8)**	(11.6)
Net cash flow from operating activities		**249.9**	561.3
Cash flows from investing activities			
Long-term loan provided	16	**(2.8)**	(0.8)
Consideration sale of asset		**–**	0.3
Deferred consideration		**(25.0)**	–
Investment in oil and gas assets (excluding capitalised interest)	11	**(311.0)**	(241.6)
Investment in exploration and evaluation assets	9	**(0.1)**	(2.4)
Payments for decommissioning of oil and gas fields	22	**(8.7)**	(14.4)
Net cash flow from investing activities		**(347.6)**	(259.0)
Cash flows from financing activities			
Drawdown long-term liability	23	**50.0**	–
Repayment long-term liability	23	**–**	(100.0)
Lease payments		**(0.4)**	(0.4)
Sale of shares		**0.2**	5.4
Interest and fees external loan		**(53.6)**	(61.6)
Net cash flow from financing activities		**(3.9)**	(156.5)
Net change in cash and cash equivalents		**(101.6)**	145.8
Cash and cash equivalents at the beginning of the year		**268.4**	122.6
Cash and cash equivalents at end of the year		**166.7**	268.4

(1) The comparative information is restated on account of correction of errors. See note 10 Restatement of borrowing cost.
(2) Excluding interest received from restricted bank accounts.
(3) Mainly currency adjustments balance sheet items.

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1 Summary of material accounting policies

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.

The consolidated financial statements for 2023 were approved by the Board of Directors on 11 April 2024 and will be presented for approval at the Annual General Meeting on 14 May 2024.

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Group also provides the disclosure requirements as specified under the Norwegian Accounting Law (Regnskapsloven).

1.1 Basis of preparation

The consolidated financial statements of BlueNord ASA have been prepared in accordance with the IFRS® Accounting Standards, as endorsed by the EU. The Group also provides information required in accordance with the Norwegian Accounting Act and associated NGAAP standards.

The preparation of financial statements in accordance with IFRS® Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

The subtotals and totals in some of the tables may not equal the sum of the amounts shown due to rounding.

1.1.1 Changes in material accounting policies and disclosures

No change in 2023.

Amendments to standards

Standards and amendments to standards issued are either not expected to impact BlueNord's consolidated financial statements materially, or are not expected to be relevant to the consolidated financial statements upon adoption.

1.2 Consolidation

Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of 31 December 2023. Subsidiaries are all entities over which the Group has control. Control is achieved where the Group has the power over the subsidiary, has rights, or is exposed to variable returns from the subsidiary and has the ability to use its power to affect its returns. All subsidiaries are 100 percent owned by the Group and there are no non-controlling interests. There has not been any change in the Group's structure and ownership in 2023 compared to 2022.

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1 Summary of material accounting policies continued

The Group had the following subsidiaries on 31 December 2023:

Name	Country of incorporation and place of business	Nature of business	Ordinary shares directly held by parent (%)	Ordinary shares held by the Group (%)
BlueNord Denmark A/S	Denmark	Intermediate holding company		100%
BlueNord Energy Denmark A/S	Denmark	Exploration and production activity		100%
BlueNord Gas Denmark A/S	Denmark	Exploration and production activity		100%
BlueNord Energy 8/06 Denmark B.V	Netherlands	Exploration and production activity		100%
BlueNord Pipeline Denmark Aps	Denmark	Infrastructure oil and gas		100%
BlueNord UK Ltd	Great Britain	Exploration activity	100%	100%
BlueNord Energy UK Ltd	Great Britain	Exploration activity		100%
Altinex AS	Norway	Intermediate holding company	100%	100%
BlueNord AS	Norway	Dormant Company	100%	100%

Joint arrangements

BlueNord has interests in licences on the Danish Continental Shelf. A joint arrangement is defined as an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control which exists only when decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require unanimous consent of the parties sharing control.

Under IFRS 11 Joint Arrangements, a joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. BlueNord recognises investments in joint operations (oil and gas production licences) by reporting its share of related revenues, expenses, assets, liabilities and cash flows under the respective items in the company's financial statements.

1.3 Segment reporting

The whole Group is considered a single operating segment.

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1 Summary of material accounting policies continued

1.4 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in US dollars ('USD'), which is the Group's presentation currency and the parent company and main operating companies' functional currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses are recognised in the income statement as other financial income or other financial expenses.

c) Group companies

All currency translation adjustments are recognised in other comprehensive income ('OCI').

1.5 Property, plant and equipment

Property, plant and equipment include the asset under construction ('AUC'), production facilities, pipelines, machinery and equipment. Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

For property, plant and equipment where asset retirement obligations for decommissioning and dismantling are recognised as a liability, this value is added to acquisition cost for the respective assets.

Direct and indirect expenditures related to the asset under construction are capitalised. The development phase commences when the licence partners have decided field evaluation.

Production facilities are depreciated in accordance with the unit-of-production method ('UoP') based on proven and probable reserves (the ratio between annual production quantity and the reserves). If realisation of probable reserves demands further future investments, these are added to the basis of depreciation.

Acquired assets used for extraction and production of petroleum deposits, are depreciated using the UoP method based on proven and probable reserves.

Onshore assets are depreciated over the estimated useful life, according to the straight-line method: three to five years. Pipelines are depreciated to the expiry of the licence, according to the straight-line method.

Depreciation methods, useful lives, residual values and reserves are reviewed at each reporting date and adjusted if appropriate.

1.6 Intangible assets

Licence rights

Licence rights acquired in a business combination are measured on initial recognition at cost. Following initial recognition, licence rights are depreciated using the UoP method based on proven and probable reserves.

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Notes continued

1 Summary of material accounting policies continued

1.7 Impairment of non-financial assets

The Group has no goodwill, no intangible assets with indefinite useful life or intangible assets not yet available for use and is therefore not required to perform impairment tests annually.

The Group's judgement is that the smallest identifiable assets or group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets is the DUC assets as a total. The Group's judgement is consequently that it has only one cash-generating unit ('CGU').

If there is any indication that the CGU may be impaired, recoverable amount shall be estimated for the CGU, and compared to its carrying amount. The recoverable amount is the higher of the fair value less costs of disposal and the value in use.

In estimating value in use, expected future cash flows are discounted to the net present value applying a discount rate after tax that reflects the current market valuation of the time value of money and risks specific to the CGU. The discount rate is derived from a weighted average cost of capital ('WACC') for a market participant. For the purpose of impairment testing the lifetime of the field is normally determined to be the time when the operating cash flows from the field become negative.

As the Company's shares are listed on the Oslo Stock Exchange, the market capitalisation is regarded as a good approximation of the fair value of the Group's equity. The Group's judgement is that it can make a reliable estimate of the fair value of its equity and thereby the CGU, based on its market capitalisation. Adjusted for any estimated differences between the carrying amounts and fair value of assets and liabilities not included in the CGU, the difference between its market capitalisation and carrying amount of equity is a reliable estimate of the difference between the estimated fair value and the carrying amount of the CGU ("headroom"). Adjusted for cost of disposal, if this gives a positive headroom, the CGU is not impaired and it is not necessary to estimate value in use, should and impairment test be required.

1.8 Financial instruments

The Group has financial instruments at fair value through profit or loss and at amortised cost. See note 19 Financial instruments.2 for overview of the categories.

The Group has designated derivatives as cash flow hedging instruments, see note 1.10, with the change in fair value temporarily to other comprehensive income.

The convertible bond loan has been determined to contain embedded derivatives, which is accounted for separately as a derivative at fair value through profit or loss, while the loan element is measured at amortised cost (note 3.1).

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates. For hybrid (combined) instrument that includes a non-derivative host contract that is not accounted for fair value though profit or loss ('FVTPL') and an embedded derivative that is accounted for at FVTPL such as the convertible bond, the Company has elected an accounting policy that all of the transaction costs are always allocated to and deducted from the carrying amount of the non-derivative host contract on initial recognition.

Further details on fair values of financial instruments are provided in note 19 Financial instruments.

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1 Summary of material accounting policies continued

1.9 Impairment of financial assets

The Group applies a simplified approach in calculating expected credit losses ('ECLs') for trade receivables and contract assets. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

1.10 Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group uses derivative financial instruments, such as forward commodity contracts and options, to reduce the exposure to commodity price volatility on future sale of oil and gas. The Group has elected to apply cash flow hedge accounting designating these derivatives. These derivative financial instruments are subsequently re-measured at fair value and the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income ('OCI'), while any ineffective portion is recognised immediately in profit or loss (financial income or financial expenses). The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item. The amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same periods during which the hedged cash flows affect profit or loss. If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and short-term liquid placements, that immediately and with insignificant risk of changes in value can be converted to known cash amounts and with a remaining maturity less than three months from the date of acquisition.

1.12 Over/under-lifting of hydrocarbons

Over/under-lifting occurs when the Group has lifted and sold more or less hydrocarbons from a producing field than what the Group is entitled to at the time of lifting. Over-lifting of hydrocarbons is presented as other current liabilities, under-lifting of hydrocarbons is presented as other current assets. The value of over-lifting is measured at production expenses and the value of under-lifting is measured at the lower of production expenses and the estimated sales value, less estimated sales costs. Over-lifting and under-lifting of hydrocarbons are presented at gross value. Over/under-lift positions at the statement of financial position date are expected to be settled within 12 months from the reporting date.

1.13 Borrowing costs

The Group capitalise borrowing costs that are directly attributable to the construction of qualifying assets. The Group identifies qualifying assets as those that necessarily takes 12 months or more to construct and get ready for its intended use. For the periods presented this is only the Tyra development project.

The Group calculates an annual weighted average interest rate based on general borrowings and multiplies with the average carrying amount of assets under construction. The amount of borrowing costs eligible for capitalisation each year is limited to the actual interest expense before capitalisation less interest income and gains on extinguishment of bond loans. See also note 10 Reclassification of borrowing cost.

Other borrowing costs are included as financial expenses in the consolidated statement of comprehensive income in the period in which they are incurred.

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Notes continued

1 Summary of material accounting policies continued

1.14 Current and deferred income tax

The tax expense for the period comprises current tax, tax impact from refund of exploration expenses and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in OCI or directly in equity. In this case, the tax is also recognised in OCI or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company and its subsidiaries operate and generate taxable income.

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 in the tax basis. When calculating the 52 percent tax, the Company is allowed to deduct an uplift (i.e., increased depreciation basis for tax purposes) of 30 percent of the investments in property, plant and equipment ('PP&E') over a period of 6 years. Through an agreement from 2017, licence holders on the Danish continental shelf have had the possibility of applying temporary new rules whereby the Company will have the possibility of increased uplift by 9 percent and accelerated depreciation during the period from 2017 to 2025. At the same time, an additional tax was introduced which will materialize from 2022 through 2037 if the oil price for the year (indexed from 2017) exceeds USD 75.0. The accumulated additional tax in the years 2022 through 2037 can not exceed the benefit received in previous years related to the increased uplift and accelerated depreciation. The additional tax is accounted for in the year the oil price exceed the thresholds.

1.15 Pensions

The Group only has defined contribution plans as of 31 December 2023 and 31 December 2022. The contributions are recognised as employee benefit expense for the periods they relate to.

1.16 Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options or shares) of the Group. The fair value of the employee services received in exchange for the grant of the options or shares is recognised as an expense with a corresponding amount recognised to equity. The total amount to be expensed is determined by reference to the fair value of the options or shares granted.

1.17 Asset retirement obligations

Provisions reflect the estimated cost of decommissioning and removal of wells and production facilities used for the production of hydrocarbons. Asset retirement obligations are measured at net present value of the anticipated future cost (estimated based on current day costs inflated). The liability is calculated on the basis of current removal requirements and is discounted to present value using a risk-free rate adjusted for credit margin. Liabilities are recognised when they arise and are adjusted continually in accordance with changes in requirements, price levels etc. When a decommissioning liability is recognised or the estimate changes, a corresponding amount is recorded to increase or decrease the related asset and is depreciated in line with the asset. Increase in the provision as a result of the time value of money is recognised in the income statement as a financial expense. If abandonment cost through agreements with partners have been limited to a given amount, this then forms the basis for the recognised liability. Payments for decommissioning of oil and gas fields are included in investing activities in the cash flow statement, as the Group's judgement is that the nature of this expenditure is payment for an item of property, plant and equipment.

1.18 Revenue recognition

Revenue is recognised when the customer obtains control of the hydrocarbons, which is ordinarily at the point of delivery (lifting and sales) when title passes (sales method).

See note 1.12 for a description of accounting for over/under-lifting of hydrocarbons in the statement of financial position.

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1 Summary of material accounting policies continued

1.19 Production expenses

Production expenses are expenses that are directly attached to production of hydrocarbons, e.g., expenses for operating and maintaining production facilities and installations. Expenses mainly consist of man-hours, insurance, processing costs, environmental fees, transport costs etc.

1.20 Consolidated statement of cash flows

The consolidated statement of cash flows is prepared according to the indirect method. See note 1.11 for the definition of "Cash and cash equivalents".

Payments for decommissioning of oil and gas fields are included in investing activities, see note 1.17.

For payment of deferred consideration, the Group's judgement is that amounts that relates to obtaining control in a business combination is included in investing activities.

2 Financial risk management

2.1 Financial risk factors

The Group's activities expose it to financial risks: market risk (including currency risk, price risk, interest rate risk), credit risk and liquidity risk. The Group uses RBL facilities and bond loans to finance its operations in connection with the day-to-day business, financial instruments, such as bank deposits, trade receivables and payables, and other current liabilities that arise directly from its operations, are utilised.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. Market risk comprises three types of risk: foreign currency risk, price risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, deposits, trade receivables, trade payables, accrued liabilities and derivative financial instruments.

(a) Foreign currency risk

The Group is composed of businesses with various functional currencies including US dollars, euros, British pounds and Danish kroner. The Group is exposed to foreign exchange risk for series of payments in other currencies than the functional currency, mainly related to the ratio between Norwegian kroner and US dollars, Danish kroner and US dollars, euros and US dollars and British pounds and US dollars. The Group's statement of financial position includes significant assets and liabilities, which are recorded in other currencies than the Group's presentation currency. As such, the Group's equity is sensitive to changes in foreign exchange rates. See note 16 Non-current receivables, trade receivables and other current receivables, note 18 Restricted bank deposits, cash and cash equivalents, note 19 Financial instruments, note 22 Asset retirement obligations, note 23 Borrowings, note 24 Trade payables and other payables, and note 27 Contingencies and commitments. A decrease in the closing rate of Norwegian kroner, euros and Danish kroner with 10 percent compared to US dollars would have the following impact on financial assets, financial liabilities and equity:

USD million	NOK	DKK	EUR
Financial assets	0	52	3
Financial liabilities	0	8	(1)
Effect net result/equity	0	44	4

The Company considers the currency risk relating to the different financial instruments as low, as the main financial items held in a currency other than the functional currency of the respective components is offset by positions in other components of the Group. With regards to trade receivables and payables, the Company deems the risk to be immaterial.

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2 Financial risk management continued

(b) Price risk

BlueNord produces and sells hydrocarbons in Denmark and is, as a result, exposed to changes in commodity prices. The Group has a material commodity price hedging programme in place that mitigates the risk of near-term price movements. As of 31 December 2023, BlueNord had commodity derivatives measured at fair value. A change in the value directly affects the Company's OCI and recorded equity, and hence the Group is exposed to the fair value development of these financial instruments. Assuming an increase in the commodity price on 31 December 2023 of 10 percent and assuming this change will have full effect on the whole curve, the effect on the value of commodity derivatives would have the following impact:

USD million	Equity	OCI	Net result
Net book value 31.12.23	9	9	0
Commodity price +10%	(22)	(22)	0
Commodity price -10%	22	22	0

The effect on equity shown in the table would be equal to the change in value of the commodity derivatives after tax. The change in value of hedging contracts over time will be offset by the realised value of the contract when the hedge instrument matures, therefore the underlying value to BlueNord's business operations is not impacted by changes in the derivative value at any point in time.

(c) Interest rate risk

The Group has loans with fixed and floating interest rates. Loans with fixed interest rate expose the Group to risk (premium/discount) associated with changes in the market interest rate. At year-end, the Group has a total of USD 1.2 billion (2022: USD 1.1 billion) in interest-bearing debt (carrying amount), the principal amount was USD 1.3 billion. The Group's RBL facility has a floating interest rate comprising the aggregate of SOFR and 4.0 percent per annum, while the Group's Bond debt (NOR 13 and NOR 14) have a fixed interest rate exposure. The RBL facility is linked to the SOFR rate as set at the time of redetermination. A variance of + 1 percent in the SOFR rate would result in USD 9.0 million of interest charges to BlueNord per annum, however the Company has hedged this interest rate until 30 June 2024 at a rate of 0.40 percent to cover any increase in SOFR rate. For further information about the Group's interest-bearing debt, see note 23.

All bank deposits (USD 380.7 million) are at floating interest rates. See note 18 Restricted cash, bank deposits, cash and cash equivalents for further information about bank deposits. The Group considers the risk exposure to changes in market interest to be at an acceptable level.

Liquidity risk

The Group has certain financial commitments arising from its operations and other agreements entered into which are expected to be met by liquid assets, proceeds from external financing and cash flow from operations. The Group monitors its liquidity situation continuously to ensure it will be able to meet its financial obligations as they fall due. As of 31 December 2023, USD 125.0 million of the reserve-based lending facility is to be paid within the next 12 months.

Credit risk

The Group's most significant credit risk arises principally from recognised receivables related to the Group's operation. The credit risk arising from the production of oil, gas and Natural gas liquids ('NGL's') is considered limited, as sales are to major oil companies with considerable financial resources. The counterparty in derivatives are large international banks and insurance companies whose credit risk is considered low.

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2 Financial risk management continued

2.2 Management of capital

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide return for shareholders and benefits for other stakeholders and to maintain an acceptable capital structure to reduce the cost of capital.

The Group monitors the debt with the basis of cash flows, equity ratio and the gearing ratio. The Group's debt restricts the payment of dividends until two quarters after the completion of the Tyra redevelopment project: subsequent to this date, NOR14 limits dividend payments to 50 percent of the Group's net profit after tax for the previous year. See further information regarding borrowings and covenants in note 23.

2.3 Fair value estimation

The Group has certain financial instruments carried at fair value. The different fair value hierarchy levels have been defined as follows:

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

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price.

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

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Specified valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the statement of financial position date, with the resulting value discounted back to present value.

Level 3: Inputs for other assets or liabilities that are not based on observable market data.

In Level 3, there is one financial instrument, the embedded derivatives in the convertible bond.

The fair value of the embedded derivatives is calculated based on the Black-Scholes-Merton valuation model. A change in the share price of +/- 10 percent would have the following impact on the embedded derivates, net result and equity:

		Sensitivity Analysis	
Share price	(%)	10%	-10%
Embedded derivatives	*USD million*	(14)	13
Effect Net result/Equity	*USD million*	(14)	13

The embedded derivatives are in jurisdictions where there are tax loss carried forward where no deferred tax assets are recognised. Therefore, it is concluded that there is no tax effect of the changes in fair value. See note 19 for fair value hierarchy and further information.

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3 Critical accounting estimates and judgements

3.1 Critical judgements in applying the entity's accounting policies

a) Accounting for convertible bond loan

The Group has issued bonds with conversion rights and other embedded derivatives (but the conversion feature is the main element). The conversion feature has been determined to constitute an embedded derivative and has been separated from the loan contract. The loan element has been recognised at amortised cost. At initial recognition, the loan was measured as the residual amount of the proceeds from the bond issue, less issue costs, less the calculated fair value of the conversion feature.

The convertible bond is either a financial liability (including certain embedded derivative features which may require separation) or a compound instrument (i.e., such a liability plus an equity conversion option). The Group has assessed that the holder's conversion option does not involve receiving a fixed number of shares by giving up a fixed stated principal amount of bond, hence the Group has assessed this instrument is not a compound instrument with an equity part. Further multiple embedded derivatives have been identified in the host contract that have been assessed to not be readily separable and independent of each other, and as such are treated as a single compound embedded derivative. The fair value measurement of the conversion feature using the Black-Scholes-Merton valuation model requires significant judgement when selecting and applying the required assumptions.

3.2 Critical accounting estimates and assumptions

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 estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

a) Estimated value of financial assets and financial liabilities

The embedded derivatives in the convertible bond have been recognised separately at FVTPL. The value of this embedded derivative has been calculated using the Black-Scholes-Merton valuation model using assumptions for share price, volatility of share price, and other inputs which are subject to significant uncertainty.

For more details, see note 2.3 and 19 Financial Instruments.

b) Income tax

All figures reported in the statement of comprehensive income and the statement of financial position are based on the Group's tax calculations. Tax calculations are based on management's best assessment and interpretation of tax rules in place guided by industry tax practitioners. If it is expected that a sustainable tax position may be challenged by the tax authorities due to uncertainty in law interpretation, a provision is made to account for such uncertainty. Tax authorities can be of a different opinion than the Company. See also note 14.

c) Asset retirement obligation

Production of oil and gas is subject to statutory requirements relating to decommissioning and removal obligation once production has ceased. Provisions to cover these future decommissioning and removal expenditures must be recognised at the time the statutory requirement arises. The costs will often incur sometime in the future, and there is significant uncertainty attached to the scale and complexity of the decommissioning and removal involved. Estimated future costs (estimated based on current costs inflated) are based on known decommissioning and removal technology, expected future price levels, and the expected future decommissioning and removal date, discounted to net present value using a risk-free rate adjusted for credit margin. Changes in one or more of these factors could result in changes in the decommissioning and removal liabilities. See note 22 Asset retirement obligations for further details about decommissioning and removal obligations.

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Notes continued

3 Critical accounting estimates and judgements continued

d) Depreciation and impairment of fixed assets

The Group has at 31 December 2023 not identified any impairment indicators. To substantiate that the additions to the carrying amount of its CGU due to capitalisation of interest (see note 10 Reclassification of borrowing cost) did not give rise to impairment, the Group has relied on its market capitalisation to arrive at an estimate of the headroom of the CGU. If the market capitalisation should decrease materially compared to the carrying amount of equity, this could become an impairment indicator and an impairment test in such a scenario could give rise to impairment of the CGU.

If the Group should have to estimate the recoverable amount based on estimated future cash flows, it would have to make significant judgements which could lead to significant estimation uncertainty. Estimation of future cash flows require long-term assumptions concerning a number of often volatile economic factors, including future oil and gas prices, production, commercially depletable reserves, levels of capex and opex, currency exchange rates and discount rates.

Unit of Production depreciations are amended on a prospective basis following regular reserves estimation updates performed by the Group.

See also note 1.7 Impairment of non-financial assets and note 12 Impairments related to impairment reviews and note 11 Property, plant and equipment for depreciation charges.

4 Revenue

USD million	**2023**	2022
Sale of oil	**485.6**	552.1
Sale of gas and NGL	**306.0**	408.4
Other income	**3.5**	6.4
Total Revenue	**795.0**	966.9
Oil – lifted volumes (mmbbl)	**7.16**	7.32
Effective oil price USD/bbl	**67.8**	75.5
Gas – lifted volumes (mmboe)	**2.20**	2.25
Effective gas price EUR/MWh	**75.7**	101.9
Effective gas price USD/boe	**139.1**	181.1

In 2023, sale of oil amounted to USD 485.6 million and sale of gas amounted to USD 306.0 million, realised prices were USD 67.8 per bbl of oil and USD 139.1 per boe gas lifted during the year, adjusted for settlement of price hedges in place with financial institutions.

During 2023, BlueNord recognised the settlement of price hedges that were put in place with financial institutions in the market as revenue, when these price hedges match the physical sale of oil and gas. Price hedges in excess of actual liftings are treated as financial income or expenses based on the required accounting treatment for these instruments during the period. For the year 2023, only a minor part of the price hedges exceeded the physical sale of oil and were recognised as financial cost.

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4 Revenue continued

Revenue per customer	2023	2022
Shell Trading International	**75.8%**	77.7%
Ørsted Salg & Service AS	**17.4%**	32.6%
Natixis(1)	**6.4%**	-8.0%
Shell Energy Europe Limited	**3.2%**	16.2%
BNP Paribas(1)	**2.4%**	-4.2%
Macquarie Bank Europe(1)	**2.1%**	0.0%
Crossbidge Energy A/S	**0.2%**	0.0%
Lloyds Bank Corporate Markets PLC(1)	**-2.2%**	-10.0%
SEB Skandinaviska Enskilda Banken AB(1)	**-2.3%**	-2.4%
CommonwealthBank(1)	**-3.0%**	-1.9%
Total Revenue	**100.0%**	100.0%

(1) Settlement of commodity hedges in place with financial institutions.

5 Production expenses

USD million	2023	2022
Direct field opex	**(243.8)**	(233.1)
Tariff and transportation expenses	**(34.9)**	(43.3)
Production general and administrative	**(17.3)**	(32.1)
Field operating cost	**(295.9)**	(308.5)
Total produced volumes (mmboe)	**9.1**	9.8
In USD/boe	**(32.5)**	(31.6)
Adjustments for:		
Concept studies	**(6.2)**	(1.5)
Change in inventory position	**(6.7)**	4.0
Over/under-lift of oil and NGL	**(6.3)**	7.7
Insurance and other	**(21.9)**	(19.4)
Stock scrap	**(3.0)**	(5.6)
Production expenses	**(340.1)**	(323.4)

Production expenses for the year directly attributable to the lifting and transportation to market of BlueNord's oil and gas production is in total USD 295.9 million, which equates to USD 32.5 per boe produced during 2023 (2022: USD 31.6 per boe produced). Actual production expenses in 2023 were in line with the expectation. To maintain high base production, activity on workovers and well work continued in 2023.

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6 Exploration and evaluation expenses

USD million	2023	2022
Other exploration and evaluation expenses	(1.4)	(0.7)
Total exploration and evaluation expenses	**(1.4)**	(0.7)

7 Personnel expenses

USD million	Note	2023	2022
Salaries		(10.3)	(9.2)
Social security tax		(1.4)	(1.0)
Pension costs	21	(0.7)	(0.5)
Costs relating to share-based payments		(5.2)	(1.4)
Other personnel expenses		(0.4)	(0.4)
Total personnel expenses		**(18.0)**	(12.5)
Average number of employees		**37.3**	30.5

Long-term Performance Share Programme

In 2022, an annual Long-term Performance Share Programme was implemented with effect from 1 January 2022, replacing the Share Option Programme as BlueNord's LTI plan for executives and employees. The programme applies to all permanent employees. More details on the Long-term performance share programme see the Executive remuneration report for 2023.

Key management personnel compensation

Key management personnel compensation comprises the following:

USD 1000	2023	2022
Short-term employee benefits	2,239	1,898
Post-employment benefits	98	70
Share-based payments	787	5,303
Total remuneration to key management	3,124	7,271

Please see the Executive Remuneration Report 2023 for compensation to key management and Board of Directors in the period 2019-2023.

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8 Other operating expenses

USD million	2023	2022
Consultant fees	**(9.4)**	(15.3)
Other operating expenses	**(4.7)**	(3.8)
Total other operating expenses	**(14.1)**	(19.1)

USD 1000, excl. VAT	2023	2022
Auditor's fees	**(580.0)**	(625.8)
Other assurance service	**(6.9)**	–
Other service	**(86.1)**	(84.6)
Total audit fees	**(673.0)**	(710.4)

9 Intangible assets

Intangible assets at 31 December 2023

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	**0.1**	**–**	**–**	**0.1**
Reclassified to operating expenses	**–**	**(1.9)**	**–**	**(1.9)**
Acquisition costs 31.12.23	**1.9**	**–**	**186.0**	**187.9**
Accumulated depreciation, amortisation and write-downs 31.12.22	**–**	**–**	**(29.4)**	**(29.4)**
Depreciation/amortisation	**–**	**–**	**(6.9)**	**(6.9)**
Accumulated depreciation, amortisation and write-downs 31.12.23	**–**	**–**	**(36.3)**	**(36.3)**
Book value 31.12.23	**1.9**	**–**	**149.7**	**151.6**

Intangible assets at 31 December 2022

USD million	Capitalised exploration expenditures	Conceptual studies	Licence	Total
Book value 31.12.21	1.4	–	164.7	166.0
Acquisition costs 31.12.21	1.4	–	186.0	187.4
Additions	0.5	1.9	–	2.4
Acquisition costs 31.12.22	1.8	1.9	186.0	189.8
Accumulated depreciation and write-downs 31.12.21	–	–	(21.3)	(21.3)
Depreciation/amortisation	–	–	(8.0)	(8.0)
Accumulated depreciation and write-downs 31.12.22	–	–	(29.4)	(29.4)
Book value 31.12.22	1.8	1.9	156.6	160.4

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10 Restatement of borrowing cost

In preparing the financial statements for 2023, the Group discovered that it had not capitalised borrowing costs on qualifying assets under construction. This relates to the Tyra redevelopment project. The project had started already when the Group acquired Shell's Danish upstream Assets medio 2019. The Group has not borrowed funds specifically for the purpose of the development project. The Group did not identify that it should have capitalised borrowing costs based on its general borrowings.

The Group identifies qualifying assets as those that takes over 12 months to get ready for its intended use. For the periods presented this is only the Tyra redevelopment project. The Group calculates a weighted average interest rate per year based on outstanding borrowings (the bond loans and the RBL). It uses the effective interest rates in these calculations. The interest rates used for capitalisation have been:

2019	2020	2021	2022	**2023**
7.4%	8.6%	8.1%	8.5%	**8.4%**

The average carrying amount of assets under construction each year have been multiplied by these interest rates to arrive at the borrowing costs that could be capitalised. The amount of borrowing costs eligible for capitalisation has been calculated as the actual interest expense before capitalisation less interest income and gains on extinguishment of bond loans. Tyra II started production 21 March 2024 hence the qualifying assets were ready for its intended use early 2024, consequently it is not expected any capitalisation of borrowing costs going forward.

Based on this, the Group has calculated the amounts of borrowing costs to be capitalised each year in USD million:

2019	2020	2021	2022	**2023**
12.4	40.2	58.5	60.3	**78.0**

The capitalised amounts have increased the carrying amounts of the Group's assets.

The errors have been corrected by restating each of the affected financial statement line items for prior periods. The following tables summaries the impacts on the Group's consolidated financial statement.

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10 Restatement of borrowing cost continued

Consolidated Statement of Comprehensive Income:

USD million	Note	2022	Adj.	2022 restated
Operating result before depreciation, amortisation and impairment ('EBITDA')		611.2	–	611.2
Depreciation/amortisation/impairment	11	(133.5)		(133.5)
Net operating result ('EBIT')		477.7	–	477.7
Financial income	13	61.3	–	61.3
Financial expenses	13	(290.3)	60.3	(230.0)
Net financial items		(229.0)	60.3	(168.7)
Result before tax ('EBT')		248.7	60.3	309.0
Income tax benefit/(expense)	14	(279.2)	(38.6)	(317.8)
Net result for the year(1)		(30.5)	21.7	(8.8)
Basic earnings/loss USD per share	15	(1.2)		(0.4)
Diluted earnings/loss USD per share	15	(1.2)		(0.4)

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

Consolidated Statement of Financial position:

Year ended 31.12.2022 USD million	Note	As previously reported	Adjustments	As restated
Non-current assets				
Intangible assets	9	160.4	–	160.4
Deferred tax assets	14	348.8	(109.7)	239.1
Property, plant and equipment	11	1,911.9	171.4	2,083.3
Right of Use asset		0.9	–	0.9
Restricted bank deposits	18, 19	203.7	–	203.7
Receivables non-current	16	0.8	–	0.8
Derivative instruments	19	33.7	–	33.7
Total non-current assets		2,660.1	61.7	2,721.8
Total current assets		583.9	–	583.9
Total assets		3,244.0	61.7	3,305.7
Equity				
Share capital	20	1.7	–	1.7
Other equity		600.8	61.7	662.5
Total equity		602.5	61.7	664.2
Total liabilities		2,641.5	–	2,641.5
Total equity and liabilities		3,244.0	61.7	3,305.7

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10 Restatement of borrowing cost continued

01.01.2022 USD million	Note	As previously reported	Adjustments	As restated
Non-current assets				
Intangible assets	9	166.0	–	166.0
Deferred tax assets	14	526.3	(71.1)	455.2
Property, plant and equipment	11	1,898.7	111.1	2,009.8
Right of Use asset		0.7	–	0.7
Restricted bank deposits	18, 19	205.5	–	205.5
Receivables non-current	16	–	–	–
Derivative instruments	19	9.7	–	9.7
Total non-current assets		2,806.9	40.0	2,846.9
Total current assets		283.0	–	283.0
Total assets		3,089.9	40.0	3,129.9
Equity				
Share capital	20	29.5	–	29.5
Other equity		462.7	40.0	502.7
Total equity		492.2	40.0	532.2
Total liabilities		2,597.7	–	2,597.7
Total equity and liabilities		3,089.9	40.0	3,129.9

There is no impact on the net cash flows from operating, investing or financing activities for the year ended 31 December 2022.

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11 Property, Plant and Equipment

Property, plant and equipment at 31 December 2023

USD million	Asset under construction[2]	Production facilities	Other assets	Total
Book value 31.12.22 restated[1]	**1,222.3**	**859.6**	**1.4**	**2,083.3**
Acquisition costs 31.12.22 restated	**1,222.3**	**1,252.5**	**3.1**	**2,477.9**
Sale of assets	–	–	(0.0)	(0.0)
Additions[3]	322.7	65.9	0.4	388.9
Reclassification from AUC to production facilities	(122.2)	122.2	–	–
Reclassification from capex to opex	–	1.5	–	1.5
Revaluation abandonment assets	–	49.4	–	49.4
Disposals	–	–	(0.3)	(0.3)
Currency translation adjustment	–	0.1	0.0	0.1
Acquisition costs 31.12.23	**1,422.8**	**1,491.5**	**3.1**	**2,917.4**
Depreciation and write-downs 31.12.22	–	**(392.9)**	**(1.7)**	**(394.6)**
Sale of asset, reversal depreciation	–	–	0.0	0.0
Depreciation	–	(94.9)	(0.2)	(95.1)
Disposals	–	–	0.2	0.2
Currency translation adjustment	–	(0.0)	(0.0)	(0.0)
Depreciation and write-downs 31.12.23	–	**(487.9)**	**(1.7)**	**(489.5)**
Book value 31.12.23	**1,422.8**	**1,003.7**	**1.4**	**2,427.9**

(1) The comparative information is restated on account of correction of errors. See note 10 Restatement of borrowing cost.
(2) Mainly related to Tyra redevelopment.
(3) Includes capitalisation of borrowing cost, se note 13.

Property, plant and equipment at 31 December 2022

USD million	Asset under construction	Production facilities	Other assets	Total
Book value 31.12.21 as previously reported	818.5	1,078.5	1.7	1,898.7
Impact of restatement 01.01.2022	111.1	–	–	111.1
Book value 01.01.2022 restated	929.6	–	–	2,009.8
Acquisition costs 01.01.2022 restated	929.6	1,346.6	3.1	2,279.4
Sale of assets	–	(0.2)	(0.2)	(0.4)
Additions	292.7	9.1	0.2	301.9
Revaluation abandonment asset	–	(102.8)	–	(102.8)
Currency translation adjustment	–	(0.1)	(0.1)	(0.2)
Acquisition costs 31.12.22 restated	1,222.3	1,252.5	3.1	2,477.9
Accumulated depreciation and write-downs 01.01.2022	–	(268.2)	(1.4)	(269.6)
Sale of asset, reversal depreciation	–	0.1	–	0.1
Depreciation	–	(124.8)	(0.3)	(125.1)
Currency translation adjustment	–	0.0	0.0	0.0
Accumulated depreciation and write-downs 31.12.22	–	(392.9)	(1.7)	(394.6)
Book value 31.12.22 restated	1,222.3	859.6	1.4	2,083.3

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12 Impairments

Impairment reviews

See note 1.7 for the accounting policies related to impairment of non-financial assets.

The Group's judgement is that it has only one cash-generating unit (CGU). The Group has not identified any impairment triggers in 2023 or 2022. It is consequently not required to perform any impairment tests.

In its annual financial statements for 2022 the Group disclosed that it had made an estimate of value in use of its CGU. This amount was materially lower than an estimate of fair value less cost of disposal based on market capitalisation. In 2023, the Group has corrected an error, see note 10, and capitalised accumulated borrowing costs on assets under construction. The estimated value in use would not exceed the carrying amount including capitalised borrowing costs.

However, the market capitalisation which can be used to reliably estimate the fair value of the CGU shows a good headroom also including capitalised borrowing costs on 31 December 2023 and 2022. Market capitalisation was USD 1,281.6 million and USD 1,028.9 million on 31 December 2023 and 2022, respectively, based on US dollar and Norwegian kroner rates at these points in time. Carrying amount of equity, after capitalisation of borrowing costs, was USD 813.6 million and USD 664.2 million on 31 December 2023 and 2022, respectively.

The Group also notes that IAS 36.23 states that estimates and computational short cuts may provide reasonable approximations of the detailed computations for determining fair value less costs of disposal.

Consequently, the Group has not recognised any impairments in 2022 or 2023. It also do not present any sensitivity analysis. If the market capitalisation should decrease materially compared to the carrying amount of equity, this could become an impairment indictor and an impairment test in such a scenario could give rise to impairment of the CGU.

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13 Financial income and expenses

Financial income

USD million	2023	2022
Total interest income	**17.8**	4.0
Value adjustment interest swap unrealised[1]	**–**	12.7
Volume protection true-up	**0.6**	–
Extinguishment of bond loans	**1.0**	33.7
Foreign exchange gains	**3.7**	11.0
Total other financial income	**5.3**	57.3

Financial expenses

USD million	2023	2022 restated[3]
Interest expense from bond loans	**(44.9)**	(46.5)
Interest expense from bank debt[2]	**(51.9)**	(51.4)
Less capitalised borrowing cost[3]	**78.0**	60.3
Total interest expenses	**(18.9)**	(37.6)
Value adjustment interest swap unrealised[1]	**(0.7)**	–
Value adjustment of embedded derivatives[4]	**(14.1)**	(132.3)
Utilisation of derivatives	**(0.1)**	–
Accretion expense related to asset retirement obligations	**(49.3)**	(48.0)
Foreign exchange losses	**(12.3)**	(8.5)
Other financial expenses	**(3.0)**	(3.4)
Total other financial expenses	**(79.5)**	(192.3)
Net financial items	**(75.2)**	(168.7)

(1) Fair value adjustment of the ineffective part of the interest swap related to RBL facility
(2) Net of the effective part of the realised interest swap, related to RBL facility
(3) The comparative information is restated on account of correction of errors. See note 10 Restatement of borrowing cost
(4) Fair value adjustment of the embedded derivatives of the convertible bonds

14 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.

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14 Tax continued

Tax expense

USD million Income tax in profit/loss (Danish corporate income tax and hydrocarbon tax)	2023	2022 restated*
Income tax current year	(63.3)	(139.9)
Solidarity contribution, current[1]	(72.2)	–
Repayment of tax benefit related to chapter 3b	–	(62.7)
Income tax for prior years	(10.1)	(2.0)
Current income tax	**(145.5)**	(204.6)
Deferred tax movements	(65.8)	(65.9)
Deferred tax movements, impact of restatement 2022		(38.6)
Solidarity contribution, deferred[1]	70.5	–
Prior year adjustment, deferred tax	7.1	(8.6)
Deferred tax expense	**11.8**	(113.1)
Tax (expense)/income	**(133.7)**	(317.8)

(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	2023	2022
Cash flow hedges	(47.7)	(102.9)
Tax (expense)/income related to OCI	**(47.7)**	(102.9)

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.

	Hydrocarbon tax 64%		Corporate tax 22%		
Reconciliation of nominal to actual tax rate	2023		2023		In total
Result before tax	237.2		6.3		243.6
Expected tax on profit before tax	151.8	64%	1.4	22%	153.2
Tax effect of:					
Prior year adjustment	4.2	2%	(1.3)	-20%	2.9
FX adjustment of net operating losses carried forward in DKK[1]	(24.6)	-10%	–	0%	(24.6)
Investment uplift on CAPEX projects[2]	(42.6)	-18%	–	0%	(42.6)
Permanent differences[3]	37.9	16%	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	**126.8**	**53%**	**7.0**	**110%**	**133.7**

(1) Impact of changes in USD/DKK exchange rate on loss carried forward as the tax losses are carried forward in DKK.
(2) The tax cost in the hydrocarbon tax regime is positively impacted by the 39 percent investment uplift on the Tyra Redevelopment project.
(3) This is related to the portion of interest cost not deductible under the Danish interest limitation rules.

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Reconciliation of nominal to actual tax rate, continues	Hydrocarbon tax 64% 2022 restated*		Corporate tax 22% 2022		In total
Result before tax	424.4		(115.4)		309.0
Expected tax on profit before tax	271.6	64%	(25.4)	22%	246.2
Tax effect of:					
Prior year adjustment	9.6	2%	0.2	0%	9.8
FX adjustment of net operating losses carried forward in DKK[1]	37.3	9%	–	0%	37.3
Repayment of tax benefit related to chapter 3b[2]	30.1	7%	–	0%	30.1
Investment uplift on CAPEX projects[3]	(36.8)	-9%	–	0%	(36.8)
Permanent differences	–	0%	29.1	-25%	29.1
No recognition of tax assets in Norway and UK	–	0%	2.0	2%	2.0
Tax expense (income) in profit/loss	311.8	73%	6.0	5%	317.8

(1) Impact of changes in USD/DKK exchange rate on loss carried forward as the tax losses are carried forward in DKK.
(2) 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 additional tax levied cannot exceed the accumulated tax benefit achieved from the special tax incentive rules during the development period. The received benefit is estimated at USD 92 million by year end 2023. For 2023 the estimated additional tax is nil (2022:USD 30.1 million).
(3) The cost in the hydrocarbon tax regime is positively impacted by the 39 percent investment uplift on the Tyra Redevelopment project.

	Hydrocarbon tax 64% 2023		**Corporate tax 22% 2023**		**In total**
OCI before tax	**82.8**	**–**	**(22.7)**	**–**	**60.1**
Expected tax on OCI before tax	**(53.0)**	**64%**	**5.0**	**22%**	**(48.0)**
Tax effect of:					
Non-taxable currency translation adjustment	**–**	**–**	**0.3**	**–**	**0.3**
Tax in OCI	**(53.0)**	**64%**	**5.3**	**22%**	**(47.7)**

	Hydrocarbon tax 64% 2022		Corporate tax 22% 2022		In total
OCI before tax	148.5	–	33.7	–	182.3
Expected tax on OCI before tax	(95.1)	64%	(7.4)	22%	(102.5)
Tax effect of:					
Non-taxable currency translation adjustment	–	–	0.4	–	0.4
Tax in OCI	(95.1)	64%	(7.9)	22%	(102.9)

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Current income tax payable	2023	2022
Tax payable relates to the Group's entities in Denmark. The amounts payable as of 31.12.23 were:		
Corporate tax for 22% (Denmark)	**(4.6)**	(13.9)
Hydrocarbon tax (Denmark)	**(73.7)**	(126.3)
Hydrocarbon tax for prior years (Denmark)	**(12.9)**	(12.7)
Hydrocarbon tax pertaining to pre-acquisition period 2019 not indemnified by the Seller	**–**	(10.2)
Solidarity contribution	**(48.8)**	–
Repayment of tax benefit related to chapter 3b	**–**	(45.9)
Tax payables	**(140.0)**	(209.0)

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 recognised 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 Deferred tax and deferred tax asset	01.01.23 restated*	Effect recognised in profit/loss	Effect recognised in OCI	31.12.2023
Property, plant and equipment	**745.9**	**67.0**	**–**	**812.8**
Intangible assets, licences	**25.1**	**4.3**	**–**	**29.4**
Inventories and receivables	**29.3**	**4.6**	**–**	**33.8**
Asset retirement obligation ('ARO') provision	**(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	**(239.1)**	**(11.7)**	**32.3**	**(218.5)**

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USD million Deferred tax and deferred tax asset	01.01.22 restated*	Effect recognised in profit/loss	Effect recognised in OCI	31.12.2022 restated
Property, plant and equipment	624.0	12.1	–	636.1
Property, plant and equipment, impact of restatement 2022	71.1	38.6	–	109.7
Intangible assets, licences	17.2	7.9	–	25.1
Inventories and receivables	26.7	2.6	–	29.3
Asset retirement obligation ('ARO') provision	(611.1)	46.7	–	(564.5)
Other assets and liabilities	–	(2.8)	–	(2.8)
Tax loss carryforward, corporate tax (22%)	(2.0)	0.1	1.9	–
Tax loss carryforward, chapter 2 tax (25%)	(22.8)	(14.4)	37.1	(0.1)
Tax loss carryforward, chapter 3a tax (52%)	(558.3)	28.5	57.9	(471.9)
Deferred tax asset, net	(455.2)	119.2	96.9	(239.1)

Tax loss carryforwards

Tax losses are recognised in accordance with the expected utilisation hereof in subsequent income years based on the current business outlook and economic projections.

Due to the limited taxable activity in UK and Norway, corporate tax losses in these jurisdictions are not capitalised.

Tax losses in Denmark and UK under the hydrocarbon tax regime may be carried forward indefinitely and the utilisation is not subject to an annual cap. Losses are carried forward in Danish kroner and British pound.

Tax losses carried forward, Denmark. In million DKK	2023	2022
Corporate tax (22%)	**–**	–
Chapter 2 Hydrocarbon tax (25%)	**–**	–
Chapter 3a Hydrocarbon tax (52%)	**5,523.2**	5,773.0

Tax losses carried forward, Norway. In million NOK	2023	2022
Corporate tax Norway (22%)	**1,204.2**	1,071.0

Tax losses carried forward, UK. In million GPB/USD	2023	2022
Trade losses, UK (hydrocarbon s 330 (2)), USD	**78.0**	75.0
Trade losses, UK (hydrocarbon), USD	**100.1**	96.0
Pre-trading capital expenditure, UK (hydrocarbon), GBP	**41.6**	41.0

* The comparative information is restated on account of correction of errors. See note 10 Restatement of borrowing cost.

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15 Earnings per share

Earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares in issue during the year.

USD million	2023	2022 restated(1)
Profit (loss) attributable to ordinary shareholders from operations	**109.8**	(8.8)
Adjustment amortisation convertible bond loans	**26.9**	28.8
Adjustment fair value embedded derivatives	**14.1**	132.3
Profit (loss) basis for fully diluted shareholders from operations	**178.9**	174.0
Number of shares outstanding at the beginning of the year	**25,571,262**	24,110,852
Conversion part of convertible bond	**497,425**	1,159,411
Sale of treasury shares	**36,641**	300,999
Number of shares outstanding at the end of the year	**26,105,328**	25,571,262
Weighted average number of shares (basic)	**26,043,859**	25,004,296
Adjustment convertible bond loan(2)	**4,809,743**	5,822,649
Adjustment option schemes	**378,869**	391,868
Weighted average number of shares (diluted)	**31,232,471**	31,218,813
Earnings per share in USD	**4.2**	(0.4)
Earnings per share in USD diluted	**4.2**	(0.4)

(1) The comparative information is restated on account of correction of error. See note 10 Reclassification of borrowing cost.
(2) The BNOR15 convertible bond loan is converted to number of shares by dividing the principal amount at year end (USD 228.4 million, 2022: USD 207.6 million) with the conversion price (47.5 USD/share, 2022: 38.8 USD/share) as this is less favourable. The conversion price is 99 percent of the volume-weighted average price ('VWAP') for the last 20 days (483.1 NOK/share, 2022: 382.9 NOK/share) converted to USD by using the closing rate at year end (10.17 NOK/USD, 2022: 9.86 NOK/USD).
In 2022, the BNOR13 convertible bond loan was converted to number of shares by dividing the principal amount at year end (USD 13.8 million) with the strike price (28.97 USD share) as this was less favourable.

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

USD million	2023	2022
Non-current assets		
Convertible loan CarbonCuts	**1.1**	0.2
Loan CarbonCuts	**2.6**	0.6
Total non-current receivables	**3.7**	0.8
Current assets		
Trade receivables	**59.9**	94.4
Under-lift of oil/NGL	**2.6**	8.9
Prepayments	**24.8**	24.2
Other receivables	**1.4**	1.1
Total trade receivables and other current receivables	**88.7**	128.6

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16 Non-current receivables, trade receivables and other current assets continued

Aging analysis of trade receivables on 31 December 2023

			Past due				
USD million	**Total**	**Not past due**	**> 30 days**	**30–60 days**	**61–90 days**	**91–120 days**	**> 120 days**
Trade receivables	**59.9**	**59.9**	**–**	**–**	**–**	**–**	**–**
Total	**59.9**	**59.9**	**–**	**–**	**–**	**–**	**–**

Aging analysis of trade receivables on 31 December 2022

			Past due				
USD million	Total	Not past due	> 30 days	30–60 days	61–90 days	91–120 days	> 120 days
Trade receivables	94.4	94.4	–	–	–	–	–
Total	94.4	94.4	–	–	–	–	–

17 Inventories

USD million	**2023**	2022
Product inventory, oil	**15.0**	21.6
Other stock (spares and consumables)(1)	**39.7**	34.3
Total inventories	**54.7**	55.9

(1) As of 31.12.2023 there is no provision for obsolete stock.

18 Restricted bank deposits, cash and cash equivalents

USD million	**2023**	2022
Non-current assets		
Restricted bank deposits pledged as security for abandonment obligation related to Nini/Cecilie	**64.3**	61.1
Restricted bank deposits pledged as security for cash call obligations towards TotalEnergies(1)	**149.6**	142.5
Total non-current restricted bank deposits	**213.9**	203.7
Current assets		
Unrestricted cash and cash equivalents	**166.7**	268.4
Restricted bank deposits(2)	**0.1**	0.1
Total current cash and cash equivalents	**166.9**	268.4
Total bank deposits	**380.7**	472.1

(1) BlueNord has made a USD 140.0 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.

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19 Financial instruments

19.1 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 31.12.23

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 18.2, 18.3 and note 2.3.

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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

19.2 Financial instruments by category

On 31.12.23

USD million	**Financial assets at amortised cost**	**Assets 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	**473.1**	**–**	**85.7**	**558.8**

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USD million	Financial liabilities at amortised cost	Liabilities at fair value through profit or loss	Hedging instruments at fair value	Total
Liabilities				
Derivative instruments price hedge	–	–	39.2	39.2
Embedded derivatives convertible bond BNOR15[(1)]	–	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	**1,316.9**	**53.0**	**39.2**	**1,409.1**

(1) For more information see section 18.1, 18.3 and note 2.3.

On 31.12.2022 USD million	Financial assets at amortised cost	Assets 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	601.5	–	164.6	766.1

USD million	Financial liabilities at amortised cost	Liabilities at fair value through profit or loss	Hedging instruments at fair value	Total
Liabilities				
Derivative instruments price hedge	–	–	166.8	166.8
Embedded derivatives convertible bond BNOR15	–	38.9	–	38.9
Embedded derivatives convertible bond BNOR13	–	10.0	–	10.0
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	1,260.2	48.9	166.8	1,476.0

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19.3 Financial instruments – fair values

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

USD million	Total amount outstanding[1]	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[2]		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**

(1) Total amount outstanding on the bonds and under the RBL facility.
(2) For more information see section 19.1, 19.2 and note 2.3.

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 EIR method. The capital outstanding is USD 850 million on 31 December 2023.

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

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The BNOR15 instrument has been determined to contain embedded derivatives which are accounted for separately as derivatives at FVTPL, while the loan element subsequent to initial recognition is measured at amortised cost and 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 tables list the inputs to the model used to calculate the fair value of the embedded derivatives:

BNOR15		2023
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
Share price at 31.12.2023	(NOK)	498
Fair value at grant date	(USD)	38,928,552
Fair value at 31.12.2023	(USD)	53,038,213
PIK interest rate	(%)	8.00%
Expected remaining 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

19.4 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 percent oil volume; and (iii) Year 3: 10 percent 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 November 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.

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During Q1 and Q3 2023 the Company entered foreign exchange hedges to secure fixed US dollar to Danish kroner 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 2023, the majority of the Company's arrangements in relation to commodity prices were effective; the minor part that exceeded the physical sale of oil was recognised as financial cost. 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, on 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.

	Maturity					
As at 31.12.2023	**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 mbbl)	–	900.0	900.0	882.0	882.0	3,540.0
Notional amount (in USD million)	–	55.2	55.2	63.3	63.3	259.8
Average hedged sales price (in USD/bbl)	–	61.3	61.3	71.7	71.7	73.4
Commodity forward sales contracts gas:						
Notional quantity (in mMWh)	–	420.0	285.0	285.0	270.0	450.0
Notional amount (in EUR million)	–	41.8	14.6	14.6	14.8	22.9
Average hedged sales price (in EUR/MWh)	–	99.4	51.3	51.3	54.7	50.9

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 01.01.2022	(67.5)
Realised cash flow hedge on revenue	242.2
Realised cash flow hedge on financial items	(17.5)
Related tax – realised cash flow hedge	(151.2)
Changes in fair value cash flow hedge	(40.4)
Related tax – changes in fair value cash flow hedge	48.2
Balance as of 31.12.2022	13.9
Realised cash flow hedge on revenue	**(19.7)**
Realised cash flow hedge on financial items	**(29.3)**
Related tax – realised cash flow hedge	**19.1**
Changes in fair value cash flow hedge	**107.8**
Related tax – changes in fair value cash flow hedge	**(66.8)**
Balance as of 31.12.2023	**24.9**

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20 Share capital

BlueNord owns 100.521 of its own shares. All shares have equal rights. All shares are fully paid.

Changes in number of shares and share capital:

	No. of shares	Share capital*
Number of shares and share capital as of 01 January 2022	24,549,013	29.5
Issue of shares	1,159,411	1.4
Capital reduction, approved and registered	–	(29.3)
Number of shares and share capital as of 31 December 2022	25,708,424	1.7
Issue of shares	**497,425**	**0.0**
Number of shares and share capital as of 31 December 2023	**26,205,849**	**1.7**

	No. of shares	Treasury share reserve*
Number of treasury shares and treasury share reserve as of 01 January 2022	(438,161)	(0.5)
Sale of treasury shares	300,999	0.3
Number of treasury shares and treasury share reserve as of 31 December 2022	(137,162)	(0.1)
Sale of treasury shares	**36,641**	**0.0**
Number of treasury shares and treasury share reserve as of 31 December 2023	**(100,521)**	**(0.1)**

* In USD million.

Changes in 2023

The Company received conversion notice from bondholders holding BNOR13 and BNOR15 bonds for total principal amount of USD 14.6 million in 2023, which pursuant to the bond terms are convertible into 497,425 new shares in the Company. The BNOR13 conversion in January had a conversion price of USD 28.9734, the following conversions had a conversion price of USD 51.4307 according to the new bond terms. Following such conversions, the share capital is increased with NOK 268.5/USD 32.7 thousands.

The Company sold 36,641 of its own shares during the year, of which 23,641 shares was related to first award of the LTI programme. The shares price at transfer date was 475 NOK/share. In addition, 13.000 shares were sold to cover exercise of options held by former employees at strike price 160 NOK/share.

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20 Share capital continued

Changes in 2022

The Company received conversion notice from bondholders holding NOR13 Bonds for total principal amount of USD 33.6 million, which pursuant to the bond term was convertible into 1,159,411 new shares in the Company at a conversion price of USD 28.9734. Following such conversions, the share capital was increased with NOK 11.6/USD 1.4 million.

The share capital was reduced with NOK 243.2/USD 29.3 million by reducing the nominal value of the shares. The reduction amount was transferred to the share premium fund. The share capital reduction was registered in the Norwegian Registry of Business Enterprises on 28 December 2022. Following the share capital reduction, the Company's share capital was NOK 13.9/USD 1.7 million divided on 25,708,424 shares, each with a nominal value of NOK 0.5398295.

The Company sold 300,999 of its own shares in relation to exercise of options held by former Director of the Board and former members of the Executive Team.

Overview of shareholders at 02 April 2024:

Shareholder*	Shareholding	Ownership share	Voting share
Euroclear Bank S.A./N.V.	6,815,172	26.0%	26.0%
Goldman Sachs International	5,096,153	19.4%	19.4%
Barclays Bank PLC	2,105,007	8.0%	8.0%
SOBER AS	1,850,000	7.1%	7.1%
J.P. Morgan Securities LLC	1,459,883	5.6%	5.6%
The Bank of New York Mellon SA/NV	949,183	3.6%	3.6%
BNP Paribas	621,520	2.4%	2.4%
CLEARSTREAM BANKING S.A.	509,620	1.9%	1.9%
Citibank, N.A.	499,653	1.9%	1.9%
State Street Bank and Trust Comp	494,195	1.9%	1.9%
Sbakkejord AS	425,500	1.6%	1.6%
FINSNES INVEST AS	313,000	1.2%	1.2%
SOSYFR INVEST AS	308,070	1.2%	1.2%
HANASAND	263,150	1.0%	1.0%
ALTO HOLDING AS	238,300	0.9%	0.9%
VELDE HOLDING AS	230,000	0.9%	0.9%
Morgan Stanley & Co. Int. Plc.	210,055	0.8%	0.8%
JPMorgan Chase Bank, N.A., London	200,872	0.8%	0.8%
OUSDAL AS	200,000	0.8%	0.8%
SONGA CAPITAL AS	185,735	0.7%	0.7%
Total	**22,975,068**	**87.7%**	**87.7%**
Other owners (ownership <0.67%)	3,230,781	12.3%	12.3%
Total number of shares at 02 April 2024	**26,205,849**	**100.0%**	**100.0%**

* Nominee holder.

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21 Post-employment benefits

Defined contribution plan

The Group has defined contribution plans for its employees. Pension costs related to the Company's defined contribution plan amount to USD 732.2 thousand for 2023. For 2022, the corresponding costs were USD 512.9 thousand.

The Norwegian companies are obliged to have occupational pension in accordance with the Norwegian act related to mandatory occupational pension. All Norwegian companies meet the Norwegian requirements for mandatory occupational pension ('obligatorisk tjenestepensjon'). Correspondingly, the affiliates in Denmark and United Kingdom comply with the requirement for mandatory occupational pension by local legislation.

22 Asset retirement obligations

USD million	**31.12.2023**	31.12.2022
Balance on 01.01.	**955.8**	1,029.2
Provisions and change of estimates made during the year	**52.6**	(107.0)
Accretion expense	**49.2**	48.1
Incurred cost removal	**(8.7)**	(14.4)
Currency translation adjustment	**0.1**	(0.1)
Total provision made for asset retirement obligations	**1,049.0**	955.8
Breakdown of short-term and long-term asset retirement obligations		
Short-term	**15.4**	9.8
Long-term	**1,033.7**	946.1
Total provision for asset retirement obligations	**1,049.0**	955.8

Estimates are based on executing a concept for abandonment in accordance with the Petroleum Activities Act and international regulations and guidelines. The obligations are measured at net present value, assuming 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.

The change in estimate during the year includes an increase of USD 24 million due to change in expected timing of close in of production from Gorm and Harald and a change to cost estimates of USD 9 million mainly in relation to Dan. Further, the asset retirement estimate from the operator includes both US dollar and Danish kroner costs and as a result there is an increase of USD 16 million due to the strengthening of Danish kroner to US dollar. The liability towards Nini and Cecilie licence partners increased by USD 3 million due to currency adjustment. Most of the removal activities are expected to be executed many years into the future. This makes the ultimate asset retirement costs and timing highly uncertain. Costs and timing can be affected by changes in regulations, technology, estimated reserves, economic cut-off date, etc. The provision at the reporting date represents management's best estimate of the present value of the future asset retirement costs required.

As part of the overall restructuring in 2015, an agreement was reached that entails that the partners took over BlueNord's share of the Nini/Cecilie licences, however BlueNord remains liable for the asset retirement obligation towards the licence partners. The liability related to Nini/Cecilie is capped at the escrow amount, which is currently USD 64.3 million/DKK 433.6 million.

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.

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22 Asset retirement obligations continued

Sensitivity analysis

The table below shows how the asset retirement obligation excluding Nini/Cecilie would be affected by changes in the various assumptions, given that the remaining assumptions are constant.

Sensitivity	ARO ($'mm)	Change in provision
Abandonment Cost Estimate	984.7	
Abandonment Cost Estimate increase +40.0%	1,376.0	40.0%
Abandonment Cost Estimate increase +10.0%	1,081.1	10.0%
Abandonment Cost Estimate decrease -10.0%	884.6	-10.0%
Abandonment Cost Estimate decrease -30.0%	688.0	-30.0%
Discount rate +1.0%	859.1	-13.0%
Discount rate -1.0%	1,128.8	15.0%
Inflation rate +1.0%	1,127.1	15.0%
Inflation rate -1.0%	859.1	-13.0%

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23 Borrowings

23.1 Summary of borrowings

USD million	31.12.2023 Principal amount	31.12.2023 Book value	31.12.2022 Principal amount	31.12.2022 Book value
BNOR13 Convertible Bond[1]	–	–	13.8	13.1
BNOR15 Convertible Bond[2]	**228.4**	**201.7**	207.6	175.7
BNOR14 Senior Unsecured Bond[3]	**175.0**	**169.1**	175.0	166.9
Total non-current bonds	**403.4**	**370.8**	396.5	355.6
Reserve-based lending facility[4]	**725.0**	**695.8**	800.0	764.0
Total non-current debt	**725.0**	**695.8**	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**	1,221.5	1,144.6

Note: Book values reported on the basis of amortised cost for BNOR14, the RBL 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, which 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 as per 31 December 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 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 of 2023. Leverage is 2.18x (against a threshold of 5.0x).

(4) The Company entered into an increased RBL 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 percent per annum, 4.5 percent per annum from February 2023. The amount outstanding as at 31 December is USD 850 million.

(5) In accordance with the Sales Purchase Agreement USD 25 million of the consideration was paid in March 2023. Included in Trade payables and other current liabilities, see note 24.

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23 Borrowings continued

Movements in interest-bearing liabilities	31.12.22	Cash flows: Receipts/ payments	Cash flows: Interest and financing cost	Non–cash changes: Conversion to shares	Non–cash changes: Move from LT to ST	Non–cash changes: Amortisation	**31.12.23**
BNOR13 Convertible Bond	13.1	–	–	(13.2)	–	0.1	**(0.0)**
BNOR15 Convertible Bond	175.7	–	–	(0.1)	–	26.2	**201.7**
BNOR14 Senior Unsecured Bond	166.9	–	(15.8)	–	–	17.9	**169.1**
Reserve-based lending facility[1]	764.0	50.0	(37.9)	–	(125.0)	44.6	**695.8**
Total movement non-current interest-bearing liabilities	1,119.6	50.0	(53.6)	(13.3)	(125.0)	88.9	**1,066.6**
Reserve-based lending facility	–	–	–	–	125.0	–	**125.0**
Deferred Consideration[2]	25.0	(25.0)	–	–	–	–	**–**
Total movement current interest-bearing liabilities	25.0	(25.0)	–	–	125.0	–	**125.0**
Total movement in interest-bearing liabilities	1,144.6	25.0	(53.6)	(13.3)	–	88.9	**1,191.6**

(1) The cash outflow from interest and financing cost of USD 37.9 million and the change in amortisation of USD 44.6 million on the reserve-based lending facility is net of realised gain on interest swap of USD 46.4 million.
(2) Classified as investing activity in the Cash Flow as it is related to the acquisition in 2019.

Movements in interest-bearing liabilities	31.12.21	Cash flows: Receipts/ payments	Cash flows: Interest and financing cost	Conversion to shares	Non-cash changes: Conversion BNOR15	Non-cash changes: Amortisation	31.12.22
BNOR13 Convertible Bond	157.1	–	–	(29.6)	(143.3)	28.8	13.1
BNOR15 Convertible Bond	–	–	(4.4)	–	180.1	–	175.7
BNOR14 Senior Unsecured Bond	164.9	–	(15.8)	–	–	17.7	166.9
Reserve-based lending facility	857.3	(100.0)	(41.4)	–	–	48.1	764.0
Total movement non-current interest-bearing liabilities	1,179.3	(100.0)	(61.6)	(29.6)	36.8	94.6	1,119.6
Deferred Consideration	25.0	–	–	–	–	–	25.0
Total movement current interest-bearing liabilities	25.0	–	–	–	–	–	25.0
Total movement in interest-bearing liabilities	1,204.3	(100.0)	(61.6)	(29.6)	36.8	94.6	1,144.6

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23 Borrowings continued

23.2 Details on borrowing

Details on borrowings outstanding on 31 December 2023

Reserve based lending facility

In April 2021, BlueNord amended its existing senior secured reserve-based credit facility to commit to a seven-year senior reserve-based credit facility of USD 1.1 billion. The facility is a reserve-based credit facility secured against certain cash flows generated by the Group. The amount available under the facility is recalculated every six months based upon the calculated cash flow generated by certain producing fields and fields under development at an oil price and economic assumptions agreed with the banking syndicate providing the facility. The facility is secured by a pledge over the shares of certain Group companies, a pledge over the Company's working interest in its share of the DUC licence and security over insurances, hedging contracts, project accounts, intercompany loans and material contracts. The pledged assets on 31 December 2023 amounted to USD 1,355 million and represented the carrying value of the pledge of the Group companies whose shares are pledged as described in the section 5 below (Assets pledged as security for interest-bearing debt).

Pledge value: carrying value of shares held in Altinex AS, BlueNord Denmark A/S, BlueNord Energy Denmark A/S, BlueNord Gas Denmark A/S by BlueNord ASA.

BNOR13

In July 2019, BlueNord issued a subordinated convertible bond loan of USD 158 million with a tenor of eight years where the lender was granted a right to convert the loan into new shares in the Company at a conversion price of NOK 240 (USD 29.3) per share by way of set-off against the claim on the Company. The loan has a mandatory conversion to equity after five years and 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. Should the instrument be in place beyond the five-year conversion period, the interest rate on BNOR13 will be reduced to 0.0 percent for the remaining term of the loan.

In November 2022, BlueNord had proposed for some amendments to the BNOR13 bond which includes a two-year delay in the mandatory conversion date (8 November 2023 to 31 December 2025) following the expected Tyra first gas date and an inclusion of a call option to allow the Company to redeem the BNOR13 bond with cash in December 2025. To reflect the premium of the then share price relative to the BNOR13 previous conversion price, the principal amount has been updated from approximately USD 165 million to approximately USD 227 million by way of issuance of compensation bonds. Conversion price has been reset to USD 51.4307 per share and interest rate remains unchanged.

In December 2022, the majority of the convertible was transferred into a new convertible instrument, BNOR15, with the remaining BNOR13 bond still being subject to the amendments proposed by the Company in November 2022. The value of the BNOR13 convertible bond at year end is USD 63.

BNOR14

In December 2019, BlueNord successfully completed the issue of a USD 175 million unsecured bond. The proceeds are utilised for general corporate purposes and the bond carries an interest of 9 percent p.a., payable semi-annually, with a six and a half-year tenor.

BNOR15

In December 2022, BlueNord launched an exchange offer for the BNOR13 bondholders in exchange for a new subordinated convertible bond of USD 208 million, with revised terms and a later and more flexible conversion date in 2025. The Company issued a total of 207,641,201 new BNOR15 bonds, each with a nominal value of USD 1. The BNOR15 bond terms mirror the amendments of the BNOR13 bond except that, inter alia, a tap issue mechanism has been included. Interest payments are on similar terms with BNOR13, which is 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.

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23 Borrowings continued

23.3 Covenants

Covenants relating to interest bearing debt

Reserve-based lending facility

The reserve-based credit facility constitutes senior debt of the Company and is secured on a first priority basis against certain of the Company's subsidiaries and their assets. The reserve-based credit facility agreement contains a financial covenant that the ratio of Net Debt to EBITDAX (earnings before interest, tax, depreciation, amortisation and exploration) shall be: less than 6.0:1.0 at the end of financial years 2021 and 2022; less than 3.5:1.0 at the end of financial year 2023; and less than 3.0:1.0 at the end of financial year 2024 onwards until the expiry of the facility. Each test is carried out on the audited full-year financial statements of BlueNord ASA. BlueNord must also demonstrate minimum liquidity on a look forward basis of USD 50 million during the relevant period, which is the latest of completion of the Tyra redevelopment project and following 12-month period. The agreement also includes special covenants which, among other, restrict the Company from taking on additional secured debt, provide parameters for minimum and maximum hedging requirements and restrict declaration of dividends or other distributions. BlueNord is in compliance with these covenants at the end of 2023.

BNOR14

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) during the Tyra Redevelopment Period 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). BlueNord is in compliance with the covenants at the end of 2023.

23.4 Payment structure

Payment structure (USD million) at 31.12.2023:

Year	BNOR15(1)	BNOR14	Reserve–Based Lending Facility	Total
2024	–	–	125.0	125.0
2025	–	–	275.0	275.0
2026	–	175.0	275.0	450.0
2027	–	–	137.5	137.5
2028	–	–	37.5	37.5
Total	**–**	**175.0**	**850.0**	**1,025.0**

(1) Any redemption and repurchase of bonds are acted by BlueNord as Issuer. The Bondholders will have the right of a mandatory redemption but only in a case of a Change of Control event (which will be notified by BlueNord). In the table it is assumed that it will be no cash payments on BNOR15.

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Year	BNOR15	BNOR14	Reserve–Based Lending Facility	Total
Interest rate	**–**	**9.0%**	**SOFR****	
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	**–**	**39.4**	**194.9**	**234.3**

* BNOR13/BNOR15 carries a variable interest charge of: (i) 6 percent per annum in cash, payable semi-annually, or; (ii) 8 percent per annum 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 Lending Facility from 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.

23.5 Assets pledged as security for interest-bearing debt

Net book value in the separate financial statements of assets pledged as securities

The Group has the following pledged assets for the Reserve Based Lending facility:

USD million	2023	2022
BlueNord ASA shares in Altinex AS	**396.8**	393.5
Altinex AS shares in BlueNord Energy 8/06 Denmark B.V and other companies	**614.7**	614.7
Loans from Parent to subsidiaries	**343.2**	308.3
Total net book value	**1,354.7**	1,316.5

24 Trade payables and other payables

USD million	2023	2022
Trade payable	**17.5**	17.0
Liabilities to operators relating to joint venture licences	**70.9**	66.8
Accrued interest	**1.3**	3.3
Salary accruals	**2.4**	2.5
Public duties payable	**12.8**	8.3
Deferred consideration	**–**	25.0
Other current liabilities	**20.3**	17.7
Total trade payables and other current liabilities	**125.3**	140.6

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24 Trade payables and other payables continued

Trade and other payables held in currency

USD million	2023	2022
USD	**40.2**	54.7
DKK	**70.3**	71.2
EUR	**12.3**	11.3
GBP	**0.8**	0.8
NOK	**1.7**	2.6
Total	**125.3**	140.6

25 Guarantees

Overview of issued guarantees on 31 December 2023

The parent company of the Group, BlueNord ASA ('BlueNord'), has issued a parent company guarantee to the Danish Ministry of Climate, Energy and Building on behalf of its subsidiary BlueNord Energy Denmark A/S and BlueNord Gas Denmark A/S.

The Company has provided a parent company guarantee to the Danish Ministry of Climate, Energy and Utilities related to the Group's activities on the Danish continental shelf, including BlueNord's participation in the Tyra West Pipeline and the Lulita licence. The Company has also provided a parent company guarantee towards the lenders in relation to the Company's USD 1.1 billion reserve-based lending facility and customary obligations/guarantees under joint operating agreements. BlueNord has also provided a parent company guarantee to Shell Energy Europe Limited in relation to its subsidiary BlueNord Energy Denmark A/S's obligations under a gas offtake and transportation agreement capped at EUR 30 million.

Furthermore, the Company has provided a parent company guarantee to Total E&P Denmark A/S for its obligations under the JOA together with a guarantee from Shell. BlueNord has provided standby letters of credit of USD 100 million, issued under the USD 100 million sub-limit of the RBL facility for the benefit of Shell in connection with this guarantee.

In relation to BlueNord's historic operations in the UK North Sea, the Company has issued a parent company guarantee on behalf of its subsidiaries BlueNord UK Ltd and BlueNord Energy UK Limited.

On 31 December 2012, BlueNord issued a parent company guarantee on behalf of its subsidiary Noreco Norway AS. BlueNord guarantees that, if any amounts become payable by Noreco Norway AS to the Norwegian Secretary of State under the licences and the company does not repay those amounts on first demand, BlueNord shall pay to the Norwegian Secretary of State on demand an amount equal to all such amounts. Noreco Norway AS was liquidated in 2018, however as per 31 December 2023, the guarantee has not been withdrawn.

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26 Investments in jointly owned assets

Investments in jointly own assets are included in the accounts by recognising the Group's share of the assets, liabilities, revenues and expenses related to the joint operation.

The Group holds the following licence equities on 31 December 2023:

Licence	Field	Country	Ownership share
DUC	DUC	Denmark	36.8%
1/90	Lulita Part	Denmark	20.0%
7/86	Lulita Part	Denmark	20.0%
8/06B		Denmark	36.8%

27 Contingencies and commitments

Financial commitments

As a partner in the DUC, the Company has a commitment to fund its proportional share of the budget and work programmes of the DUC. In December each year, the operating budget (which includes operating expenditures, capital expenditure related to production, exploration and abandonment) for the following year is agreed amongst the DUC partners. For the coming four years, the average operating budget for BlueNord is expected to be around USD 310 million per year. Capital and abandonment expenditure for individual projects, such as Tyra, are approved separately.

BlueNord's capital commitments are principally related to the ongoing Tyra redevelopment project. The gross capital and abandonment expenditure budget for the Tyra redevelopment project at the time of the investment decision was DKK 21 billion which in 2024 has been increased to DKK 27.4 billion of which DKK 24.8 billion had been incurred by the end of 2023. Based on the current project schedule, BlueNord will be required to fund its proportional share of DKK 2.6 million of this remaining expenditure over the coming year. Further, BlueNord has capital commitments to a well to be drilled on Harald East in 2024 with a gross DUC budget of DKK 506 million.

The DUC is obliged to use the specially constructed oil trunk line, pumps and terminal facilities and to contribute to the construction and financing costs thereof as a result of an agreement entered into with the Danish government. This obligation is approximately USD 19 million per year (2023: USD 19 million) BlueNord share.

In addition to the above and in order to obtain the consent of TotalEnergies EP Danmark A/S to the acquisition, BlueNord Energy Denmark A/S agreed to deposit cash in a secured cash call security account in favour of TotalEnergies EP Danmark A/S (the concessionaire in respect of the Sole Concession). On 31 December 2023, the escrow account was USD 149.6 million. All payment obligations from BlueNord to the cash call security account have been made and there will be no further increase. The cash call security amount will then decrease to USD 100 million following the year in which the Tyra redevelopment project is completed and can, on certain terms and conditions, be replaced with a Letter of Credit or other type of security.

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27 Contingencies and commitments continued

Contingent liabilities

In relation to the Nini and Cecilie fields, BlueNord was in 2015 prevented from making payments for its share of production costs and was consequently in breach of the licence agreements. In accordance with the JOAs, the Nini and Cecilie licences were forfeitured and the licences were taken over by the partners, whereas the debt remained with BlueNord, but the liability is in any and all circumstances limited to a maximum amount equal to the restricted cash account of USD 64.3 million (DKK 433.6 million), adjusted for interest. The total provision made for the asset retirement obligations reflects this.

The Company has received a claim regarding the level of Ørsted pipeline tariffs charged since 2013. As the relevant authority (Forsyningstilsynet) is currently reassessing their view, BlueNord believes that there is no basis for this claim prior to a new ruling setting the appropriate level of these tariffs. Given the outcome of this and any consequent liability is not yet known, the Company has not recognised a provision for this claim.

During the normal course of its business, the Company may be involved in disputes, including tax disputes. The Company has not made accruals for possible liabilities related to litigation and claims based on management's best judgement.

BlueNord has unlimited liability for damage in relation to its participation in the DUC. The Company has insured its pro rata liability in line with standard market practice.

Apart from the issues discussed above, the Group is not involved in claims from public authorities, legal claims or arbitrations that could have a significant negative impact on the Company's financial position or results.

28 Related party transactions

Other than fees to Directors of the Board the Group did not have any transactions with related parties during 2023.

29 Subsequent events

There are no events with significant accounting impacts that have occurred between the end of the reporting period and the date of this report.

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Income Statement for BlueNord ASA (Parent Company) for the year ended 31 December

USD million	Note	2023	2022
Total revenues	2, 13	**3.7**	2.6
Personnel expenses	10, 13	**(5.8)**	(4.4)
Other operating expenses	12, 13	**(3.5)**	(4.1)
Total operating expenses		**(9.3)**	(8.5)
Operating result before depreciation, amortisation and impairment ('EBITDA')		**(5.6)**	(5.9)
Depreciation, amortisation and impairment		**(0.1)**	(0.0)
Net operating result ('EBIT')		**(5.7)**	(6.0)
Reversal of financial assets	10	**0.5**	–
Interests received from Group companies		**34.7**	25.1
Interest income		**1.2**	0.2
Foreign exchange gains		**2.0**	0.1
Total financial income		**38.4**	25.4
Extinguishment of bond loans	5	**(1.7)**	(57.5)
Amortised cost from bond loans		**(36.5)**	(32.8)
Interest expenses current liabilities		**(0.0)**	(0.0)
Issue of compensation bonds		**(0.0)**	–
Foreign exchange losses		**(1.7)**	(11.5)
Impairment of financial assets	10	**(0.5)**	(2.7)
Other financial expenses		**(2.7)**	2.5
Total financial expenses		**(43.1)**	(101.9)
Net financial items		**(4.7)**	(76.5)
Result before tax ('EBT')		**(10.4)**	(82.5)
Tax	11	**–**	–
Net result for the year		**(10.4)**	(82.5)
Appropriation:			
Allocated to/(from) other equity		**(10.4)**	(82.5)
Total appropriation		**(10.4)**	(82.5)

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Balance Sheet for BlueNord ASA (Parent Company) for the year ended 31 December

USD million	Note	31.12.23	31.12.22
ASSETS			
Non-current assets			
Financial non-current assets			
Investment in subsidiaries	3	**396.8**	393.5
Loan to Group companies	10	**342.1**	311.0
Restricted bank deposits	4	**64.3**	61.1
Machinery and equipment		**0.0**	0.1
Other non-current assets		**0.0**	0.0
Total non-current assets		**803.2**	765.7
Current assets			
Trade receivables		**0.0**	0.0
Other current receivables		**0.3**	0.7
Total current receivables		**0.3**	0.7
Financial current assets			
Restricted bank deposits		**0.1**	0.1
Cash and cash equivalents		**0.3**	6.0
Total financial current assets		**0.5**	6.1
Total current assets		**0.8**	6.9
Total assets		**804.0**	772.5

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Balance Sheet for BlueNord ASA continued (Parent Company) for the year ended 31 December

USD million	Note	31.12.23	31.12.22
EQUITY AND LIABILITIES			
Equity			
Paid-in equity			
Share capital		**1.7**	1.7
Share premium fund		**782.9**	768.4
Treasury share reserve		**(0.1)**	(0.1)
Total paid-in capital		**784.5**	769.9
Retained earnings			
Other equity		**(395.6)**	(390.7)
Total retained earnings		**(395.6)**	(390.7)
Total equity	7	**388.9**	379.2
Non-current liabilities			
Convertible bond loans	5	**228.4**	223.2
Bond loan	5	**169.1**	166.9
Other non-current liabilities		**0.0**	–
Total non-current liabilities		**397.5**	390.1
Current liabilities			
Trade payables		**16.1**	1.6
Other current liabilities		**1.4**	1.7
Total current liabilities		**17.6**	3.3
Total liabilities		**415.1**	393.3
Total equity and liabilities		**804.0**	772.5

Oslo
11 April 2024

Riulf Rustad
Executive Chair

Tone Kristin Omsted
Board member

Marianne Lie
Board member

Colette Cohen
Board member

Robert J. McGuire
Board member

Jan Lernout
Board member

Peter Coleman
Board member

Euan Shirlaw
Chief Executive Officer

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Cash Flow for BlueNord ASA (Parent Company) for the year ended 31 December

USD million	Note	2023	2022
Net result for the period		**(10.4)**	(82.5)
Adjustments for:			
Depreciation/impairment	10	**0.1**	0.0
Share-based payments expenses		**1.9**	0.5
Net financial cost/(income)		**4.7**	76.5
Interest received		**0.1**	0.2
Other financial items paid		**(0.0)**	(0.2)
Changes in:			
Trade receivable		**0.1**	(0.1)
Trade payables		**14.6**	1.8
Prepayments		**0.0**	(0.2)
Other current balance sheet items		**(0.6)**	(0.9)
Net cash flow from operations		**10.6**	(4.7)
Cash flows from investing activities			
Loans to Group companies		**(0.7)**	7.6
Investment in furniture, equipment and machinery		**(0.0)**	(0.0)
Net cash flow from investing activities		**(0.7)**	7.6
Cash flows from financing activities			
Sale of shares	7	**0.2**	5.4
Interest and financing costs		**(15.8)**	(20.2)
Net cash flow from (used) in financing activities		**(15.5)**	(14.8)
Net change in cash and cash equivalents		**(5.7)**	(11.9)
Cash and cash equivalents at the beginning of the period		**6.0**	17.9
Cash and cash equivalents at end of the year		**0.3**	6.0

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1 Accounting principles

BlueNord ASA is a public limited liability company registered in Norway, with headquarters in Oslo (Nedre Vollgate 1, 0158 Oslo).

The annual accounts for Blue Nord ASA ('BlueNord' or the 'Company') have been prepared in compliance with the Norwegian Accounting Act ('Accounting Act') and accounting principles generally accepted in Norway ('NGAAP') as of 31 December 2023.

The Company is listed on the Oslo Stock Exchange under the ticker 'BNOR'. The financial statements for 2023 were approved by the Board of Directors on 11 April 2024 and will be presented for approval at the Annual General Meeting on 14 May 2024.

Going concern

The Board of Directors confirm that the financial statements have been prepared under the presumption of going concern, and that this is the basis for the preparation of these financial statements. The financial solidity and the Company's working capital and cash position are considered satisfactory in regards of the planned activity level for the next 12 months.

Basis of preparation

The financial statements are prepared on the historical cost basis. The subtotals and totals in some of the tables may not equal the sum of the amounts shown due to rounding.

Use of estimates

The preparation of financial statements in compliance with the Accounting Act requires the use of estimates. The application of the Company's accounting principles also require management to apply judgement. Areas, which to a great extent contain such judgements, a high degree of complexity, or areas in which assumptions and estimates are significant for the financial statements, are described in the notes.

Revenues

Income from sale of services is recognised at fair value of the consideration, net after deduction of VAT. Services are recognised in proportion to the work performed.

Classification of balance sheet items

Assets intended for long-term ownership or use have been classified as fixed assets. Receivables are classified as current assets if they are to be repaid within one year after the transaction date. Similar criteria apply to liabilities. First year's instalment on non-current liabilities and non-current receivables are classified as current liabilities and assets. For interest-bearing debt where the Company is required to be in compliance with financial covenants, the loans are classified as current liabilities if BlueNord is in breach with the covenants to that extent that the loan would be payable on the demand of the creditor. If a waiver is agreed with the creditor prior to approval of these financial statements, the classification is carried forward in accordance with the payment schedule of the initial borrowing agreement.

Investments in subsidiaries

For investments in subsidiaries, the cost method is applied. The cost price is increased when funds are added through capital increases or when Group contributions are made to subsidiaries. Dividends received are initially taken as income. Dividends exceeding the portion of retained profit after the acquisition are reflected as a reduction to book value.

Dividend/group contribution from subsidiaries are reflected in the same year as the subsidiary makes a provision for the amount.

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Notes continued

1 Accounting principles continued

Asset impairments

Impairment tests are carried out if there is indication that the carrying amount of an asset exceeds the estimated recoverable amount. The test is performed on the lowest level of non-current assets at which independent cash flows can be identified. If the carrying amount is higher than both the fair value less cost to sell and recoverable amount (net present value of future use/ownership), the asset is written down to the highest of fair value less cost of disposal and the recoverable amount.

Previous impairment charges are reversed in later periods if the conditions causing the write-down are no longer present.

Foreign currencies

The functional currency and the presentation currency of the company is US dollars ('USD').

Assets and liabilities in foreign currencies are valued at the exchange rate on the balance sheet date. Exchange gains and losses relating to sales and purchases in foreign currencies are recognised as other financial income and other financial expenses.

Interest-bearing bond loans, convertible bond loans and other debt to financial institutions

Interest-bearing bond loans, convertible bond loans and borrowings are initially recognised at fair value, net of transaction costs incurred and the conversion option is not separated. Subsequently, loans and borrowings are measured at amortised cost using the EIR method. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognised either in interest income and other financial items or in interest and other finance expenses within net financial items. Financial liabilities are presented as current if the liabilities are due to be settled within 12 months after the balance sheet date, or if they are held for the purpose of being traded.

Other liabilities

Liabilities, with the exception of certain liability provisions, are recognised in the balance sheet at nominal amount.

Taxes

The tax in the income statement includes payable taxes for the period, refundable tax and changes in deferred tax. Deferred tax is calculated at relevant tax rates on the basis of the temporary differences which exist between accounting and tax values, and any carryforward losses for tax purposes at the year-end. Tax enhancing or tax reducing temporary differences, which are reversed or may be reversed in the same period, have been offset. Deferred tax and tax benefits which may be shown in the balance sheet are presented net. Net deferred tax assets are not recognised due to uncertainty about future taxable profits.

Tax reduction on Group contributions given and tax on Group contribution received, recorded as a reduction of cost price or taken directly to equity, are recorded directly against tax in the balance sheet (offset against payable taxes if the Group contribution has affected payable taxes, and offset against deferred taxes if the Group contribution has affected deferred taxes).

Deferred tax is reflected at nominal value.

Cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other current investments which immediately and with minimal exchange risk can be converted into known cash amounts, with due date less than three months from purchase date.

Share-based payments

The Company operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options and shares) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense.

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Notes continued

1 Accounting principles continued

The total amount to be expensed is determined by reference to the fair value of the options and shares granted:

Fair value:
- includes any market performance conditions; and
- excludes the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period).

Non-market performance and service conditions are included in assumptions about the number of options and shares that are expected to vest. The total expense is recognised over the vesting period (which is the period over which all of the specified vesting conditions are to be satisfied). At the end of each reporting period, the Group revises its estimates of the number of options and shares that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity. When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium. The social security contributions payable in connection with the grant of the share options and shares are considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

2 Revenue

USD million	2023	2022
Management fee subsidiaries	**3.7**	2.6
Total revenue	**3.7**	2.6

3 Investments in subsidiaries

Investments in subsidiaries are booked according to the cost method.

USD million Subsidiaries	Location	Ownership/ voting right	Equity 31 December	Net loss	Book value
Altinex AS	Oslo	100%	287.3	(3.4)	396.8
BlueNord UK Ltd	Great Britain	100%	(2.0)	(0.4)	–
BlueNord AS	Oslo	100%	0.0	(0.0)	–
Book value 31.12.23					**396.8**

The impairment test as of 31 December 2023 justifies the overall value of Altinex and its subsidiaries.

4 Restricted bank deposits

USD million	2023	2022
Restricted bank deposits pledged as security for abandonment obligation related to Nini/Cecilie[1]	**64.3**	61.1
Other restricted bank deposits[2]	**0.1**	0.1
Total restricted bank deposits	**64.4**	61.2

(1) In connection to the asset retirement obligation of USD 64.3 million (DKK 434 million) in the Group Company BlueNord Energy Denmark.
(2) Tax Withholding Account.

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Notes continued

5 Borrowings

5.1 Summary of borrowings

USD million	2023	2022
BNOR13 Convertible Bond	–	14.2
BNOR15 Convertible Bond	**228.4**	209.0
BNOR14 Senior Unsecured Bond	**169.1**	166.9
Total non-current bonds	**397.5**	390.1
Total borrowings	**397.5**	390.1

Details on borrowings outstanding on 31 December 2023

BNOR13

In July 2019, BlueNord issued a subordinated convertible bond loan of USD 158 million with a tenor of eight years where the lender was granted a right to convert the loan into new shares in the Company at a conversion price of NOK 240 (USD 29.3) per share by way of set-off against the claim on the Company. The loan has a mandatory conversion to equity after five years and 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. Should the instrument be in place beyond the five-year conversion period, the interest rate on BNOR13 will be reduced to 0.0 percent for the remaining term of the loan.

In November 2022, BlueNord had proposed for some amendments to the BNOR13 bond which includes a two-year delay in the mandatory conversion date (08 November 2023 to 31 December 2025) following the expected Tyra first gas date and an inclusion of a call option to allow the Company to redeem the BNOR13 bond with cash in December 2025. To reflect the premium of the then share price relative to the BNOR13 previous conversion price, the principal amount has been updated from approximately USD 165 million to approximately USD 227 million by way of issuance of compensation bonds. Conversion price has been reset to USD 51.4307 per share and interest rate remains unchanged.

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, including 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.

BNOR14

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).

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5 Borrowings continued

BNOR15

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. Similarly, to 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. In Q1 2023, USD 0.1 million was converted into equity.

5.2 Covenants

Reserve-based lending facility

The reserve-based credit facility constitutes senior debt of the Company and is secured on a first priority basis against certain of the Company's subsidiaries and their assets. The reserve-based credit facility agreement contains a financial covenant that the ratio of Net Debt to EBITDAX (earnings before interest, tax, depreciation, amortisation and exploration) shall be: less than 6.0:1.0 at the end of financial years 2021 and 2022; less than 3.5:1.0 at the end of financial year 2023; and less than 3.0:1.0 at the end of financial year 2024 onwards until the expiry of the facility. Each test is carried out on the audited full-year financial statements of BlueNord ASA. BlueNord must also demonstrate minimum bank deposits on a look forward basis of USD 50 million during the relevant period, which is the latest of completion of the Tyra redevelopment project and following 12-month period. The agreement also includes special covenants which, among other, restrict the Company from taking on additional secured debt, provide parameters for minimum and maximum hedging requirements and restrict declaration of dividends or other distributions. BlueNord is in compliance with these covenants at the end of 2023.

BNOR14

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) during the Tyra Redevelopment Period 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). BlueNord is in compliance with the covenants at the end of 2023.

5.3 Payment structure

Principal	BNOR14	Total
2026	175.0	175.0
Total	**175.0**	**175.0**

Interest payments at 31.12.2023	BNOR15*	BNOR14	Total
Interest rate	–	9.00%	
2024	–	15.8	15.8
2025	–	15.8	15.8
2026	–	7.9	7.9
Total	**–**	**39.4**	**39.4**

* BNOR15 carries a variable interest charge of: (i) 6 percent per annum in cash, payable semi-annually, or; (ii) 8 percent per annum PIK cumulative interest, rolled up semi-annually, to add to 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 BNOR15 in the above table.

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5 Borrowings continued

5.4 Pledged assets

Pledged assets relate to the carrying value of the pledged shares under the reserve-based lending facility entered into by the wholly owned subsidiary Altinex AS, please see note 23 in the Consolidated financial statements.

6 Guarantees

Overview of issued guarantees on 31 December 2023

The parent company of the Group, BlueNord ASA ('BlueNord'), has issued a Parent Company guarantee to the Danish Ministry of Climate, Energy and Building on behalf of its subsidiary BlueNord Energy Denmark A/S and BlueNord Gas Denmark A/S.

The Company has provided a parent company guarantee to the Danish Ministry of Climate, Energy and Utilities related to the Group's activities on the Danish continental shelf, including BlueNord's participation in the Tyra West Pipeline and the Lulita licence. The Company has also provided a parent company guarantee towards the lenders in relation to the Company's USD 1.1 billion reserve-based lending facility and customary obligations/guarantees under joint operating agreements. BlueNord has also provided a parent company guarantee to Shell Energy Europe Limited in relation to its subsidiary BlueNord Energy Denmark A/S's obligations under a gas offtake and transportation agreement capped at EUR 30 million.

Furthermore, the Company has provided a parent company guarantee to Total E&P Denmark A/S for its obligations under the JOA together with a guarantee from Shell. BlueNord has provided standby Letters of Credit of USD 100 million, issued under the USD 100 million sub-limit of the RBL facility for the benefit of Shell in connection with this guarantee.

In relation to BlueNord's historic operations in the UK North Sea, the Company has issued a parent company guarantee on behalf of its subsidiaries BlueNord UK Ltd and BlueNord Energy UK Limited.

On 31 December 2012, BlueNord issued a parent company guarantee on behalf of its subsidiary Noreco Norway AS. BlueNord guarantees that, if any amounts become payable by Noreco Norway AS to the Norwegian Secretary of State under the terms of the licences and the Company does not repay those amounts on first demand, BlueNord shall pay to the Norwegian Secretary of State on demand an amount equal to all such amounts. Noreco Norway AS was liquidated in 2018, however as per 31 December 2023, the guarantee has not been withdrawn.

7 Shareholders' equity

Changes in equity All figures in USD million	Share capital	Share premium	Treasury reserve	Other equity	Total
Equity 31 December 2022	1.7	768.4	(0.1)	(390.7)	379.2
Issue of shares	**0.0**	**14.5**	–	–	**14.6**
Conversion bonds	–	–	–	**0.5**	**0.5**
Share-based incentive program	–	–	**0.0**	**5.0**	**5.1**
Net result for the period	–	–	–	**(10.4)**	**(10.4)**
Equity 31 December 2023	**1.7**	**782.9**	**(0.1)**	**(395.6)**	**388.9**

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8 Share capital and shareholder information

	2023	2022
Ordinary shares	**26,205,849**	25,708,424
Treasury shares	**(100,521)**	(137,162)
Total shares	**26,105,328**	25,571,262
Par value in NOK	**10**	10

BlueNord owns 100,521 of its own shares. All shares have equal rights. All shares are fully paid.

Changes in number of shares and share capital:

	No. of shares	Share capital*
Number of shares and share capital as of 1 January 2022	24,549,013	29.5
Issue of shares	1,159,411	1.4
Capital reduction, approved and registered	–	(29.3)
Share capital as of 31.12.22	25,708,424	1.7
Issue of shares	**497,425**	**0.0**
Share capital as of 31.12.23	**26,205,849**	**1.7**

	No. of shares	Treasury share reserve*
Treasury shares as of 1 January 2022	(438,161)	(0.5)
Sale of Treasury shares	300,999	0.3
Treasury shares as of 31.12.22	(137,162)	(0.1)
Sale of Treasury shares	**36,641**	**0.0**
Treasury shares as of 31.12.23	**(100,521)**	**(0.1)**

* In USD million.

Changes in 2023

The Company received conversion notice from bondholders holding BNOR13 and BNOR15 bonds for a total principal amount of USD 14.6 million in 2023, which pursuant to the bond terms are convertible into 497,425 new shares in the Company. The BNOR13 conversion in January had a conversion price of USD 28.9734, the following conversions had a conversion price of USD 51.4307 according to the new bond terms. Following such conversions, the share capital is increased with NOK 268.5/USD 32.7 thousands.

The Company sold 36,641 of its own shares during the year, of which 23,641 shares was related to first award of the Long-Term Incentive program (LTI). The shares price at transfer date was 475 NOK/share. In addition, 13,000 shares were sold to cover exercise of options held by former employees at strike price 160 NOK/share.

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8 Share capital and shareholder information continued

Overview of shareholders at 02 April 2024:

Shareholder*	Shareholding	Ownership share	Voting share
Euroclear Bank S.A./N.V.	6,815,172	26.0%	26.0%
Goldman Sachs International	5,096,153	19.4%	19.4%
Barclays Bank PLC	2,105,007	8.0%	8.0%
SOBER AS	1,850,000	7.1%	7.1%
J.P. Morgan Securities LLC	1,459,883	5.6%	5.6%
The Bank of New York Mellon SA/NV	949,183	3.6%	3.6%
BNP Paribas	621,520	2.4%	2.4%
CLEARSTREAM BANKING S.A.	509,620	1.9%	1.9%
Citibank, N.A.	499,653	1.9%	1.9%
State Street Bank and Trust Comp	494,195	1.9%	1.9%
Sbakkejord AS	425,500	1.6%	1.6%
FINSNES INVEST AS	313,000	1.2%	1.2%
SOSYFR INVEST AS	308,070	1.2%	1.2%
HANASAND	263,150	1.0%	1.0%
ALTO HOLDING AS	238,300	0.9%	0.9%
VELDE HOLDING AS	230,000	0.9%	0.9%
Morgan Stanley & Co. Int. Plc.	210,055	0.8%	0.8%
JPMorgan Chase Bank, N.A., London	200,872	0.8%	0.8%
OUSDAL AS	200,000	0.8%	0.8%
SONGA CAPITAL AS	185,735	0.7%	0.7%
Total	**22,975,068**	**87.7%**	**87.7%**
Other owners (ownership <0.67%)	3,230,781	12.3%	12.3%
Total number of shares at 02 April 2024	**26,205,849**	**100.0%**	**100.0%**

* Nominee holder.

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9 Payroll expenses and remuneration

USD million	2023	2022
Salaries (incl. Directors' fees)	**(2.6)**	(3.1)
Social security tax	**(0.9)**	(0.5)
Pension costs[1]	**(0.1)**	(0.1)
Costs relating to share-based payments	**(1.9)**	(0.5)
Other personnel expenses	**(0.2)**	(0.2)
Total personnel expenses	**(5.8)**	(4.4)
Average number of employees	**8.0**	7.6

(1) Norwegian companies are obliged to have an occupational pension in accordance with the Norwegian Act related to mandatory occupational pension. BlueNord ASA meets the Norwegian requirements for mandatory occupational pension ('obligatorisk tjenestepensjon').

For further information on remuneration to key management personnel and Board of Directors, please see note 7 in the Consolidated financial statements.

10 Write-down and reversal of financial assets

USD million	2023	2022
Net impairment loans to subsidiaries	**(0.5)**	(2.7)
Net reversal of prior years' impairments on loans to subsidiaries	**0.5**	–
Net impairment of financial assets	**(0.0)**	(2.7)

Write-down of loans to subsidiaries in 2023 consists of impairment of loans in BlueNord UK Ltd. The reversal of previous years' impairment is related to BlueNord Energy UK Ltd. The intercompany loans to the UK investment are impaired to zero.

Write-down of loans to subsidiaries in 2022 consists of impairment of loans to BlueNord UK Ltd. and BlueNord Energy Ltd. The intercompany receivables to the UK investment are impaired to zero.

11 Tax

Reconciliation of nominal to actual tax rate:

USD million	2023	2022
Result before tax	**(10.4)**	(82.5)
Corporation income tax of income (loss) before tax -22%	**(2.3)**	(18.2)
Calculated tax expense	**(2.3)**	(18.2)
Permanent differences	**1.0**	12.5
Changes in deferred tax assets – not recognised	**1.3**	3.7
Prior year adjustments	**–**	2.0
Income tax expense	**–**	–

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11 Tax continued

Deferred tax liability and deferred tax assets:

USD million	2023	2022
Net operating loss deductible	**98.1**	98.8
Interest limitation carried forward	**34.7**	35.8
Fixed assets	**0.0**	0.0
Current assets	**(24.2)**	(21.8)
Liabilities	**34.5**	18.1
Tax base deferred tax liability/deferred tax asset	**143.1**	130.9
Net deferred tax liability/(deferred tax asset) (22%)	**(31.5)**	(28.8)
Unrecognised deferred tax asset	**31.5**	28.8

12 Other operating expenses and audit fees

USD million	2023	2022
Lease expenses	**(0.1)**	(0.2)
IT expenses	**(0.7)**	(0.2)
Travel expenses	**(0.2)**	(0.2)
General and administrative costs	**(0.2)**	(0.1)
Consultant fees	**(1.8)**	(2.9)
Other operating expenses	**(0.5)**	(0.5)
Total other operating expenses	**(3.5)**	(4.1)

Expensed audit fee:

USD 1000, excl. VAT	2023	2022
Auditor's fees	**(232.7)**	(313.0)
Other services	**(86.1)**	(65.4)
Total audit fees	**(318.8)**	(378.4)

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13 Related party transactions

Transactions with related party USD million	2023	2022
a) Allocation of cost to Group companies, Management fee	**3.7**	2.6
b) Allocation of cost to Group companies, IT expenses	**0.7**	0.5
c) Purchases of services	**–**	–
d) Sale of assets	**–**	–

Interest income and interest expenses to Group companies are presented separately in the income statement.

Services are charged between Group companies at an hourly rate which corresponds to similar rates between independent parties. Allocation of IT and management fee to Group companies amounts to USD 4.4 million for 2023.

Balances with Group companies
Carrying value of balances with Group companies are stated on the face of the balance sheet and are all related to 100 percent controlled subsidiaries.

BlueNord did not have any other transactions with any other related parties during 2023. Please see the Executive Remuneration Report 2023 for Director's fee paid to shareholders and remuneration to management.

Independent Auditor's Report
Report on the Audit of the Financial Statements

To the General Meeting of BlueNord ASA

Opinion
We have audited the financial statements of BlueNord ASA, which comprise:
- the financial statements of the parent company BlueNord ASA (the Company), which comprise the balance sheet as at 31 December 2023, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of BlueNord ASA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion
- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 16 years from the election by the general meeting of the shareholders on 25 April 2008 for the accounting year 2008.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment trigger assessment
Refer to note 3.2, critical accounting estimates and assumptions (section d), note 9 Intangible assets, note 11 Property, plant and equipment and note 12 Impairments.

The key audit matter	How the matter was addressed in our audit
As at 31 December 2023, the Group has Property, plant and equipment of USD 2,427.9 million and intangible assets of USD 151.6 million. The Group did not recognise any impairment charge in 2023. The recoverable amounts of producing assets and assets under construction are sensitive to changes in assumptions, in particular oil and gas prices, potential cost overruns, discount rate and oil and gas reserves. Any negative developments in these assumptions and forecasts may be an impairment trigger. Significant auditor judgment is required when evaluating managements impairment trigger assessment.	For the cash-generating unit we critically assessed and challenged the assumptions used in managements impairment trigger assessment, including: • comparison of the Group equity against market capitalisation including an assessment as to how much of the headroom should be contributed to the cash-generating unit • Assessed whether the capitalisation of interest for the current and previous years should be considered an impairment trigger We also evaluated the adequacy and appropriateness of the disclosures in the financial statements.

Assets retirement obligations

Refer to note 3.2 Critical accounting estimates (section c) and assumptions and note 22 Assets retirement obligations.

The key audit matter	How the matter was addressed in our audit
As at 31 December 2023, the Group has non-current Assets retirement obligations of USD 1,033.7 million and current Asset retirement obligations of USD 15.4 million. The determination of the asset retirement obligations ("ARO") involves judgement related to the estimation of future costs, the discount rate applied, the economic cut-off date for fields and the related timing of the expected costs. Significant auditor judgment is required when evaluating the asset retirement obligations and to determine whether there is sufficient evidence available to support the estimates and judgments made.	Our audit procedures in this area included: • Assessing management's process to determine the present value of the estimated future decommissioning and removal expenditures required by local conditions and requirements. • We critically assessed and challenged the link between the economic cut-off date for fields for consistency to the reserves estimate, for which a third party assessment has been obtained. • We assessed and challenged managements expected future costs estimates by comparing these to reports from the operator company and evaluating the historical accuracy of the cost estimates. • Assessing the discount and inflation rate applied with reference to industry practice along with market and Company data. • We assessed the mathematical and methodological integrity of management's valuation model. We also evaluated the adequacy and appropriateness of the disclosures in the financial statements.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of BlueNord ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name bluenordasa-2023-12-31-en, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.
In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

Our responsibility, based on audit evidence obtained, is to express an opinion on whether, in all material respects, the financial statements included in the annual report have been prepared in compliance with ESEF. We conduct our work in compliance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information". The standard requires us to plan and perform procedures to obtain reasonable assurance about whether the financial statements included in the annual report have been prepared in compliance with the ESEF Regulation.

As part of our work, we have performed procedures to obtain an understanding of the Company's processes for preparing the financial statements in compliance with the ESEF Regulation. We examine whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo,
11 April 2024
KPMG AS

Mona Irene Larsen
State Authorised Public Accountant
(This document is signed electronically)

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Statement of Compliance

Board and management confirmation

Today, the Board of Directors and the Chief Executive Officer reviewed and approved the Board of Directors' Report and the BlueNord ASA consolidated and separate annual financial statements as of 31 December 2023.

To the best of our knowledge, we confirm that:

- the BlueNord ASA consolidated annual financial statements for 2023 have been prepared in accordance with IFRS Accounting Standards as adopted by the EU, and additional Norwegian disclosure requirements in the Norwegian Accounting Act;
- the financial statements for BlueNord ASA have been prepared in accordance with the Norwegian Accounting Act and Norwegian Accounting Standards;
- that the Board of Directors' Report for the Group and the parent company is in accordance with the requirements in the Norwegian Accounting Act and Norwegian Accounting Standard no 16;
- that the information presented in the financial statements gives a true and fair view of the Company's and the Group's assets, liabilities, financial position and results for the period viewed in their entirety; and
- that the Board of Directors' Report gives a true and fair view of the development, performance, financial position, principle risks and uncertainties of the Company and the Group.

Oslo
11 April 2024

Riulf Rustad
Executive Chair

Tone Kristin Omsted
Board member

Marianne Lie
Board member

Colette Cohen
Board member

Robert J. McGuire
Board member

Jan Lernout
Board member

Peter Coleman
Board member

Euan Shirlaw
Chief Executive Officer

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 the IFRS. This information is provided as 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.

EBITDA Earnings before interest, taxes, depreciation, depletion, amortisation and impairments. EBITDA assists in comparing performance on a consistent basis without regard to depreciation and amortisation, 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 programme 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	2023	2022
EBITDA	**421.4**	611.2
Non-payment insurance	**6.4**	4.7
Share-option programme(1)	**0.0**	0.1
Adj. EBITDA	**427.8**	616.0

(1) Corrected prior year to only include the share option programme awarded after the DUC acquisition, hence the LTI Programme is not adjusted for.

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

USD million	2023	2022
Cash flow from operating activities	**479.7**	572.9
Tax received/(paid)	**(229.8)**	(11.6)
Net cash flow from operating activities	**249.9**	561.3

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

USD million	31.12.2023	31.12.2022
Convertible bond loans	**(201.7)**	(188.7)
Senior Unsecured bond loan	**(169.1)**	(166.9)
Reserve-based lending facility	**(820.8)**	(764.0)
Other interest-bearing debt	**–**	(25.0)
Interest-bearing debt	**(1,191.6)**	(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	31.12.2022
Cash and cash equivalents	**166.7**	268.4
Convertible bond loan	**(228.4)**	(221.5)
Senior Unsecured bond loan	**(175.0)**	(175.0)
Reserve-based lending facility	**(850.0)**	(800.0)
Other interest-bearing debt	**–**	(25.0)
Net interest-bearing debt	**(1,086.7)**	(953.1)

Supplementary oil and gas information (unaudited)

In March 2024, the Group reported oil and gas 2P reserves and near-term 2C resources, the report is reported separately from the Annual Report 2023. The Reserves Evaluator ERC Equipoise Ltd ('ERCE') has carried out an independent evaluation of the hydrocarbon Reserves and certain Contingent Resources held by BlueNord Energy Denmark A/S in the DUC Sole Concession area, offshore Denmark. ERCE has carried out this work in accordance with the June 2018 SPE/WPC/AAPG/ SPEE/SEG/SPWLA/EAGE Petroleum Resources Management System ('PRMS') as the standard for classification and reporting.

In line with the Annual Statement of Reserves and Resources, the reported reserves include remaining volumes expected to be recovered based on reasonable assumptions about future technical, economic, fiscal, and financial conditions based on year end 2023 data. The calculations of recoverable volumes are associated with significant uncertainties. The 2P estimate represents a best estimate of reserves.

The reported contingent resources (near-term 2C) are potentially recoverable volumes from known accumulations for which development plans are being matured or further evaluation is under way with a view to development in the near term. This does not include the full portfolio of BlueNord's 2C resources.

The 2P reserves and near-term 2C resources for the DUC portfolio are shown below using the figures from the Annual Statement of Reserves and Resources issued in March 2024 as basis.

Total reserves as of 31.12.2023

Field	Hub	Status	Liquids (mmbbl)	Gas (mmboe)	Oil Eq. (mmboe)	Interest %	Oil Eq. (mmboe)
Dan	Dan	On Production	60.4	4.5	64.9	36.8%	23.9
Kraka	Dan	On Production	6.9	0.1	7.1	36.8%	2.6
Gorm	Gorm	On Production	14.4	–	14.4	36.8%	5.3
Skjold	Gorm	On Production	22.4	1.2	23.7	36.8%	8.7
Rolf	Gorm	On Production	2.4	–	2.4	36.8%	0.9
Halfdan (incl. Halfdan North East)	Halfdan	On Production	77.6	24.9	102.6	36.8%	37.7
Tyra	Tyra	Under Development	31.6	83.2	114.8	36.8%	42.2
Valdemar	Tyra	Under Development	38.4	21.3	59.7	36.8%	22.0
Roar	Tyra	Under Development	7.0	16.1	23.1	36.8%	8.5
Harald	Tyra	Under Development	1.0	5.5	6.7	36.8%	2.5
Lulita	Tyra	Under Development	1.1	0.6	1.6	28.4%	0.4
Halfdan HCA Gas Lift Project	Halfdan	Approved for Development	0.6	7.4	8.0	36.8%	2.9
Halfdan Ekofisk Infills	Halfdan	Justified for Development	5.7	5.1	10.8	36.8%	4.0
Valdemar Bo South	Tyra	Justified for Development	17.2	7.7	24.9	36.8%	9.2
Adda (Phase 1)	Tyra	Justified for Development	17.2	23.0	40.2	36.8%	14.8
Total 2P reserves			**304.0**	**200.6**	**504.6**		**185.6**
Field							
Halfdan Tor NE Infill #2			1.4	1.0	2.4	36.8%	0.9
Adda (Phase 2)			3.4	10.5	14.0	36.8%	5.1
Svend			311.4	1.7	13.1	36.8%	4.8
Halfdan North			38.4	5.9	44.3	36.8%	16.3
Total 2C resources			**54.7**	**19.0**	**73.7**		**27.1**
Total 2P reserves and near-term 2C Resources			**358.7**	**219.7**	**578.3**		**212.7**

Appendix 1. Task Force on Climate-related Financial Disclosures ('TCFD')

BlueNord's TCFD reporting is fully compliant with the requirements shown below.

There is a growing demand for decision-useful, climate-related information, and creditors and investors are increasingly demanding access to risk information that is consistent, comparable, and clear.

The Financial Stability Board created the TCFD to improve and increase reporting of climate-related financial information. Additionally, TCFD encourages the standardised reporting structure for financially material climate-related risks and opportunities to give investors, lenders, and insurers enhanced comparability when assessing and pricing pertinent companies.

The TCFD framework is made up of 11 recommended disclosures divided into four pillars that represent core elements of how organisations operate. The four pillars are: governance, strategy, risk management, and metrics and targets. Moreover, the framework separates into three main categories: risks related to the physical impacts of climate change, risks related to the transition to a lower-carbon economy, and climate-related opportunities. TCFD has also incorporated financial impact as an integral part of its disclosure recommendations.

In line with the TCFD recommendations, a report in accordance with TCFD is as of 2022 an integrated part of BlueNord's annual financial reporting, and the report is reviewed annually by the Audit Committee, ESG Committee and the Board.

Core elements of recommended Climate-related Financial Disclosures

Governance
The organisation's governance around climate-related risks and opportunities.

Strategy
The actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy, and financial planning.

Risk management
The processes used by the organisation to identify, assess and manage climate-related risks.

Metrics and targets
The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

Governance	Recommended Disclosures		
Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the Board's oversight of climate-related risks and opportunities.	b) Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy	**Recommended Disclosures**		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°c or lower scenario.
Risk management	**Recommended Disclosures**		
Disclose how the organisation identifies, assesses, and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	b) Describe the organisation's processes for managing climate-related risks.	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.
Metrics and targets	**Recommended Disclosures**		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	b) Disclose scope 1, scope 2, and, if appropriate, scope 3 GHG emissions, and the related risks.	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Appendix 1. Task Force on Climate-related Financial Disclosures ('TCFD') continued

1. Governance

a. Board-level oversight

The Board fully supports the recommendations of the TCFD. The Board Chair has overall responsibility for the management of climate-related issues at BlueNord, and the Board is responsible for ensuring that climate-related targets are defined and addressed as part of Company strategy.

The Board receives regular updates from management, and will ensure that our risk management and internal control systems are adequate in relation to the regulations governing the business.

The Board reviews the Group's main risk areas and internal control systems annually. This includes the Group's values, Code of Conduct and corporate responsibility policy. The Board reports annually on climate impacts and any risks that the Company faces.

b. Management-level oversight

Executive management is responsible for identifying risks and opportunities, and for implementing effective processes and mitigation efforts. This includes climate-related issues, risks and opportunities within the managers' respective areas of responsibility.

The Chief Corporate Affairs Officer has responsibility for ESG strategy, and reports directly to the CEO. In 2020, an ESG Committee was established to support BlueNord's commitment to ESG and to evolve our contribution to the energy transition.

Climate risks are also assessed as part of BlueNord's risk management process. For more information on BlueNord's risk management processes, including the assessment of climate-related risks, see the relevant sections of this report.

See Governance Framework on page 53.

2. Strategy

a. and b. Identified climate-related risks and opportunities

In line with the recommendations laid out in the TCFD framework, BlueNord has conducted a process to assess how, and to what extent, the Company is exposed to climate risk. Management representatives for Finance and Corporate Affairs participated in a workshop to identify significant physical risk, transition risk, and opportunities created by climate change.

In the workshop, risks and opportunities were assessed in a strategic and financial context, against three different time horizons and four different climate scenarios. This assessment was reviewed again in January 2024.

The following time horizons were used:

- Short term – 2023–25.
- Medium term – 2025–30.
- Long term – 2030–50.

These four International Energy Agency ('IEA') climate scenarios were used:

- Net Zero Emissions by 2050 scenario ('NZE').
- Stated Policies scenario ('STEPS').
- Sustainable Development scenario ('SDS').
- Announced Pledges scenario ('APS').

For BlueNord it is important to identify the most significant climate-related risks and opportunities we face, as this can help us to make informed decisions about how to mitigate, or take advantage of, these factors.

To identify the most critical risk factors, the management representatives assessed factors that could potentially impact the operations negatively and the probability of occurrence.

To identify the opportunities with the highest potential, the management representatives assessed how the factors could potentially impact the Company positively, and the degree of difficulty posed by taking advantage of any opportunity.

Risk factor defined as most critical:

1. High/increased CO_2 tax.

Opportunities defined with greatest potential:

1. Resource efficiency.
2. Evolution of financial markets.
3. Relatively flexible BlueNord investments.
4. Sector already strictly regulated and well-prepared for harsh weather conditions.

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Appendix 1. Task Force on Climate-related Financial Disclosures ('TCFD') continued

Acute physical risk

Through our acute physical risk identification process, we identified extreme weather due to increased frequency and intensity of strong wind, storms, and hurricanes as most significant to BlueNord. Such events may impact BlueNord's direct operations, or cause disruptions in the supply chain. Any events delaying production have a financial implication.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	The climate scenario in which the risk is most relevant	Time horizon	Mitigation strategy
Increased frequency and intensity of strong wind, storms, and hurricanes	Climate change and temperature increases may lead to more extreme weather. The wind speed is expected to increase, and the air will contain more moisture. This will lead to increased occurrences of strong winds, storms, and hurricanes in the future.	• Inability to have people safely Offshore. • Inability to transport people and equipment, as this is done by helicopter and supply ships. • Weakened production capacities due to shortage of supplies, employees and possible damage to the equipment.	Reduced revenue and increased costs associated with asset repair and additional labour. Potential impact on production.	BlueNord sees the greatest consequences in STEPS, but the negative effects may be more relevant for the supply chain at an earlier stage.	Long term.	BlueNord is constantly working to strengthen our work on human rights and decent working conditions, by reviewing and revising our Corporate Social Responsibility Guidelines. This helps us establish governance documents, routines and instructions related to due diligence processes and our supply chain to ensure that we apply to the highest standards of professional and ethical standards in the conduct of our business affairs. In addition, Total Energies has in 2023 provided a letter of comfort related to their compliance program, with this the main part of the companies supply chain has been assessed.

Chronic physical risk

Chronic physical risks refer to longer-term shifts in climate patterns, such as sustained higher temperatures that may cause sea level rise or chronic heat waves.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	The climate scenario in which the risk is most relevant	Time horizon	Mitigation strategy
Rising sea levels	Sea levels may rise due to expanding ocean volumes from temperature increases and from melting glaciers and ice sheets.	• High waves which hit the infrastructure on the platform causing damage.	• Increased cost due to adaption of platforms in order to handle rising sea level.	Most relevant in STEPS.	Long term.	The platforms have already been reconstructed or assessed to meet the risk of sinking seabeds. This has prepared them more for extreme weather events and rising sea levels.

Transition risk – Policy and Legal

Transitioning to a lower-carbon economy may entail extensive policy and legal changes to address mitigation and adaptation requirements related to climate change. We have identified the following policy actions and climate-related litigation claims as the most significant for BlueNord.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	The climate scenario in which the risk is most relevant	Time horizon	Mitigation strategy
Uncertainty related to the EU Taxonomy and how this will impact BlueNord	Increasing need to demonstrate that economic activities are environmentally sustainable.	• More difficult and more expensive to raise support from a capital market perspective and debts perspective.	• Limited access to capital. • Increased cost of capital.	Most relevant in NZE/SDS.	Medium and long term.	Focus on having a close dialogue with investors. Transparency is crucial when it comes to climate risk. BlueNord focuses on being as transparent as possible towards investors and other stakeholders.

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Appendix 1. Task Force on Climate-related Financial Disclosures ('TCFD') continued

Transition risk – Policy and Legal continued

Transitioning to a lower-carbon economy may entail extensive policy and legal changes to address mitigation and adaptation requirements related to climate change. We have identified the following policy actions and climate-related litigation claims as the most significant for BlueNord.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	The climate scenario in which the risk is most relevant	Time horizon	Mitigation strategy
Increased carbon pricing and taxes	Carbon tax is an instrument for cost-effective cuts in GHG emissions. Other extraordinary taxes or measures to affect the operations of high-emission sectors could also be put in place as solidarity measures.	• Low emissions and being part of the energy transition will play a bigger part in the licence to operate.	• Increase cost of the business and shorten life of assets, and increase likelihood of stranded assets.	Most relevant in NZE/SDS.	Short, medium and long term.	Reducing emissions as much as possible on current and future operations.

Transition risk – Technology

Technological improvements or innovations that support the transition to a lower-carbon, energy-efficient economic system can have a significant impact on organisations.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	The climate scenario in which the risk is most relevant	Time horizon	Mitigation strategy
Transition to lower emission technology	Gas has a role and opportunity in the transition. In the long run, the need for oil and gas will change/decrease. Technology also represents an opportunity in identifying, addressing, and reducing risks.	Changes in demand due to: • Declining cost on renewables. • Electrification of industries and transportation. • Advanced technology, which makes it possible to monitor and detect possible spills and reduce impact, and consequently, identify and reduce emissions.	• Decrease in revenue, due to reduced oil and gas demand • Technology for monitoring will provide more precise measures, ability to respond immediately and potentially reduce financial impact.	Most relevant in NZE.	Medium and long term.	CCS projects, both onshore and offshore to support hard to abate emissions.

Transition risk – Market

While the ways in which markets could be affected by climate change are varied and complex, one of the major ways is through shifts in supply and demand for certain commodities, products, and services as climate-related risks and opportunities are increasingly taken into account.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	The climate scenario in which the risk is most relevant	Time horizon	Mitigation strategy
Changes in gas demand	The transition to a zero-emissions society is expected to decrease the demand for gas in the long run. The speed of transition is uncertain. The current geopolitical situation has increased the focus on energy security where gas plays a part, but also where the transition to renewables has increased in pace.	• Declining demand based on new technology. For instance, electric vehicles, heat pumps, an increasingly circular economy and less use of plastic.	• Decreased revenues.	Most relevant in NZE.	Medium and long term.	BlueNord focuses on gas as the transition fuel to decrease carbon intensity.

Appendix 1. Task Force on Climate-related Financial Disclosures ('TCFD') continued

Transition risk – Reputation

Climate change has been identified as a potential source of reputational risk tied to changing customer or community perceptions of an organisation's contribution to or detraction from the transition to a lower-carbon economy.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	The climate scenario in which the risk is most relevant	Time horizon	Mitigation strategy
Reputation risk in the era of ESG	Fossil fuel is not a renewable energy source and leaves a large carbon footprint. Still, gas will play a role in the future energy mix. Abandonment of infrastructure needs to be done in a safe and sustainable manner thus contributing to circularity of these materials.	• Oil and gas producers generally have a poor reputation in the field of ESG. BlueNord needs to demonstrate the required accountability and responsibility to maintain its social licence to operate. • Increased requirements for sustainable abandonment.	• Reduced revenue from decreased demand for goods/services. • Reduction in capital availability and higher cost of capital. • Increased cost related to abandonment/recycling.	Most relevant in NZE, SDS.	Medium and long term.	Presenting a balanced view of both our production activities and energy transition initiatives and projects, for example Carbon Cuts CCS project. BlueNord is working diligently to recycle materials. The Company is also assessing sustainable decommissioning strategies which leave infrastructure on the seabed based on value to sealife.

Resource efficiency

There is growing evidence that it is possible for organisations to reduce operating costs by improving efficiency across production and distribution processes, buildings, machinery/appliances, and transport/mobility.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	The climate scenario in which the risk is most relevant	Time horizon	Mitigation strategy
Efforts to increase resource efficiency	More efficient operations can lower cost and reduce emissions intensity. Good for both business and the environment.	• Increased operational productivity leads to increased revenue and reduced unit costs.	• Increased interest from investors. • Easier access to capital. • Increased revenue.	All.	Short, medium, and long term.	Reducing emissions from our facilities in collaboration with the Operator. We work actively to reduce flaring and to improve production optimisation to reduce emissions and energy (fuel) use.

Energy sources

The trend toward decentralised clean energy sources, rapidly declining costs, improved storage capabilities, and subsequent global adoption of these technologies is significant. Organisations that shift their energy usage toward low-emission energy sources could potentially save on annual energy costs.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	The climate scenario in which the risk is most relevant	Time horizon	Mitigation strategy
Use of alternative energy in operations	The world is switching to renewable energy and electrical operating solutions that reduce the emission of CO_2. BlueNords platforms are gas-fired or fired by diesel generators. There is a potential to develop the approach to alternative energy sources.	• Emissions reduction.	• Easier access to capital.	Most relevant in NZE.	Medium and long term.	Dialogue with the Operator on alternative energy sources and potential electrification of facilities remains an opportunity if economic to do so.

Appendix 1. Task Force on Climate-related Financial Disclosures ('TCFD') continued

Products and services

Organisations that innovate and develop new low-emission products and services may improve their competitive position and capitalise on shifting consumer and producer preferences.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	The climate scenario in which the risk is most relevant	Time horizon	Mitigation strategy
New products	To reach the climate targets and reduce carbon emissions internationally, CCS technologies need to be deployed on a large scale and will be increasingly important.	• CCS represents a benefit for the climate which does not involve the sacrifice of crucial energy sources.	• Increased interest from new investors and easier access to capital.	Most relevant in NZE.	Medium and long term.	Two CCS projects: Project Bifrost and CarbonCuts.

Markets

Organisations that proactively seek opportunities in new markets or types of assets may be able to diversify their activities and better position themselves for the transition to a lower-carbon economy. In particular, opportunities exist for organisations to access new markets through collaborating with governments, development banks, small-scale local entrepreneurs, and community groups in developed and developing countries as they work to shift to a lower-carbon economy. BlueNord has addressed the following opportunity.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	The climate scenario in which the risk is most relevant	Time horizon	Mitigation strategy
Financial markets evolvement	ESG and climate risk is increasingly seen as an important risk in the financial markets.	• Shift from the typical funding sources to more targeted structures.	• For those not addressing this – higher risk and costs. • Changed interest rate market.	Relevant in all scenarios.	Short, medium and long term.	Various measures to be more suited for a changed financial market.

Resilience

The concept of climate resilience involves organisations developing adaptive capacity to respond to climate change to better manage the associated risks and seize opportunities, including the ability to respond to transition risks and physical risks. Opportunities related to resilience may be especially relevant for organisations with long-lived fixed assets or extensive supply or distribution networks; those that depend critically on utility and infrastructure networks or natural resources in their value chain; and those that may require longer-term financing and investment.

Identified risk	Description of risk	Potential impacts	Potential financial impacts	The climate scenario in which the risk is most relevant	Time horizon	Mitigation strategy
Strictly regulated sector	The energy transition will result in stricter regulations.	Changes in regulations, CO_2 taxes.	• For those that are already in line with the regulations it can decrease the demand for mitigation and adjustment of strategy.	Most relevant in STEPS.	Short, medium, and long term.	BlueNord is already part of a strictly regulated sector that operates in harsh weather conditions. Many precautions and adaptations are therefore already in place and could be a competitive advantage.
Flexible future investments	Future market developments will greatly affect the return on investments in fossil fuels.	Increase in future profits by being dynamic and adjusting investment strategy.	• Less risk of being locked in outdated solutions and demand scenarios; flexibility to diversify and increase profitability.	Most relevant in STEPS.	Short, medium, and long term.	BlueNord can choose to invest in more gas-weighted projects or CCS depending on how the market is evolving. Currently, the market for gas remains attractive and continues to be a value fuel along with oil.

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Appendix 1. Task Force on Climate-related Financial Disclosures ('TCFD') continued

c. Scenario analysis

In line with the recommendations laid out by the TCFD, BlueNord conducted a qualitative scenario analysis in 2023 of all identified risks and opportunities as part of the climate risk assessment.

The Net Zero Emissions by 2050 Scenario ('NZE')	Limiting the global temperature rise to 1.5°C without a temperature overshoot (with a 50 percent probability). The NZE is a normative scenario, meaning it starts with a defined goal to achieve net-zero CO_2 emissions by 2050, and shows an example of a pathway that could get the world to that target. In this scenario, demand for oil falls by more than 2 mbpd per year between 2020 and 2050. Demand for natural gas grows to 2025, drops after 2025 and falls well below 2020 levels by 2030.
The Sustainable Development Scenario ('SDS')	IEA's Sustainable Development Scenario ('SDS') is compatible with the Paris Agreement's less ambitious 'well-below 2°C' goal. It assumes all energy-related SDGs and all current net-zero pledges are achieved, with advanced economies reaching net-zero emissions by 2050, China by 2060 and all others by 2070 at the latest. It has a 50 percent probability of limiting global temperature rise to 1.65°C, assuming no extensive net negative emissions. With some net negative emissions after 2070, temperature rise could be reduced to 1.5°C by 2100.
The Announced Pledges Scenario ('APS')	This scenario appears for the first time in the World Economic Outlook 2021. It assumes that all climate commitments made by governments around the world, including Nationally Determined Contributions and longer-term net-zero targets as of mid-2021, will be met in full and on time. In the APS, global oil demand peaks soon after 2025 and then falls by around 1 mbpd per year to 2050. Demand for natural gas also reaches its maximum level soon after 2025 and then declines slowly.
The Stated Policies Scenario ('STEPS')	Rather than assuming that governments will reach all announced goals, this scenario reflects a sector-by-sector assessment of the specific policies that have been put in place, as well as those that have been announced by governments around the world. This scenario provides a more conservative benchmark for the future. In the STEPS, global oil demand exceeds 2019 levels by 2023 before peaking in the mid-2030s and then declining very gradually to 2050. Demand for natural gas continues to rise after 2025 and is around 15 percent higher in 2030 than in 2020.

3. a., b., and c. Risk management

The identification, assessment and management of climate-related risks and opportunities is an integral part of BlueNord's multidisciplinary risk and opportunity management. The BlueNord Board and management will conduct regular reviews of the Group's activities for identifying, assessing, and responding to climate-related risks and opportunities. The risk management process will be reviewed on an annual basis.

2023 was the first year of implementation of the climate-risk management process recommended by TCFD. A material risk and opportunity matrix system developed by Tavler AS was used as a foundation for this process. The identification and assessment processes were conducted through a workshop with EVP Finance and EVP Investor Relations, and ESG representatives from different organisational levels and functions, providing a balanced picture of the risks and opportunities faced by BlueNord.

In the matrix, the impact (large, relatively large, relatively easy, easy) and likelihood (high/low) of each risk and opportunity are determined. Based on each risk's categorisation, BlueNord will develop, review, and implement response plans to mitigate risks and maximise opportunities.

4. a., b., and c. Metrics and targets

BlueNord works to reduce our carbon footprint while contributing to energy security. Our commitment is to a 50 percent reduction in emissions by 2027, and to achieving 80 percent power from renewables by 2029. BlueNord will also focus on investing in suitable and earlier-stage CCS projects.

As a non-operator, BlueNord will work to protect the environment to the greatest possible extent, both in its own operations and through the Company's partnership in the DUC. The data reported on climate and nature have been supplied by the Operator Total Energies for the DUC. BlueNord will monitor and report on performance year-on-year as part of our sustainability strategy, which will be established later this year. BlueNord is committed to independently verifying its direct and indirect emissions in 2024. The following metrics are used to assess climate-related risks and opportunities: CO_2 emissions, fuel consumption, flaring, fugitive emissions, nitrogen oxides ('NOx') and sulphur oxides ('SOx') emissions, GHG emissions, and GHG intensity related to DUC operations.

UN Sustainable Development Goals

The United Nations Sustainable Development Goals ('SDGs') provide a blueprint for achieving a better and more sustainable future for all by addressing global challenges such as poverty, inequality, climate change, environmental degradation, peace, and justice. BlueNord continues to identify our best solutions to contribute to the SDGs as we aim to address various environmental, social and economic challenges facing our world today. Examples of our actions, programmes and the SDGs to which they relate are demonstrated here and throughout this report.

Sustainability impact area		SDGs	2023 focus
People	BlueNord promotes the welfare and rights of employees, communities, and other stakeholders.		• Ensure safe operations along with DUC operator. • Promote healthy and safe working environment. • Respect Human and Labour Rights. • Foster Diversity and Inclusion (D&I). • Deliver continuous professional development for our employees. • Create awareness and provide training in HSE, D&I and Feedback culture.
Climate and sustainable energy	BlueNord identifies and invests in initiatives that reduce emissions and ensure secure access to locally produced energy.		• Reduce GHG emissions (reduce and eliminate flaring, detect and reduce methane). • Improve energy efficiency at DUC operations with pressure loss reductions and increased uptime. • Continue investing in CarbonCuts to contribute to Denmark's CCS ambition and net-zero target. • Ensure access to locally produced, affordable, reliable, and secure energy for EU.
Environment	BlueNord identifies and invests in initiatives that reduce environmental impact and promote sustainability.		• Support DUC's ambition to locally recycle obsolete infrastructure (similarly to Tyra). • Assess water biodiversity by evaluating cod populations around Offshore infrastructures. • Reduce DUC operations' atmospheric emissions by 40 percent in 2030 compared to 2015. • Minimise chemicals and hydrocarbons from produced water discharged to sea in strict adherence with discharge permits and environmental regulations.
Responsible and ethical business	BlueNord's Board of directors and executives are expected to demonstrate integrity, honesty, and accountability in their decision-making.		• Promote Board diversity and independence. • Demonstrate ethical leadership. • Maintain transparency in market communication and disclosures. • Comply with local legislations, reporting requirements and standards. • Create shared economic value.
Partnerships	BlueNord collaborates with DUC's partners, governmental bodies, civil society, businesses, academia, and NGOs to address challenges effectively.		• Engage with local communities. • Build partnerships. • Cultivate technology and innovation within DUC and via funding of DOTC.

BlueNord's contribution to the UN's 2030 sustainable development agenda.

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Appendix 3. Environment – Climate

Performance status 2023: Atmospheric emissions

TOPIC	DESCRIPTION
CO_2 emissions	Main CO_2 source is the fuel gas for production. Figure also includes flaring and other fuels contribution.
Fuel consumption	Fuel is consumed primarily by single cycle gas turbine powering generators, gas compressors, and pumps. Diesel generators are being used when power cannot be generated with fuel gas. This is typically the case on drilling rigs, during production shutdown or on platforms without processing capacities and without power supply from adjacent platforms.
Flaring	Flaring of natural gas is occurring on all hubs when required to allow safe operation during production upsets and non-routine operation.
Fugitive emissions	Venting of gas from production facilities is to ensure safe operation. Venting is primarily relevant for systems operating at atmospheric pressure, but it also occurs during facilities maintenance.
NOx and SOx emissions	The operation of gas turbine drives and diesel engines offshore causes emissions of nitrogen oxides and sulphur oxides.
CH4	CH4 and non-methane volatile organic compounds ('nmVOC') come directly from our gas. They can originate from unburned parts of our fuel gas or flare gas (they do not burn at 100 percent efficiency) or from releases, i.e. process vents or tiny leaks that are below threshold limits of our safety detection systems.
nmVOC	CH4 and nmVOC come directly from our gas. They can originate from unburned parts of our fuel gas or flare gas (they do not burn at 100 percent efficiency) or from releases, i.e. process vents or minor leaks that are below threshold limits of our safety detection systems.
GHG emissions	Greenhouse gases that are released to the atmosphere as a result of the operations. Green house gases are gases that trap heat in the atmosphere and are responsible for global warming. The following gases are considered GHG: Carbon dioxide (CO_2), Methane (CH4), Nitrous Oxide (N2O), Perfluorocarbons (PFCs), Sulphur hexafluoride (SF6), Hydrofluorocarbons (HCFs), Chlorofluorocarbons (CFCs), nitrogen oxides (NOx).
GHG intensity	GHG intensity corresponds to total GHG emissions in CO_2 equivalent over total production expressed in barrel of oil equivalent.
ETS reporting perimeter	DUC offshore fixed installations are subject to the EU Emissions Trading System. The emissions included in the system are currently limited to CO_2, which is emitted as a result of fuel combustion (gas and diesel) and flaring.

Table 1.

Appendix 3. continued. Environment – Nature

Performance status 2023: Discharge to sea

TOPIC	DESCRIPTION
Discharge to sea	Water is produced from the fields together with the hydrocarbons. For the fields Dan and Halfdan, the produced water is discharged to the sea after separation and cleaning. In the fields Gorm and Skjold, the water is reinjected. The water produced is partly formation water and partly injected sea water. In 2023, 25.1 percent of the produced water was reinjected. Oil is discharged to sea as part of the produced water and the efficiency of oil/water separation is a key factor for the oil in water concentration. The increase in concentration of oil in water and the higher discharge from 2022 to 2023 is mainly due to separator issues on Dan. The level of discharge is within the legal limit.
Spills	Spills from closed systems and from handling of various liquids are reported in accordance with environmental regulation. In 2023, 15 oil and diesel spills and 20 chemical spills were reported, compared with 6 oil and diesel spills and 32 chemical spills in 2022. Ongoing efforts are made to minimise the number and level of spills that occur.

Table 2.

TOPIC	DESCRIPTION
Chemical usage	Chemicals are used for various purposes in the oil and gas industry. They are used to drill, complete, stimulate and operate wells, as well as to enhance oil recovery. Some of the chemicals help protect the production equipment and pipelines from corrosion, scaling, souring etc. Each chemical is categorised with a colour according to OSPAR representing how harmful the chemicals are to the environment.
Chemical discharge	Some chemicals will be discharged to sea with the discharged produced water after separation or unintentionally through spills. The discharge of chemicals is highly regulated through discharge permits and operators must follow regulation and best practices to minimise the environmental impact.

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Appendix 4. BlueNord | Transparency Act Report

Account of the due diligence assessment

BlueNord ASA ('BlueNord') is committed to respecting fundamental human and labour rights, both in operations and in relations with business partners. At BlueNord, we comply with all applicable laws and regulations, including the Norwegian Transparency Act, entered into force on 1 July 2022. The Act's intention is to promote companies' respect for fundamental human rights and decent working conditions. We recognise that our activities can cause, contribute, or be linked to negative human rights and other social impacts. BlueNord operates in a low-risk environment regarding human rights abuse, as all our operations are in Denmark. Furthermore, most of our vendors are based in Denmark or other low-risk countries. However, we are aware of potential human and labour rights risks that may occur in our operations or further up or down in our supply chain.

In cases where BlueNord operations might have caused or contributed to adverse human rights impact, we will provide or cooperate in providing appropriate remediation to affected stakeholders.

Organisation

BlueNord is a material independent E&P company with a 'see to it' duty, meaning an obligation to ensure that the operator carries out its work in accordance with the regulatory requirements while reducing risks and environmental impact to a minimum.

The executive management is responsible for overall risk management with the Chief Corporate Affairs Officer responsible for the work carried out regarding the Transparency Act. This work is included in BlueNord's ESG work. In 2020, an ESG Committee was established to support BlueNord's commitment to ESG and to evolve its contribution in the energy transition.

Guidelines and routines

BlueNord has developed guidelines to prevent violations of human rights, indecent working conditions, damage to the environment, and involvement with corruption. The relevant guidelines are described in Corporate Social Responsibility Guidelines, including the Code of Conduct as well as HSE policy, approved by the Board of Directors.

In October 2022, BlueNord conducted an overall due diligence assessment in accordance with the requirements of the Transparency Act based on a methodology including ISO Standard 31000 for managing risks. The due diligence is an on going risk management process to identify, assess, prevent, and mitigate human rights risks across the entire value chain of the business. This process applies to BlueNord's operation including subsidiaries, where BlueNord has operational control, associated activities within the value chain, and relevant stakeholders e.g., employees, suppliers, and subcontractors. The Company is committed to perform an annual review of the due diligence assessments on these topics to monitor and manage actual and potential adverse impacts on human rights and working conditions.

Findings as of 2023

BlueNord performed an overall strategic risk assessment including risks associated with its operator. The Company only holds interest in the DUC, which is operated by TotalEnergies.

In the risk assessment, BlueNord focused on the following five categories and related activities in their business value chain: exploration, appraisal, development, production, and abandonment. Business partners who provide the Company with goods and services that are not a direct part of the value chain were also part of the assessment. These non-negligible expenditures are related to acquisition of seismic data, IT and digitalisation services, office services, such as cleaning and canteen services, and professional services, such as insurance, accounting, legal and other commercial or technical advisers and hire of in-house technical specialists.

No negative consequences were discovered during the recent due diligence assessment, given that BlueNord has limited activity in the various categories and operates within strong sector regulations. When prioritising risks while identifying uncertainties, BlueNord highlighted yard activities, input factors used in construction, and dismantling and managing steel and waste disposal when brought to shore, as the most severe risks that may occur.

Measures

Concrete measures and initiatives have been identified to manage the identified severe risks that may occur. Therefore, BlueNord approves all contractors proposed by the operator with a contract value above DKK 100 million. If the contractor is based outside the EEA or the UK, the operator shall demonstrate the contractor adheres to human rights and working conditions prior to such approval. In addition, BlueNord shall visit the relevant yards when applicable. For the time being, BlueNord is not involved in any activities which was highlighted during the due diligence assessment. In the case of new activities or projects within one of these categories, there will be a need for assessing risks of human rights and decent working conditions.

Results

BlueNord is constantly working to strengthen our work on human rights and decent working conditions. We aim to review and revise our Corporate Social Responsibility Guidelines in accordance with OECD's guidelines and clarify our expectations to business partners. Furthermore, the measures will help us establish governance documents, routines and instructions related to due diligence processes and our supply chain to ensure that we apply the highest standards of professional and ethical standards in the conduct of our business affairs. In addition, Total Energies has in 2023 provided a letter of comfort related to their compliance programme. The main part of the Company's supply chain has been assessed with this.

The operator did not enter any major contracts, i.e. above 100 MDKK, with contractors outside EEA or UK in 2023.

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Appendix 4. BlueNord | Transparency Act Report continued

The overview below indicates where to find more relevant information to cover the reporting requirements according to Section 5 of the Act in the Sustainability.

Requirement	Page reference
A general description of the enterprise's structure and area of operations.	6-8
Guidelines and procedures for handling actual and potential adverse impacts on fundamental human rights and decent working conditions.	39-43
Information regarding actual adverse impacts and significant risks of adverse impacts that the enterprise has identified through its due diligence.	35
Information regarding measures the enterprise has implemented or plans to implement to cease actual adverse impacts or mitigate significant risks of adverse impacts, and the results or expected results of these measures.	41, 43

Oslo
11 April 2024

Riulf Karsten Rustad
Executive Chair

Marianne Lie
Board member

Robert J. McGuire
Board member

Peter Coleman
Board member

Tone Kristin Omsted
Board member

Colette Cohen
Board member

Jan Lernout
Board member

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Information about BlueNord

ESEF information:

Name of reporting entity or other means of identification	BlueNord Group
Explanation of change in name of reporting entity or other means of identification from end of preceding reporting period	NA
Domicile of entity	Norway
Legal form of entity	ASA
Country of incorporation	Norway, UK, Denmark
Address of entity's registered office	Nedre Vollgate 1, 0158 Oslo, Norway
Principal place of business	Oslo
Description of nature of entity's operations and principal activities	Oil and gas
Name of parent entity	BlueNord ASA
Name of ultimate parent of group	BlueNord ASA

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Financial Calendar 2024

14 May	Annual General Meeting
07 May	Q1 2024 Report
10 July	Q2 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 Colman	

Management

Euan Shirlaw	Chief Executive Officer
Jacqueline Lindmark Boye	Chief Financial Officer
Marianne Eide	Chief Operating Officer
Cathrine Torgersen	Chief Corporate Affairs Officer

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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.

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