

DNO ASA

Report

2023 Interim Results



Key figures

USD million	Quarters			Full-Year	
	Q4 2023	Q3 2023	Q4 2022	2023	2022
Key financials					
Revenues	199.3	141.0	338.1	667.5	1,377.0
EBITDAX	135.1	78.2	244.2	431.5	1,116.0
EBITDA	116.8	71.8	226.7	383.8	1,019.5
Operating profit/-loss	37.6	40.3	-76.2	218.3	431.4
Net profit/-loss	4.2	-54.5	42.6	18.6	384.9
Free cash flow	33.3	-5.7	149.8	-81.7	618.8
Operational spend	143.7	119.4	193.1	561.9	741.4
Net cash/- debt	152.7	141.9	388.2	152.7	388.2
Lifting costs (USD/boe)	7.3	13.0	7.8	10.7	6.5
Key operational data					
Gross operated production (boepd)	65,773	25,984	107,822	46,500	107,637
Net production (boepd)*	69,684	37,150	99,257	52,566	97,310
Sales volume (boepd)	41,685	25,646	40,770	28,885	38,444

* Net production full-year 2022 includes West Africa segment (equity accounted investment), effective from 1 January 2022.

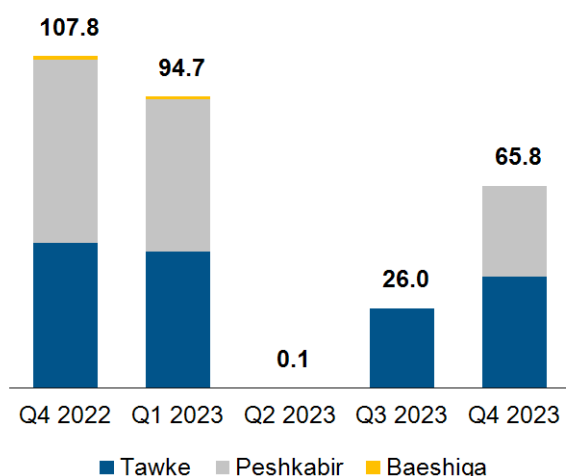
For more information about key figures, see the section on alternative performance measures.

2023 highlights

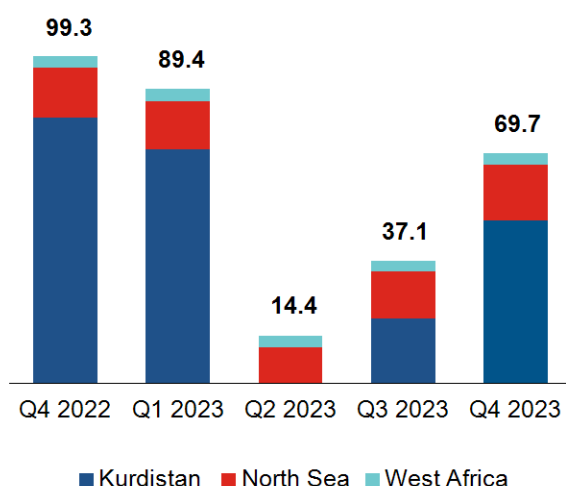
- 2023 figures negatively impacted by March 2023 export pipeline shutdown resulting in reduced Kurdistan production with volumes sold in local market on a cash and carry basis at lower realized oil prices than previously achieved through export
- Total DNO 2023 revenues of USD 668 million and operating profit of USD 218 million. Net profit of USD 19 million, down from USD 385 million in 2022
- The balance sheet remains strong with an equity ratio of 47 percent as the Company exited the year with cash deposits of USD 719 million and net cash of USD 153 million
- In 2023, cash was returned to shareholders through quarterly dividends totaling USD 92 million and share buybacks totaling USD 51 million
- Net production picked up as from Q3 2023 and averaged 52,600 boepd for the full year, of which Kurdistan 34,900 boepd, North Sea 14,200 bopd and West Africa 3,500 boepd
- DNO third most active exploration driller on Norwegian Continental Shelf (NCS) in 2023 and ranked second in discovered volumes
- The 2023 discoveries included Carmen (DNO 30 percent), as well as Norma (30 percent), Heisenberg (49 percent) and Røver Sør (20 percent)
- Additionally, successful appraisal drilling moved previous discoveries Bergknapp (30 percent) and Ofelia (10 percent) closer to development

Operational review

Gross operated production (Thousand boepd)



Net production (Thousand boepd)



Gross production from the Company's operated licenses in Kurdistan increased to an average of 65,773 barrels of oil per day (bopd) during the fourth quarter, representing a 153 percent increase from the previous quarter (25,984 bopd) mainly driven by Peshkabir field restart of production in October.

Net production during the fourth quarter stood at 69,684 barrels of oil equivalent per day (boepd), up from 37,150 boepd in the previous quarter. In Kurdistan, net production averaged 49,330 bopd, up from 19,488 bopd in the previous quarter and North Sea averaged 16,879 boepd, up from 14,288 boepd in the previous

quarter. In addition, the Company's West Africa gas asset offshore Côte d'Ivoire averaged 3,476 boepd, up from 3,373 boepd in the previous quarter. The increase in net production compared to the previous quarter was mainly driven by Peshkabir field restart of production, higher uptime on the Alve/Marulk gas fields which were partially shut down in July, and higher production from the Brage field with good performance from newly drilled wells.

Net entitlement (NE) production averaged 42,936 boepd during the fourth quarter, up from 24,185 boepd in the previous quarter.

Sales volume averaged 41,685 boepd during the fourth quarter, up from 25,646 boepd in the previous quarter. The increase in sales volume was driven by stepped up deliveries to local trading companies in Kurdistan and higher gas deliveries from the Alve/Marulk fields, partly offset by lower crude oil lifting at the Vilje field. The net underlift position was 0.42 million barrels of oil equivalent (MMboe) as of end-Q4 (Q3 2023: 0.31 MMboe).

Gross operated production

boepd	Quarters			Full-Year	
	Q4 2023	Q3 2023	Q4 2022	2023	2022
Kurdistan	65,773	25,984	107,822	46,500	107,637
North Sea	-	-	-	-	-
Total	65,773	25,984	107,822	46,500	107,637

Table above shows gross operated production from the Group's operated licenses.

Net production

boepd	Quarters			Full-Year	
	Q4 2023	Q3 2023	Q4 2022	2023	2022
Kurdistan	49,330	19,488	80,720	34,850	80,669
North Sea	16,879	14,288	14,976	14,203	13,314
Sub-total	66,208	33,777	95,697	49,053	93,983
West Africa	3,476	3,373	3,560	3,513	3,327
Sub-total	3,476	3,373	3,560	3,513	3,327
Total	69,684	37,150	99,257	52,566	97,310

Net production is based on DNO's percentage ownership in the licenses. West Africa segment is equity accounted (see Note 8).

Net entitlement (NE) production

boepd	Quarters			Full-Year	
	Q4 2023	Q3 2023	Q4 2022	2023	2022
Kurdistan	26,057	9,897	25,618	14,806	25,933
North Sea	16,879	14,288	14,976	14,203	13,314
Total	42,936	24,185	40,594	29,009	39,247

NE production from the North Sea equals the segment's net production.

Sales volume

boepd	Quarters			Full-Year	
	Q4 2023	Q3 2023	Q4 2022	2023	2022
Kurdistan	26,057	9,897	25,618	14,806	25,933
North Sea	15,628	15,749	15,152	14,078	12,511
Total	41,685	25,646	40,770	28,885	38,444

Sales volume reflect North Sea lifted volumes and NE production for Kurdistan.

Activity overview

Kurdistan region of Iraq

Tawke license

Gross production from the DNO-operated Tawke license, containing the Tawke and Peshkabir fields averaged 65,773 bopd during the fourth quarter (25,984 bopd in Q3 2023).

The Tawke field contributed 36,136 bopd (25,870 bopd in Q3 2023) and the Peshkabir field restarted production in October and contributed 29,637 bopd (114 bopd in Q3 2023) during this period.

At yearend 2023, gross production from the DNO-operated Tawke license had largely recovered from the March 2023 export pipeline shutdown and was averaging 80,000 bopd. The Company's net entitlement share is sold at reduced prices in the low-to-mid USD 30s per barrel on a cash and carry basis and transported by traders on road tankers to market.

In the second half of 2023, there were no active drilling rigs on the Tawke license, down from four at the beginning of the year.

DNO holds a 75 percent operated interest in the Tawke and Peshkabir fields with partner Genel Energy International Limited (25 percent).

Baeshiqqa license

Due to the closure of the export pipeline, the DNO-operated Baeshiqqa license did not produce in the fourth quarter (0 bopd in Q3 2023).

The drilling of the B-3 development well is planned in 2024.

DNO holds a 64 percent operated interest in the license (80 percent paying interest) with partners being Turkish Energy Company (TEC) with a 16 percent interest (20 percent paying interest) and the KRG with a 20 percent carried interest.

Net production (bopd) per field in Kurdistan:

bopd	Quarters			Full-Year	
	Q4 2023	Q3 2023	Q4 2022	2023	2022
Tawke	27,102	19,402	35,352	19,933	33,798
Peshkabir	22,228	86	44,520	14,774	46,528
Baeshiqqa	-	-	849	143	343
Total	49,330	19,488	80,720	34,850	80,669

North Sea

Net production averaged 16,879 boepd in the North Sea segment during the fourth quarter (14,288 boepd in Q3 2023), of which 16,732 boepd was in Norway and 146 boepd in the United Kingdom (UK) (14,104 boepd and 185 boepd in Q3 2023). The Norwegian production increase was mainly driven by higher uptime on the Alve and Marulk gas fields, which were partially shut down in July, and higher production from the Brage field with good performance from newly drilled wells.

Offshore Norway, successful appraisal drilling in the fourth quarter moved previous discoveries Bergknapp (DNO 30 percent) and Ofelia (DNO 10 percent) closer to development.

Following the end of the fourth quarter, DNO was awarded 14 licenses in latest annual Norwegian licensing round (APA). DNO was among the top five recipients as it has been in each of the last four years.

In early February 2024, the Company also announced the acquisition of a 25 percent stake in the producing UK field Arran, which is expected to contribute 2,000-2,500 boepd once the transaction is completed.

boepd	Quarters			Full-Year	
	Q4 2023	Q3 2023	Q4 2022	2023	2022
Alve/Marulk	6,716	5,155	6,229	5,438	5,768
Ula area	3,779	4,077	6,234	4,549	4,659
Vilje	714	819	1,320	917	1,295
Brage	3,166	2,272	823	1,923	1,020
Ringhorne E.	429	311	194	187	440
Fenja	2,036	1,605	-	1,114	-
Other	38	49	176	74	131
Total	16,879	14,288	14,976	14,203	13,314

Ula area comprises Ula, Tambar, Oda and Blane (UK) fields.

West Africa

The net production from the Company's equity accounted investment, Côte d'Ivoire (West Africa segment), averaged 3,476 boepd in the fourth quarter (3,373 boepd in Q3 2023). Following the end of the quarter, drilling commenced on the first of two planned exploration wells in an exploration block west of the producing assets in Côte d'Ivoire.

boepd	Quarters			Full-Year	
	Q4 2023	Q3 2023	Q4 2022	2023	2022
Block CI-27	3,476	3,373	3,560	3,513	3,327
Total	3,476	3,373	3,560	3,513	3,327

Financial review

Revenues, operating and net results, and cash

Revenues in the fourth quarter stood at USD 199.3 million, up 41 percent compared to the previous quarter (Q3 2023: USD 141.0 million). Kurdistan generated revenues of USD 81.3 million (Q3 2023: USD 32.3 million), while the North Sea generated revenues of USD 118.0 million (Q3 2023: USD 108.7 million). The main drivers for the revenue increase were higher local sales in Kurdistan following production restart of the Peshkabir field and higher realized oil and gas prices in the North Sea, partly offset by lower crude oil liftings in the North Sea.

The Group reported an operating profit of USD 37.6 million in the fourth quarter, down from an operating profit of USD 40.3 million in the previous quarter mainly due to higher exploration costs expensed and impairment charges.

Net financial expenses decreased to USD 9.2 million (Q3 2023: USD 60.0 million) mainly due to an accounting adjustment of USD 45 million in the book value of receivables recognized in the previous quarter.

The Group ended the quarter with a cash balance of USD 718.8 million and USD 152.7 million in net cash position.

Cost of goods sold

In the fourth quarter, the cost of goods sold amounted to USD 115.7 million, up from USD 87.5 million in the previous quarter. The increase was mainly due to higher depreciation.

Lifting costs

Lifting costs stood at USD 44.8 million in the fourth quarter, up from 40.5 million in the previous quarter. In Kurdistan, the average lifting cost was USD 4.4 per barrel, down from USD 10.2 per barrel in the previous quarter driven by higher production. In the North Sea, the average lifting cost stood at USD 15.8 per barrel of oil equivalent (boe), down from USD 17.0 per boe in the previous quarter.

USD million	Quarters			Full-Year	
	Q4 2023	Q3 2023	Q4 2022	2023	2022
Kurdistan	19.8	18.2	39.4	101.7	124.7
North Sea	24.5	22.4	29.4	89.7	97.4
Total	44.8	40.5	68.5	191.7	222.1

(USD/boe)	Quarters			Full-Year	
	Q4 2023	Q3 2023	Q4 2022	2023	2022
Kurdistan	4.4	10.2	5.3	8.0	4.2
North Sea	15.8	17.0	21.1	17.3	20.0
Average	7.3	13.0	7.8	10.7	6.5

Depreciation, depletion and amortization (DD&A)

DD&A related to the Group's oil and gas production assets amounted to USD 59.2 million in the fourth quarter, up from USD 29.5 million in the previous quarter. The increase in DD&A was driven by increase in production.

USD million	Quarters			Full-Year	
	Q4 2023	Q3 2023	Q4 2022	2023	2022
Kurdistan	42.7	16.2	31.9	96.5	126.4
North Sea	16.6	13.2	25.5	44.1	84.7
Total	59.2	29.5	57.4	140.6	211.1

(USD/boe)	Quarters			Full-Year	
	Q4 2023	Q3 2023	Q4 2022	2023	2022
Kurdistan	17.8	17.8	13.5	17.8	13.4
North Sea	10.7	10.1	18.5	8.5	17.4
Average	15.0	13.2	15.4	13.3	14.7

Exploration costs expensed

Exploration costs expensed in the fourth quarter amounted to USD 18.3 million, up from USD 6.4 million in the previous quarter. The increase in exploration costs expensed compared to the previous quarter was mainly due to seismic purchase, and field survey expenses.

USD million	Quarters			Full-Year	
	Q4 2023	Q3 2023	Q4 2022	2023	2022
Kurdistan	-	-	-	-	-
North Sea	18.3	6.4	17.6	47.7	96.5
Total	18.3	6.4	17.6	47.7	96.5

Capital expenditures

Capital expenditures stood at USD 70.2 million in the fourth quarter, of which USD 7.0 million were in Kurdistan and USD 63.1 million in the North Sea.

USD million	Quarters			Full-Year	
	Q4 2023	Q3 2023	Q4 2022	2023	2022
Kurdistan	7.0	5.8	56.5	73.0	212.2
North Sea	63.1	55.1	31.5	204.4	161.1
Other	0.1	0.1	0.9	0.9	1.5
Total	70.2	61.0	89.0	278.3	374.8

Consolidated statements of comprehensive income

(unaudited, in USD million)	Note	Quarters		Full-Year	
		Q4 2023	Q4 2022	2023	2022
Revenues	2,3	199.3	338.1	667.5	1,377.0
Cost of goods sold	4	-115.7	-145.6	-364.8	-460.9
Gross profit		83.6	192.6	302.7	916.1
Share of profit/-loss from Joint Venture	8	3.9	6.0	11.9	6.0
Other income/-expenses		0.2	1.3	1.6	2.8
Administrative expenses		-7.3	-6.8	-23.3	-17.9
Other operating expenses		-5.9	-7.7	-7.9	-7.7
Impairment oil and gas assets	7	-18.9	-244.0	-24.9	-371.3
Exploration expenses	5	-18.3	-17.6	-47.7	-96.5
Net gain on disposal of licenses	11	0.3	-	5.8	-
Operating profit/-loss		37.6	-76.2	218.3	431.4
Financial income		5.1	10.2	45.0	13.8
Financial expenses	9,10	-14.3	-20.7	-112.0	-98.7
Profit/-loss before income tax		28.5	-86.7	151.3	346.5
Tax income/-expense	6	-24.3	129.3	-132.7	38.4
Net profit/-loss		4.2	42.6	18.6	384.9
Other comprehensive income					
Currency translation differences		8.4	20.2	-10.9	-31.6
Items that may be reclassified to profit or loss in later periods		8.4	20.2	-10.9	-31.6
Net fair value changes from financial instruments	8	-	0.8	-	14.2
Items that are not reclassified to profit or loss in later periods		-	0.8	-	14.2
Total other comprehensive income, net of tax		8.4	20.9	-10.9	-17.4
Total comprehensive income, net of tax		12.6	63.5	7.7	367.5
Net profit/-loss attributable to:					
Equity holders of the parent		4.2	42.6	18.6	384.9
Total comprehensive income attributable to:					
Equity holders of the parent		12.6	63.5	7.7	367.5
Earnings per share, basic (USD per share)		0.00	0.04	0.02	0.39
Earnings per share, diluted (USD per share)		0.00	0.04	0.02	0.39
Weighted average number of shares outstanding (millions)		975.00	1,021.19	980.04	986.97

Consolidated statements of financial position

ASSETS		At 31 Dec	
(unaudited, in USD million)	Note	2023	2022
Non-current assets			
Goodwill	7	43.2	56.1
Other intangible assets	7	202.1	97.2
Property, plant and equipment	7	1,133.2	1,108.6
Investment in Joint Venture	8	67.9	76.1
Other non-current receivables	9	129.8	-
Total non-current assets		1,576.2	1,338.1
Current assets			
Inventories	4	77.8	47.0
Trade and other receivables	9	265.4	437.8
Tax receivables	6	-	25.8
Cash and cash equivalents		718.8	954.3
Total current assets		1,062.1	1,464.9
TOTAL ASSETS		2,638.3	2,803.0
EQUITY AND LIABILITIES		At 31 Dec	
(unaudited, in USD million)	Note	2023	2022
Equity			
Shareholders' equity		1,234.8	1,369.4
Total equity		1,234.8	1,369.4
Non-current liabilities			
Deferred tax liabilities	6	192.4	62.4
Interest-bearing liabilities	10	392.0	546.4
Provisions for other liabilities and charges	11	404.0	379.6
Total non-current liabilities		988.4	988.4
Current liabilities			
Trade and other payables	12	221.1	244.1
Income taxes payable	6	4.6	125.7
Current interest-bearing liabilities	10	166.2	8.4
Provisions for other liabilities and charges	11	23.3	67.0
Total current liabilities		415.1	445.3
Total liabilities		1,403.5	1,433.6
TOTAL EQUITY AND LIABILITIES		2,638.3	2,803.0

Consolidated cash flow statement

(unaudited, USD million)	Note	Quarters		Full-Year	
		Q4 2023	Q4 2022	2023	2022
Operating activities					
Profit/-loss before income tax		28.5	-86.7	151.3	346.5
Adjustments to add/-deduct non-cash items:					
Exploration cost previously capitalized carried to cost	5	-0.2	3.8	6.0	52.2
Depreciation, depletion and amortization	4	60.6	58.9	146.4	216.7
Impairment oil and gas assets	7	18.9	244.0	24.9	371.3
Time value effects on trade receivables	9	-0.3	-	44.3	-
Share of profit/-loss from Joint Venture	8	-3.9	-6.0	-11.9	-6.0
Amortization of borrowing issue costs	10	0.8	0.7	3.3	5.2
Accretion expense on ARO provisions		4.5	4.1	17.4	15.5
Interest expense		9.3	11.4	44.6	57.5
Interest income		-9.5	-9.2	-36.5	-12.9
Other		10.1	6.5	-10.0	11.0
Change in working capital items and provisions:					
- Inventories	4	-3.9	-3.0	-30.8	-11.2
- Trade and other receivables	9	-8.8	-24.1	-2.3	59.9
- Trade and other payables	12	9.9	21.1	-23.0	11.5
- Provisions for other liabilities and charges	11	-23.4	8.7	-28.7	5.9
Cash generated from operations		92.6	230.1	294.9	1,123.0
Net income taxes paid/tax refund received		6.3	17.5	-89.5	-21.2
Interest received		15.2	8.8	35.3	12.5
Interest paid		-11.7	-11.4	-46.4	-58.1
Net cash from/-used in operating activities		102.4	245.0	194.2	1,056.3
Investing activities					
Purchases of intangible assets		-34.1	-13.3	-114.6	-74.6
Purchases of tangible assets		-36.1	-75.7	-163.6	-300.2
Payments for decommissioning		-0.6	-13.5	-17.9	-70.0
Acquisition of subsidiary, net of cash acquired	8	-	21.5	-	21.5
Payments for license transactions and disposal of financial investments		-	1.0	-5.1	1.0
Equity contribution into Joint Venture	8	-1.7	-4.2	-6.9	-4.2
Dividends from Joint Venture	8	3.4	11.5	27.1	11.5
Net cash from/-used in investing activities		-69.1	-72.6	-281.0	-415.0
Financing activities					
Repayment of borrowings	10	-	-	-	-323.7
Purchase of treasury shares		-	-11.7	-50.7	-11.7
Paid dividend		-22.7	-25.8	-92.0	-72.8
Payments of lease liabilities		-0.4	-2.7	-4.3	-10.8
Net cash from/-used in financing activities		-23.1	-40.3	-147.0	-419.1
Net increase/-decrease in cash and cash equivalents		10.2	132.1	-233.8	222.3
Cash and cash equivalents at beginning of the period		708.1	817.9	954.4	736.6
Exchange gain/-losses on cash and cash equivalents		0.5	4.3	-1.9	-4.5
Cash and cash equivalents at the end of the period		718.8	954.3	718.8	954.3
Of which restricted cash		14.3	22.5	14.3	22.5

Consolidated statement of changes in equity

(unaudited, in USD million)	Other comprehensive income					Retained earnings	Total equity
	Share capital	Share premium	Fair value changes equity instruments	Currency translation differences			
Total shareholders' equity as of 31 December 2021	32.9	247.7	5.4	2.6	730.1	1,018.8	
Fair value changes from equity instruments	-	-	14.2	-	-	14.2	
Currency translation differences	-	-	-	-31.6	-	-31.6	
Other comprehensive income/-loss	-	-	14.2	-31.6	-	-17.4	
Profit/-loss for the period	-	-	-	-	384.9	384.9	
Total comprehensive income	-	-	14.2	-31.6	384.9	367.5	
Share capital increase	1.8	95.9	-	-	-	97.7	
Own shares retained as treasury shares from a transaction	-0.6	-	-19.6	-	-10.2	-30.4	
Purchase of treasury shares	-0.3	-	-	-	-12.1	-12.4	
Payment of dividend	-	-	-	-	-72.0	-72.0	
Transactions with shareholders	1.0	95.9	-19.6	-	-94.2	-16.9	
Total shareholders' equity as of 31 December 2022	33.9	343.6	-	-29.0	1,020.9	1,369.4	

(unaudited, in USD million)	Other comprehensive income					Retained earnings	Total equity
	Share capital	Share premium	Fair value changes equity instruments	Currency translation differences			
Total shareholders' equity as of 31 December 2022	33.9	343.6	-	-29.0	1,020.9	1,369.4	
Fair value changes from equity instruments	-	-	-	-	-	-	
Currency translation differences	-	-	-	-10.9	-	-10.9	
Other comprehensive income/-loss	-	-	-	-10.9	-	-10.9	
Profit/-loss for the period	-	-	-	-	18.6	18.6	
Total comprehensive income	-	-	-	-10.9	18.6	7.7	
Purchase of treasury shares	-1.1	-	-	-	-49.5	-50.5	
Payment of dividend	-	-	-	-	-91.6	-91.6	
Transactions with shareholders	-1.1	-	-	-	-141.1	-142.2	
Total shareholders' equity as of 31 December 2023	32.8	343.6	-	-39.9	898.3	1,234.8	

On 17 August 2023, the cancellation of all 79,376,509 treasury shares held by the Company was completed. This reduction of share capital was approved by shareholders at the Annual General Meeting on 25 May 2023.

Notes to the consolidated interim financial statements

Note 1 | Basis of preparation and accounting policies

Principal activities and corporate information

DNO ASA (the Company) and its subsidiaries (DNO or the Group) are engaged in international oil and gas exploration, development and production.

Basis of preparation

DNO ASA's consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* and IFRS standards issued and effective at date of reporting as adopted by the EU. These interim financial statements have also been prepared in accordance with Oslo Stock Exchange regulations.

The interim financial statements do not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the DNO ASA Annual Report and Accounts 2022.

The interim financial information for 2023 and 2022 is unaudited.

Subtotals and totals in some of the tables included in these interim financial statements may not equal the sum of the amounts shown due to rounding.

The interim financial statements have been prepared on a historical cost basis, with the following exception: liabilities related to share-based payments, derivative financial instruments and equity instruments are recognized at fair value. A detailed description of the accounting policies applied is included in the DNO ASA Annual Report and Accounts 2022.

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of DNO ASA Annual Report and Accounts 2022.

Note 2 | Segment information

The Group reports the following three operating segments: Kurdistan, North Sea (which includes the Group's oil and gas activities in Norway and the UK) and West Africa (which represents the Group's equity accounted investment in Côte d'Ivoire, see Note 8). The segment assets/liabilities do not include internal receivables/liabilities.

Fourth quarter ending 31 December 2023 USD million	Note	Kurdistan	North Sea	West Africa	Other	Total reporting segments	Un- allocated/ eliminated	Total Group
Income statement information								
Revenues	3	81.3	118.0	-	-	199.3	-	199.3
Inter-segment revenues		-	-	-	-	-	-	-
Cost of goods sold	4	-62.7	-52.0	-	-	-114.6	-1.1	-115.7
Gross profit		18.7	66.1	-	-	84.7	-1.1	83.6
Share of profit/-loss from Joint Venture	8	-	-	3.9	-	3.9	-	3.9
Other operating income		-	0.2	-	-	0.2	-	0.2
Administrative and other operating costs		-0.8	2.8	-	-6.2	-4.3	-8.9	-13.2
Impairment of oil and gas assets	7	-	-18.9	-	-	-18.9	-	-18.9
Exploration costs	5	-	-18.3	-	-	-18.3	-	-18.3
Net gain on disposal of license	11	-	0.3	-	-	0.3	-	0.3
Operating profit/-loss		17.8	32.1	3.9	-6.2	47.6	-10.0	37.6
Financial income/-expense (net)	10	-3.7	-5.4	0.2	0.1	-8.8	-0.3	-9.2
Tax income/-expense	6	-	-24.3	-	-	-24.3	-	-24.3
Net profit/-loss		14.1	2.4	4.1	-6.1	14.5	-10.3	4.2

Fourth quarter ending 31 December 2022 USD million	Note	Kurdistan	North Sea	West Africa	Other	Total reporting segment	Un- allocated/ eliminated	Total Group
Income statement information								
Revenues	3	174.5	163.7	-	-	338.1	-	338.1
Inter-segment revenues		-	-	-	-	-	-	-
Cost of goods sold	4	-71.4	-73.6	-	-	-145.0	-0.6	-145.6
Gross profit		103.1	90.1	-	-	193.2	-0.6	192.6
Share of profit/-loss from Joint Venture	8	-	-	6.0	-	6.0	-	6.0
Other operating income		-	1.3	-	-	1.3	-	1.3
Administrative and other operating costs		-0.8	-2.8	-	-8.3	-11.9	-2.6	-14.5
Impairment of oil and gas assets	7	-	-244.0	-	-	-244.0	-	-244.0
Exploration costs	5	-	-17.6	-	-	-17.6	-	-17.6
Net gain on disposal of license		-	-	-	-	-	-	-
Operating profit/-loss		102.3	-173.1	6.0	-8.3	-73.1	-3.2	-76.2
Financial income/-expense (net)	10	-0.7	-7.4	0.1	0.1	-7.9	-2.5	-10.5
Tax income/-expense	6	-	129.3	-	-	129.3	-	129.3
Net profit/-loss		101.6	-51.1	6.1	-8.2	48.2	-4.7	42.6

Note 2 | Segment information

Full-Year ending 31 December 2023 USD million	Note	Kurdistan	North Sea	West Africa	Other	Total reporting segment	Un- allocated/ eliminated	Total Group
Income statement information								
Revenues	3	253.2	414.4	-	-	667.5	-	667.5
Inter-segment sales		-	-	-	-	-	-	-
Cost of goods sold	4	-198.7	-162.4	-	-	-361.1	-3.7	-364.8
Gross profit		54.5	252.0	-	-	306.4	-3.7	302.7
Share of profit/-loss from Joint Venture	8	-	-	11.9	-	11.9	-	11.9
Other operating income		-	1.6	-	-	1.6	-	1.6
Administrative and other operating costs		-2.0	-5.3	-	-8.3	-15.7	-15.4	-31.1
Impairment of oil and gas assets	7	-	-24.9	-	-	-24.9	-	-24.9
Exploration costs	5	-	-47.7	-	-	-47.7	-	-47.7
Net gain on disposal of license	11	-	5.8	-	-	5.8	-	5.8
Operating profit/-loss		52.4	181.4	11.9	-8.3	237.4	-19.1	218.3
Financial income/-expense (net)	10	-50.2	-6.7	0.8	0.5	-55.6	-11.4	-67.0
Tax income/-expense	6	-	-132.7	-	-	-132.7	-	-132.7
Net profit/-loss		2.2	42.1	12.7	-7.9	49.1	-30.5	18.6
Financial position information								
Non-current assets		855.1	639.0	67.9	-	1,562.0	14.2	1,576.2
Current assets		219.2	334.4	-	3.3	556.9	505.2	1,062.1
Total assets		1,074.3	973.4	67.9	3.3	2,118.9	519.4	2,638.3
Non-current liabilities		69.8	508.3	-	-	578.1	410.3	988.4
Current liabilities		67.3	189.9	-	7.9	265.1	150.0	415.1
Total liabilities		137.0	698.2	-	7.9	843.2	560.3	1,403.5

Note 2 | Segment information

Full-Year ending 31 December 2022 USD million	Note	Kurdistan	North Sea	West Africa	Other	Total reporting segment	Un- allocated/ eliminated	Total Group
Income statement information								
Revenues	3	820.1	556.9	-	-	1,377.0	-	1,377.0
Inter-segment sales		-	-	-	-	-	-	-
Cost of goods sold	4	-251.5	-206.1	-	-	-457.6	-3.3	-460.9
Gross profit		568.5	350.8	-	-	919.4	-3.3	916.1
Share of profit/-loss from Joint Venture	8	-	-	6.0	-	6.0	-	6.0
Other operating income		-	2.8	-	-	2.8	-	2.8
Administrative and other operating costs		-1.0	-6.0	-	-9.1	-16.1	-9.5	-25.6
Impairment of oil and gas assets	7	-	-371.3	-	-	-371.3	-	-371.3
Exploration costs	5	-	-96.5	-	-	-96.5	-	-96.5
Net gain on disposal of license		-	-	-	-	-	-	-
Operating profit/-loss		567.6	-120.2	6.0	-9.1	444.2	-12.8	431.4
Financial income/-expense (net)	10	10.4	-32.7	0.1	0.5	-21.6	-63.4	-85.0
Tax income/-expense	6	-	38.4	-	-	38.4	-	38.4
Net profit/-loss		578.0	-114.5	6.1	-8.6	461.1	-76.1	384.9
Financial position information								
Non-current assets		750.2	503.5	76.1	-	1,329.8	8.3	1,338.1
Current assets		355.4	418.3	-	11.5	785.3	679.7	1,464.9
Total assets		1,105.5	921.8	76.1	11.5	2,115.0	688.0	2,803.0
Non-current liabilities		68.1	391.8	-	-	459.9	528.4	988.4
Current liabilities		97.5	284.3	-	41.6	423.4	21.9	445.3
Total liabilities		165.6	676.1	-	41.6	883.3	550.3	1,433.6

Note 3 | Revenues

USD million	Quarters		Full-Year	
	Q4 2023	Q4 2022	2023	2022
Sale of oil	151.8	254.8	506.2	1,061.1
Sale of gas	42.7	77.5	137.3	281.1
Sale of natural gas liquids (NGL)	4.2	4.1	21.6	29.1
Tariff income	0.6	1.8	2.4	5.8
Total revenues from contracts with customers	199.3	338.1	667.5	1,377.0
Sale of oil (boepd)	34,709	34,796	22,856	32,273
Sale of gas (boepd)	5,892	5,032	4,746	4,800
Sale of natural gas liquids (NGL) (boepd)	1,084	942	1,282	1,370
Total sales volume (boepd)	41,685	40,770	28,885	38,444

Note 4 | Cost of goods sold/ Inventory

USD million	Quarters		Full-Year	
	Q4 2023	Q4 2022	2023	2022
Lifting costs	-44.8	-68.5	-191.7	-222.1
Tariff and transportation expenses	-9.6	-8.2	-32.4	-30.2
Production costs based on produced volumes	-54.4	-76.8	-224.1	-252.3
Movement in overlift/underlift	-0.7	-9.9	5.6	8.1
Production costs based on sold volumes	-55.2	-86.7	-218.4	-244.2
Depreciation, depletion and amortization	-60.6	-58.9	-146.4	-216.7
Total cost of goods sold	-115.7	-145.6	-364.8	-460.9

The lifting costs in full-year 2023 included a provision for obsolete inventory of USD 0.5 million related to the North Sea (full-year 2022 lifting costs included a provision of obsolete inventory of USD 2.9 million related to North Sea).

USD million	At 31 Dec	
	2023	2022
Spare parts	77.8	47.0
Total inventory	77.8	47.0

Book value of inventory as of the reporting date relates to Kurdistan (USD 65.3 million) and the North Sea (USD 12.5 million).

Note 5 | Exploration expenses

USD million	Quarters		Full-Year	
	Q4 2023	Q4 2022	2023	2022
Exploration expenses (G&G and field surveys)	-6.4	-2.6	-15.0	-10.2
Seismic costs	-6.9	-7.1	-9.9	-18.5
Exploration cost capitalized in previous years carried to cost	-	-	-	-3.9
Exploration costs capitalized this year carried to cost	0.2	-3.8	-6.0	-48.3
Other exploration cost expensed	-5.2	-4.0	-16.8	-15.6
Total exploration expenses	-18.3	-17.6	-47.7	-96.5

Note 6 | Income taxes

USD million	Quarters		Full-Year	
	Q4 2023	Q4 2022	2023	2022
Tax income/-expense				
Change in deferred taxes	-30.2	165.9	-125.8	162.9
Income tax receivable/-payable	5.9	-36.7	-6.9	-124.5
Total tax income/-expense	-24.3	129.3	-132.7	38.4

USD million	At 31 Dec	
	2023	2022
Income tax receivable/-payable		
Tax receivables (current)	-	25.8
Income taxes payable	-4.6	-125.7
Net tax receivable/-payable	-4.6	-99.9
Deferred tax assets/-liabilities		
Deferred tax liabilities	-192.4	-62.4
Net deferred tax assets/-liabilities	-192.4	-62.4

The tax balances relate to the activity on the Norwegian Continental Shelf (NCS).

Under the terms of the Production Sharing Contracts (PSC) in the Kurdistan region of Iraq, the Company's subsidiary, DNO Iraq AS, is not required to pay any corporate income taxes. The share of profit oil of which the government is entitled to is deemed to include a portion representing the notional corporate income tax paid by the government on behalf of DNO. Current and deferred taxation arising from such notional corporate income tax is not calculated for Kurdistan as there is uncertainty related to the tax laws of the Kurdistan Regional Government (KRG) and there is currently no well-established tax regime for international oil companies.

Profits/-losses by Norwegian companies from upstream activities outside of Norway are not taxable/deductible in Norway in accordance with the General Tax Act, section 2-39. Under these rules, only certain financial income and expenses are taxable in Norway.

Note 7 | Intangible assets/ Property, plant and equipment (PP&E)

USD million	Quarters		Full-Year	
	Q4 2023	Q4 2022	2023	2022
Additions of intangible assets	34.1	13.3	114.6	74.6
Transfers to/-from intangible assets	-	-	-3.3	-132.6
Additions of tangible assets	46.3	61.3	178.3	326.1
Transfers to/-from tangible assets	-	-	3.3	132.6
Additions of right-of-use (RoU) assets	0.2	1.0	10.7	1.9
Depreciation, depletion and amortization (Note 4)	-60.6	-58.9	-146.4	-216.7
Impairment oil and gas assets	-18.9	-244.0	-24.9	-371.3
Exploration cost previously capitalized carried to cost (Note 5)	0.2	-3.8	-6.0	-52.2

Book values at the end of the reporting dates

USD million	At 31 Dec	
	2023	2022
Goodwill	43.2	56.1
Other intangible assets	202.1	97.2
Tangible assets (presented as part of the PP&E)	1,116.6	1,097.9
RoU assets (presented as part of the PP&E)	16.6	10.7

Additions of intangible assets are related to exploration and evaluation expenditures (successful efforts method), license interests and administrative software. Additions of tangible assets are related to oil and gas development and production assets including changes in estimate of asset retirement, and other tangible assets. Additions of right-of-use (RoU) assets are related to lease contracts under IFRS 16 *Leases*, see Note 11.

Impairment assessment

At each reporting date, the Group assesses whether there is an indication that an asset may be impaired. An assessment of the recoverable amount is made when an impairment indicator exists. Goodwill is tested for impairment annually or more frequently when there are impairment indicators. Impairment is recognized when the carrying amount of an asset or a cash-generating unit (CGU), including associated goodwill, exceeds the recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and the value in use.

During the fourth quarter of 2023, a net impairment charge of USD 18.9 million (USD 6.2 million post-tax) was recognized as part of the annual impairment testing, mainly driven by updated economic profiles at the Vilje field and an increase in the ARO provision at the Ula area CGU following annual update in the cost estimates for decommissioning, partly offset by a reversal of previously recognized impairments on other assets following annual update in the cost estimates for decommissioning.

USD million	Income statement:				Balance sheet:			
	Recoverable amount (post-tax)	Impairment -charge/ reversal (pre-tax)	Tax income/ -expense	Impairment -charge/ reversal (post-tax)	Goodwill	Property, plant and equipment	Deferred tax asset/ -liability	Currency effects
CGU, Segment								
Ula area, North Sea	-	-14.9	12.7	-2.2	-	-15.6	13.2	0.2
Vilje, North Sea	9.4	-5.0	-	-5.0	-5.3	-	-	0.3
Other, North Sea	-	1.0	-	1.0	-	1.1	-	-0.1
Total		-18.9	12.7	-6.2	-5.3	-14.5	13.2	0.4

The table above shows the recoverable amounts and impairment charge or reversal for the CGUs which were impaired in the current quarter, and how it was recognized in the income statement and balance sheet.

The future Brent oil price is a key assumption in the impairment assessments and has significant impact on the recoverable amount of the Group's assets. The Brent oil price assumptions applied in the impairment testing were based on the forward curve and observable broker and analyst consensus (2024: USD 77.7, 2025: USD 84, 2026: 75.5 and 2027: USD 73.6 per barrel, nominal terms). From 2028, the Brent oil price was based on the Group's long-term price assumption (USD 65 per barrel, real term), unchanged from yearend 2022. The relevant post-tax nominal discount rate (WACC) applied in the impairment test was 9.8 percent.

Note 8 | Investment in Joint Venture

In October 2022, DNO acquired Mondoil Enterprises LLC (Mondoil Enterprises) and its 33.33 percent indirect interest in privately-held Foxtrot International LDC (Foxtrot International) whose principal assets are operated stakes in offshore production of gas and associated liquids in Côte d'Ivoire. Foxtrot International holds a 27.27 percent interest in and operatorship of Block CI-27 containing reserves of gas, produced together with condensate and oil, from four offshore fields tied back to two fixed platforms. Foxtrot International also operates an exploration license offshore Côte d'Ivoire, Block CI-12 in which it holds a 24 percent interest.

Financial information of Foxtrot International

The Company's indirect 33.33 percent interest in Foxtrot International is treated in accordance with IFRS 11 *Joint Arrangements* and IAS 28 *Investments in Associates and Joint Ventures* (i.e., the Group's interest in Mondoil Côte d'Ivoire/Foxtrot International is accounted for using the equity method) and disclose in the table below the summarised financial information of Foxtrot International as an associate/joint venture (IAS 28) in terms of summarised financial information.

Foxtrot International's summarized statement of financial position USD million	At 31 Dec	
	2023	2022
Non-current assets	199.9	216.5
Current assets	64.3	67.3
Total assets	264.2	283.7
Non-current liabilities	68.8	67.1
Current liabilities	27.5	30.0
Total liabilities	96.3	97.2
Equity	167.9	186.6
Group's share of net assets (33.33 percent)	56.0	62.2
Goodwill	0.8	0.8
Fair value uplift on PP&E and ARO (net of related deferred tax)	11.1	13.0
Carrying amount Investment in Joint Venture	67.9	76.1

Foxtrot International's summarized statement of comprehensive income* USD million	Quarters		Full-Year	
	Q4 2023	Q4 2022	2023	2022
Revenues	20.8	28.8	79.4	28.8
Expenses	-4.9	-4.2	-17.6	-4.2
Depreciation	-5.8	-8.0	-30.8	-8.0
Other income/finance income	2.4	3.5	8.6	3.5
Tax income/-expense	-	-	-	-
Net profit/-loss	12.6	20.1	39.6	20.1
Group's share of net profit (33.33 percent)	4.2	6.7	13.2	6.7
Depletion of fair value uplift of PP&E and ARO (net of related deferred tax)	-0.3	-0.7	-1.3	-0.7
Share of profit/-loss from Joint Venture	3.9	6.0	11.9	6.0

Movement of investment carrying amount

Movement in the carrying amount of Investment in Joint Venture USD million	At 31 Dec	
	2023	2022
Opening balance	76.1	77.5
Share of profit/-loss from Joint Venture	11.9	6.0
Equity contribution into Joint Venture	6.9	4.2
Dividends from Joint Venture	-27.1	-11.5
Carrying amount Investment in Joint Venture	67.9	76.1

Note 9 | Other non-current receivables/ Trade Receivables

USD million	At 31 Dec	
	2023	2022
Trade debtors (non-current portion)	129.8	-
Other non-current receivables	-	-
Total other non-current receivables	129.8	-
Trade debtors	149.5	311.8
Underlift	12.1	14.0
Other short-term receivables	103.8	111.9
Total trade and other receivables	265.4	437.8

At yearend 2023, the Company was owed a total of USD 315 million, excluding any interest, by the KRG mainly related to sales of DNO's entitlement shares of oil to the KRG for the months October 2022 through March 2023 plus part of the amount invoiced for oil sold to the KRG in September 2022. These receivables are past due. The Company continues to engage with the KRG regarding collection of the arrears and expects that it will recover the full invoiced amount (as has occurred in the past), but the timing of recovery is uncertain. On 12 October 2023, KRG settled USD 7.8 million of these arrears with DNO by way of offsetting payables due to the KRG. At Q3 2023, due to accounting requirements to incorporate the time value of money, the Company reduced the book value of the KRG arrears by USD 44.6 million (presented under *Financial expenses* in the income statement) when comparing the book value of these arrears with the present value of the estimated future cash flows. At yearend 2023, the Company made a re-run of the estimated present value with updated assumptions, resulting in a minor increase in the receivables of USD 0.3 million.

The underlift receivable as of the reporting date relates to North Sea underlifted volumes. Other short-term receivables mainly relate to items of working capital in licenses in Kurdistan and the North Sea and accrual for earned income not invoiced in the North Sea.

Note 10 | Interest-bearing liabilities

Interest-bearing liabilities

USD million	Ticker	Facility currency	Facility amount/limit	Interest	Maturity	At 31 Dec	
						2023	2022
Non-current							
Bond loan (ISIN NO0010852643)	DNO03	USD	150.7	8.375 %	29/05/24	-	131.2
Bond loan (ISIN NO0011088593)	DNO04	USD	400.0	7.875 %	09/09/26	400.0	400.0
Capitalized borrowing issue costs						-8.0	-11.3
Reserve based lending facility		USD	310.0	see below	see below	-	26.6
Total non-current interest-bearing liabilities						392.0	546.4
Current							
Bond loan (ISIN NO0010852643)	DNO03	USD	150.7	8.375 %	29/05/24	131.2	-
Reserve based lending facility		USD	310.0	see below	see below	35.0	8.4
Total current interest-bearing liabilities						166.2	8.4
Total interest-bearing liabilities						558.2	554.8

Changes in liabilities arising from financing activities split on cash and non-cash changes

USD million	At 1 Jan 2023	Cash		Non-cash changes		At 31 Dec 2023
		flows	Amortization	Currency	Reclassification	
Bond loans	531.2	-	-	-	-131.2	400.0
Bond loans (current)	-	-	-	-	131.2	131.2
Borrowing issue costs	-11.3	-	3.3	-	-	-8.0
Reserve based lending facility	26.6	-	-	-	-26.6	-0.0
Reserve based lending facility (current)	8.4	-	-	-	26.6	35.0
Total	554.8	-	3.3	-	-	558.2

USD million	At 1 Jan 2022	Cash		Non-cash changes		At 31 Dec 2022
		flows	Amortization	Currency	Reclassification	
Bond loans	794.9	-263.7	-	-	-	531.2
Borrowing issue costs	-16.5	-	5.2	-	-	-11.3
Reserve based lending facility	95.0	-60.0	-	-	-8.4	26.6
Reserve based lending facility (current)	-	-	-	-	8.4	8.4
Total	873.4	-323.7	5.2	-	-	554.8

Facility and carrying amount for the bonds is shown net of bonds held by the Company. On 22 January 2024, DNO ASA fully completed a USD 131.2 million call option redemption of the DNO03 bond (at a price of 100 percent plus accrued interest).

As of 31 December 2023, the Group had a reserve-based lending (RBL) facility for its Norwegian and UK production licenses with a total facility limit of USD 310 million which is available for both debt and issuance of letters of credit, and an uncommitted accordion option of USD 310 million. The borrowing base amount of the facility from 1 January 2024 is USD 100 million. Amount utilized as of the reporting date is disclosed in the table above. In addition, as of 1 January 2024, USD 17.9 million is utilized in respect of letters of credit.

For additional information about the Group's interest-bearing liabilities, refer to the DNO ASA Annual Report and Accounts 2022.

Note 11 | Provisions for other liabilities and charges/ Lease liabilities

USD million	At 31 Dec	
	2023	2022
Non-current		
Asset retirement obligations (ARO)	382.7	368.2
Other long-term provisions and charges	7.3	4.9
Lease liabilities	14.0	6.5
Total non-current provisions for other liabilities and charges	404.0	379.6
Current		
Asset retirement obligations (ARO)	10.6	20.5
Other provisions and charges	9.1	39.8
Current lease liabilities	3.6	6.8
Total current provisions for other liabilities and charges	23.3	67.0
Total provisions for other liabilities and charges	427.2	446.6

Asset retirement obligations

The provisions for ARO are based on the present value of estimated future cost of decommissioning oil and gas assets in Kurdistan and the North Sea. The discount rates before tax applied were between 4.9 percent and 5.0 percent.

Non-cancellable lease commitments

The recognized lease liabilities in the balance sheet are mainly related to office rent. The identified lease liabilities have no significant impact on the Group's financing, loan covenants or dividend policy. The Group does not have any residual value guarantees. Extension options are included in the lease liability when, based on the management's judgement, it is reasonably certain that an extension will be exercised. Non-lease components are not included as part of the lease liabilities.

Undiscounted lease liabilities and maturity of cash outflows (non-cancellable):

USD million	At 31 Dec	
	2023	2022
Within one year	4.8	7.0
Two to five years	11.8	6.5
After five years	5.4	-
Total undiscounted lease liabilities end of the period	22.0	13.5

The table above summarizes the Group's maturity profile of the lease liabilities based on contractual undiscounted payments.

Note 12 | Trade and other payables

USD million	At 31 Dec	
	2023	2022
Trade payables	70.5	62.7
Public duties payable	4.3	4.1
Prepayments from customers	21.2	12.7
Overlift	1.2	9.0
Other accrued expenses	123.9	155.7
Total trade and other payables	221.1	244.1

Trade payables are non-interest bearing and normally settled within 30 days.

Trade payables and other accrued expenses include items of working capital related to participation in oil and gas licenses in Kurdistan and the North Sea, and prepayment from customers related to oil sales in the North Sea.

The overlift payable relates to North Sea overlifted volumes, valued at production cost including depreciation.

Note 13 | Subsequent events after the reporting date

DNO acquires interest in UK's Arran field, expands North Sea portfolio

On 6 February 2024, the Company announced that its wholly-owned subsidiary DNO Exploration UK Limited has entered into an agreement to acquire a 25 percent interest in the Arran field on the UK Continental Shelf from ONE-Dyas E&P Limited. The transaction is expected to add some four million barrels of oil equivalent net to DNO, of which 90 percent gas. The cash consideration is USD 70 million plus a contingent consideration of up to USD 5 million if certain operational targets are met. The effective date is set to 1 January 2024 and the transaction is expected to close in the second quarter of 2024, subject to authorities' approval.

Redemption of bond DNO03

On 22 January 2024, DNO ASA fully completed a USD 131.2 million call option redemption of the DNO03 bond (ISIN: NO0010852643) at redemption price of 100 percent plus accrued interest.

DNO receives 14 awards in Norway's APA licensing round

On 16 January 2024, the Company announced that its wholly-owned subsidiary DNO Norge AS has been awarded participation in 14 exploration licenses, of which three are operatorships, under Norway's APA 2023 licensing round. Of the 14 new licenses, 10 are in the North Sea and four in the Norwegian Sea.

Alternative performance measures

DNO discloses alternative performance measures (APMs) as a supplement to the Group's financial statements prepared based on issued guidelines from the European Securities and Markets Authority (ESMA). The Company believes that the APMs provide useful supplemental information to management, investors, securities analysts and other stakeholders and are meant to provide an enhanced insight into the financial development of DNO's business operations, financing and future prospects and to improve comparability between periods. Reconciliations of relevant APMs, definitions and explanations of the APMs are provided below.

EBITDA

USD million	Quarters		Full-Year	
	Q4 2023	Q4 2022	2023	2022
Revenues	199.3	338.1	667.5	1,377.0
Lifting costs	-44.8	-68.5	-191.7	-222.1
Tariff and transportation	-9.6	-8.2	-32.4	-30.2
Movement in overlift/underlift	-0.7	-9.9	5.6	8.1
Share of profit/-loss from Joint Venture	3.9	6.0	11.9	6.0
Exploration expenses	-18.3	-17.6	-47.7	-96.5
Administrative expenses	-7.3	-6.8	-23.3	-17.9
Other operating income/expenses	-5.7	-6.5	-6.2	-5.0
EBITDA	116.8	226.7	383.8	1,019.5

EBITDAX

USD million	Q4 2023	Q4 2022	2023	2022
EBITDA	116.8	226.7	383.8	1,019.5
Exploration expenses	18.3	17.6	47.7	96.5
EBITDAX	135.1	244.2	431.5	1,116.0

Lifting costs

	Q4 2023	Q4 2022	2023	2022
Lifting costs (USD million)	-44.8	-68.5	-191.7	-222.1
Net production (MMboe)*	6.1	8.8	17.9	34.3
Lifting costs (USD/boe)	7.3	7.8	10.7	6.5

* For accounting purposes, the net production from equity accounted investments is excluded.

Capital expenditures

	Q4 2023	Q4 2022	2023	2022
Purchases of intangible assets	-34.1	-13.3	-114.6	-74.6
Purchases of tangible assets*	-36.1	-75.7	-163.6	-300.2
Capital expenditures	-70.2	-89.0	-278.3	-374.8

* Excludes estimate changes on asset retirement obligations.

Alternative performance measures

Operational spend

USD million	Quarters		Full-Year	
	Q4 2023	Q4 2022	2023	2022
Lifting costs	-44.8	-68.5	-191.7	-222.1
Tariff and transportation expenses	-9.6	-8.2	-32.4	-30.2
Exploration expenses	-18.3	-17.6	-47.7	-96.5
Exploration cost previously capitalized carried to cost (Note 5)	-0.2	3.8	6.0	52.2
Purchases of intangible assets	-34.1	-13.3	-114.6	-74.6
Purchases of tangible assets	-36.1	-75.7	-163.6	-300.2
Payments for decommissioning	-0.6	-13.5	-17.9	-70.0
Operational spend	-143.7	-193.1	-561.9	-741.4
Free cash flow				
USD million	Q4 2023	Q4 2022	2023	2022
Net cash from/-used in operating activities	102.4	245.0	194.2	1,056.3
Capital expenditures	-70.2	-89.0	-278.3	-374.8
Payments for decommissioning	-0.6	-13.5	-17.9	-70.0
Equity contribution into Joint Venture (Note 8)	-1.7	-4.2	-6.9	-4.2
Dividends from Joint Venture (Note 8)	3.4	11.5	27.1	11.5
Free cash flow	33.3	149.8	-81.7	618.8
Equity ratio				
USD			2023	2022
Equity			1,234.8	1,369.4
Total assets			2,638.3	2,803.0
Equity ratio			46.8%	48.9%
Net debt				
USD million			2023	2022
Cash and cash equivalents (including restricted cash)			718.8	954.3
Bond loans and reserve based lending (Note 10)			566.2	566.2
Net cash/-debt			152.7	388.2

Alternative performance measures

Definitions and explanations of APMs

ESMA issued guidelines on APMs that came into effect on 3 July 2016. The Company has defined and explained the purpose of the following APMs:

EBITDA (Earnings before interest, tax, depreciation and amortization)

EBITDA, as reconciled above, can be found by excluding the DD&A and impairment of oil and gas assets from the profit/-loss from operating activities. Management believes that this measure provides useful information regarding the Group's ability to fund its capital investments and provides a helpful measure for comparing its operating performance with those of other companies.

EBITDAX (Earnings before interest, tax, depreciation, amortization and exploration expenses)

EBITDAX, as reconciled above, can be found by excluding the exploration expenses from the EBITDA. Management believes that this measure provides useful information regarding the Group's profitability and ability to fund its exploration activities and provides a helpful measure for comparing its performance with those of other companies.

Lifting costs (USD/boe)

Lifting costs comprise of expenses related to the production of oil and gas, including operation and maintenance of installations, well intervention activities and insurances. DNO's lifting costs per boe are calculated by dividing DNO's share of lifting costs across producing assets by net production for the relevant period. Management believes that the lifting cost per boe is a useful measure because it provides an indication of the Group's level of operational cost effectiveness between time periods and with those of other companies.

Capital expenditures

Capital expenditures comprise the purchase of intangible and tangible assets irrespective of whether paid in the period. Management believes that this measure is useful because it provides an overview of capital investments used in the relevant period.

Operational spend

Operational spend is comprised of lifting costs, tariff and transportation expenses, exploration expenses, capital expenditures and payments for decommissioning. Management believes that this measure is useful because it provides a complete overview of the Group's total operational costs, capital investments and payments for decommissioning used in the relevant period.

Equity ratio

The equity ratio is calculated by dividing total equity by the total assets. Management uses the equity ratio to monitor its capital and financial covenants (see Note 9 in the consolidated accounts). The equity ratio also provides an indication of how much of the Group's assets are funded by equity.

Free cash flow

Free cash flow comprises net cash from/-used in operating activities less capital expenditures, payments for decommissioning and net cash received/-paid from equity accounted investments. Management believes that this measure is useful because it provides an indication of the profitability of the Group's operating activities excluding the non-cash items of the income statement and includes operational spend. This measure also provides a helpful measure for comparing with that of other companies.

Net debt

Net debt comprises cash and cash equivalents less bond loans and reserve based lending facility. Management believes that net debt is a useful measure because it provides indication of the minimum necessary debt financing (if the figure is negative) to which the Group is subject at the reporting date.

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