DNO ASA

Report

2024 Interim Results

DNO

EST - 1971

Key figures

USD million	Quarters Q4 2024	Q3 2024	Q4 2023	Full-Year 2024	2023
Key financials					
Revenues	176.6	170.5	199.3	666.8	667.5
EBITDAX	100.4	106.7	135.1	422.2	431.5
EBITDA	71.4	69.3	116.8	333.3	383.8
Operating profit/-loss	-81.9	30.6	37.6	6.1	218.3
Net profit/-loss	-98.4	20.0	4.2	-27.1	18.6
Free cash flow	-5.4	34.9	33.3	58.8	-86.8
Operational spend	187.2	142.5	143.7	568.0	561.9
Net cash/- debt	99.0	134.4	152.7	99.0	152.7
Lifting costs (USD/boe)	7.9	6.0	7.3	6.5	10.7
Key operational data					
Gross operated production (boepd)	80,765	84,212	65,773	80,280	46,500
Net production (boepd)	77,646	77,238	69,684	77,269	52,566
Sales volume (boepd)	34,513	32,914	41,685	33,918	28,885

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

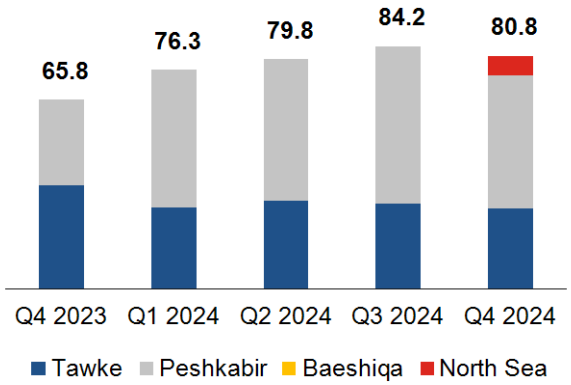
2024 highlights

- Strong operational cash flow of USD 433 million, up from USD 295 million in 2023
- Net loss of USD 27 million, down from a net profit of USD 19 million in 2023, mainly impacted by non-cash impairments and higher depreciation
- 2024 net production averaged 77,300 barrels of oil equivalent per day (boepd), to which Kurdistan contributed 59,000 boepd, North Sea 15,200 boepd and West Africa 3,100 boepd
- In Kurdistan, DNO increased production by 69 percent year-over-year, selling oil at its Fish Khabur export and truck loading terminal as the Iraq-Türkiye export pipeline remained shut in
- North Sea production began to climb in the fourth quarter following 2024 acquisitions of producing assets in the UK and in the Norne area offshore Norway
- The balance sheet remains strong as the Company exited the year with cash deposits of USD 899 million and net cash of USD 99 million
- One of the most active exploration drillers on Norwegian Continental Shelf in 2024 with discoveries that included Cuvette (20 percent), DNO operated Othello (50 percent) and Ringand (20 percent)
- In 2024, USD 103 million of cash was returned to shareholders through quarterly dividends, a 11 percent increase from 2023

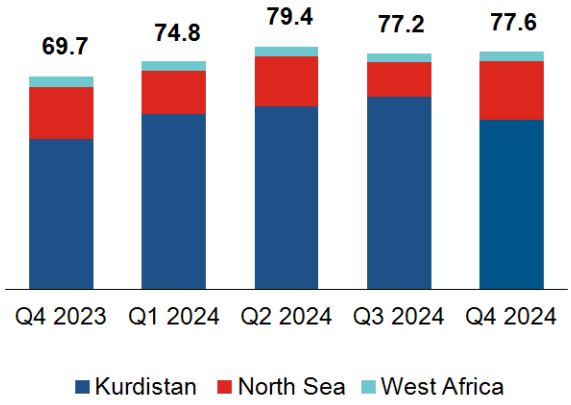
Cover image: Leading DNO personnel at the Dubai office discussing Tawke license optimization strategies

Operational review

Gross operated production
(Thousand boepd)



Net production
(Thousand boepd)



Gross production from the Company's operated licenses during the fourth quarter averaged 80,765 barrels of oil equivalent per day (boepd), down from 84,212 boepd in the previous quarter. In Kurdistan, gross production decreased to an average of 74,163 barrels of oil per day (bopd) during the fourth quarter, representing a 12 percent decrease from the previous quarter (84,212 bopd). The decrease was due to disruptions to truck movements in October. Operated production in the North Sea averaged at 6,602 barrels of oil per day (bopd) due to restart of Trym in late November 2024 and return to production of Marulk following completion of planned maintenance.

Net production during the fourth quarter stood at 77,646 barrels of oil equivalent per day (boepd), up from 77,238 boepd in the previous quarter. In Kurdistan, net production averaged 55,620 bopd, down from 63,159 bopd in the previous quarter, the North Sea averaged 19,031 boepd, up from 11,236 boepd in the previous quarter and the Company's West Africa gas asset offshore Côte d'Ivoire averaged 2,994 boepd, up from 2,842 boepd in the previous quarter. The increase in net production compared to the previous quarter was mainly driven by higher production from the North Sea due to the restart of Trym and higher operational uptime across several fields following completion of planned maintenance activities.

Net entitlement (NE) production averaged 36,456 boepd during the fourth quarter, up from 28,844 boepd in the previous quarter.

Sales volume averaged 34,513 boepd during the fourth quarter, up from 32,914 boepd in the previous quarter. The increase in sales volume was mainly due to higher liftings in the North Sea. The net underlift position was 0.08 million barrels of oil equivalent (MMboe) as of end-Q4 (Q3 2024: net overlift 0.11 MMboe).

Gross operated production

	Quarters			Full-Year	
boepd	**Q4 2024**	**Q3 2024**	**Q4 2023**	**2024**	**2023**
Kurdistan	74,163	84,212	65,773	78,620	46,500
North Sea	6,602	-	-	1,659	-
Total	**80,765**	**84,212**	**65,773**	**80,280**	**46,500**

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

Net production

	Quarters			Full-Year	
boepd	**Q4 2024**	**Q3 2024**	**Q4 2023**	**2024**	**2023**
Kurdistan	55,620	63,159	49,330	58,965	34,850
North Sea	19,031	11,236	16,879	15,201	14,203
Sub-total	**74,651**	**74,396**	**66,208**	**74,166**	**49,053**
West Africa	2,994	2,842	3,476	3,103	3,513
Sub-total	**2,994**	**2,842**	**3,476**	**3,103**	**3,513**
Total	**77,646**	**77,238**	**69,684**	**77,269**	**52,566**

Net production is based on DNO's percentage ownership in the licenses. West Africa segment is equity accounted.

Net entitlement (NE) production

	Quarters			Full-Year	
boepd	**Q4 2024**	**Q3 2024**	**Q4 2023**	**2024**	**2023**
Kurdistan	17,424	17,607	26,057	18,172	14,806
North Sea	19,031	11,236	16,879	15,201	14,203
Total	**36,456**	**28,844**	**42,936**	**33,373**	**29,009**

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

Sales volume

	Quarters			Full-Year	
boepd	**Q4 2024**	**Q3 2024**	**Q4 2023**	**2024**	**2023**
Kurdistan	17,424	17,607	26,057	18,172	14,806
North Sea	17,088	15,307	15,628	15,746	14,078
Total	**34,513**	**32,914**	**41,685**	**33,918**	**28,885**

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 74,143 bopd during the fourth quarter of 2024 (84,212 bopd in Q3 2024).

The Tawke field contributed 27,864 bopd (29,693 bopd in Q3 2024) and the Peshkabir field contributed 46,279 bopd (54,520 bopd in Q3 2024) during this period. License production was down from the third quarter due to disruptions to truck movements in October.

Year-on-year, gross license production increased by 70 percent in 2024. DNO sold its oil at its Fish Khabur terminal as the Iraq-Türkiye export pipeline remained shut, with payments deposited into DNO's international bank accounts by buyers ahead of deliveries.

Maintaining strict capital spending discipline, DNO drilled no new wells on the Tawke license in 2024. Notwithstanding, output was increased by bringing three previously drilled wells onstream and workovers and interventions on more than 20 other wells across the license.

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

Baeshiqa license

In the fourth quarter of 2024, a well testing program was concluded at the DNO-operated Baeshiqa license. Gross production resulting from the testing program averaged 20 bopd in the quarter. Prior to this, the license had not been on production since mid-2023. The Company is currently working to minimize license running cost while reviewing its options.

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:

	Quarters			Full-Year	
bopd	**Q4 2024**	**Q3 2024**	**Q4 2023**	**2024**	**2023**
Tawke	20,898	22,269	27,102	21,865	19,933
Peshkabir	34,709	40,890	22,228	37,097	14,774
Baeshiqa	13	-	-	3	143
Total	**55,620**	**63,159**	**49,330**	**58,965**	**34,850**

North Sea

Net production averaged 19,031 boepd in the North Sea segment during the fourth quarter of 2024 (11,236 boepd in Q3 2024), of which 13,581 boepd was in Norway and 5,450 boepd in the United Kingdom (UK) (10,502 boepd and 735 boepd in Q3 2024, respectively). In the fourth quarter, oil accounted for 44 percent of production, gas for 43 percent and natural gas liquids (NGL) for 13 percent, while for the full year 2024, the split was 54 percent oil, 36 gas and 10 percent NGL.

In the fourth quarter of 2024, DNO made the play-opening Othello light oil discovery (50 percent and operator), Norway's second largest find last year. In December, DNO also announced an oil and gas discovery on the Ringand prospect (20 percent) in the Norwegian North Sea. Shortly before yearend, DNO farmed into a 10 percent interest in the Mistral exploration well in the Norwegian Sea. In exchange, the counterparty picked up a 10 percent interest in the Northern North Sea Horatio prospect, in which DNO retained a 20 percent stake.

During 2024, DNO took steps to expand its North Sea business by acquiring a 25 percent interest in the producing Arran field in the United Kingdom and interests in four producing fields and one development asset in the Norne area offshore Norway. Driven by contribution from these acquisitions, recovery of production in some fields following maintenance and Trym field restart, net North Sea production climbed in the fourth quarter.

Meanwhile, DNO is taking part in four ongoing North Sea field development projects expected to come online between 2025 and 2028. Two other discoveries, namely Ofelia/Kyrre (10 percent) and Cuvette (20 percent) are nearing development decisions.

Following the end of the reporting period, DNO was in January 2025 awarded 13 licenses in Norway's 2024 Awards in Predefined Areas (APA) licensing round, including four operatorships.

Net production (boepd) per field in the North Sea:

	Quarters			Full-Year	
boepd	**Q4 2024**	**Q3 2024**	**Q4 2023**	**2024**	**2023**
Alve/Marulk	4,926	3,261	6,716	4,762	5,438
Ula area	3,622	3,218	3,779	3,425	4,549
Vilje	608	720	714	716	917
Brage	2,511	2,521	3,166	2,697	1,923
Trym	696	-	-	175	-
Norne	301	-	-	76	-
Urd/Skuld	344	-	-	86	-
Ringhorne E.	0	192	429	210	187
Fenja	1,150	1,179	2,036	1,422	1,114
Arran	4,837	76	-	1,591	-
Other	37	69	38	42	74
Total	**19,031**	**11,236**	**16,879**	**15,201**	**14,203**

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 2,994 boepd in the fourth quarter of 2024 (2,842 boepd in Q3 2024).

	Quarters			Full-Year	
boepd	**Q4 2024**	**Q3 2024**	**Q4 2023**	**2024**	**2023**
Block CI-27	2,994	2,842	3,476	3,103	3,513
Total	**2,994**	**2,842**	**3,476**	**3,103**	**3,513**

Financial review

Revenues, operating result and cash

Revenues in the fourth quarter stood at USD 176.6 million, up 4 percent compared to the previous quarter (Q3 2024: USD 170.5 million). Kurdistan generated revenues of USD 54.9 million (Q3 2024: USD 59.2 million), while the North Sea generated revenues of USD 121.8 million (Q3 2024: USD 111.3 million). The main driver for the revenue increase was higher oil sales in the North Sea partially offset by slightly lower entitlement volumes in Kurdistan.

The Group reported an operating loss of USD 81.9 million in the fourth quarter, down from an operating profit of USD 30.6 million in the previous quarter mainly driven by Baeshiqa impairment and higher lifting costs and depreciation in the North Sea partly offset by higher revenue and lower exploration expense in the North Sea.

Net financial expenses increased to USD 10.8 million (Q3 2024: USD 2.6 million) mainly due to strengthening of USD to NOK and GBP.

The Group ended the quarter with a cash balance of USD 899.0 million (Q3 2024: USD 919.4 million) and USD 99.0 million in net cash position (Q3 2024: USD 134.4 million).

Cost of goods sold

In the fourth quarter, the cost of goods sold amounted to USD 118.6 million, up from USD 102.0 million in the previous quarter. The increase was mainly due to higher lifting costs and depreciation.

Lifting costs

Lifting costs stood at USD 54.5 million in the fourth quarter, up from USD 40.9 million in the previous quarter. In Kurdistan, the average lifting cost was USD 5.1 per barrel, up from USD 2.7 per barrel in the previous quarter driven by lower production, workovers and maintenance. In the North Sea, the average lifting cost stood at USD 16.2 per barrel of oil equivalent (boe), down from USD 22.2 per boe in the previous quarter driven by higher production.

	Quarters			Full-Year	
USD million	**Q4 2024**	**Q3 2024**	**Q4 2023**	**2024**	**2023**
Kurdistan	26.2	15.4	19.8	83.0	101.7
North Sea	28.3	22.9	24.5	93.2	89.7
Total	**54.5**	**40.9**	**44.8**	**175.5**	**191.7**

	Quarters			Full-Year	
(USD/boe)	**Q4 2024**	**Q3 2024**	**Q4 2023**	**2024**	**2023**
Kurdistan	5.1	2.7	4.4	3.8	8.0
North Sea	16.2	22.2	15.8	16.7	17.3
Average	**7.9**	**6.0**	**7.3**	**6.5**	**10.7**

Depreciation, depletion and amortization (DD&A)

DD&A related to the Group's oil and gas production assets amounted to USD 47.3 million in the fourth quarter, up from USD 39.9 million in the previous quarter. The increase in DD&A was mainly driven by increase in North Sea production.

	Quarters			Full-Year	
USD million	**Q4 2024**	**Q3 2024**	**Q4 2023**	**2024**	**2023**
Kurdistan	28.0	28.3	42.7	116.1	96.5
North Sea	19.4	11.6	16.6	62.2	44.1
Total	**47.3**	**39.9**	**59.2**	**178.2**	**140.6**

	Quarters			Full-Year	
(USD/boe)	**Q4 2024**	**Q3 2024**	**Q4 2023**	**2024**	**2023**
Kurdistan	17.5	17.5	17.8	17.5	17.8
North Sea	11.1	11.2	10.7	11.2	8.5
Average	**14.1**	**15.0**	**15.0**	**14.6**	**13.3**

Exploration costs expensed

Exploration costs expensed in the fourth quarter amounted to USD 29.0 million, down from USD 37.4 million in the previous quarter. The decrease in exploration costs expensed was mainly due to lower expensing of drilling costs.

	Quarters			Full-Year	
USD million	**Q4 2024**	**Q3 2024**	**Q4 2023**	**2024**	**2023**
Kurdistan	-	-	-	-	-
North Sea	29.0	37.4	18.3	88.9	47.7
Total	**29.0**	**37.4**	**18.3**	**88.9**	**47.7**

Capital expenditures

Capital expenditures stood at USD 96.8 million in the fourth quarter, of which USD 5.8 million were in Kurdistan and USD 90.9 million in the North Sea.

	Quarters			Full-Year	
USD million	**Q4 2024**	**Q3 2024**	**Q4 2023**	**2024**	**2023**
Kurdistan	5.8	13.5	7.0	46.8	73.0
North Sea	90.9	61.5	63.1	239.3	204.4
Other	0.1	-0.4	0.1	0.9	0.9
Total	**96.8**	**74.5**	**70.2**	**287.0**	**278.3**

Consolidated statements of comprehensive income

(unaudited, in USD million)	Note	Quarters Q4 2024	Quarters Q4 2023	Full-Year 2024	Full-Year 2023
Revenues	2,3	176.6	199.3	666.8	667.5
Cost of goods sold	4	-118.6	-115.7	-406.9	-364.8
Gross profit		**58.1**	**83.6**	**259.9**	**302.7**
Share of profit/-loss from Joint Venture		-0.3	3.9	3.3	11.9
Other income/-expenses		0.1	0.2	1.0	1.6
Administrative expenses		-5.5	-7.3	-23.5	-23.3
Other operating expenses		-0.8	-5.9	-2.5	-7.9
Impairment oil and gas assets	7	-104.4	-18.9	-146.0	-24.9
Exploration expenses	5	-29.0	-18.3	-88.9	-47.7
Gain on disposal of licenses	13	-	0.3	3.0	5.8
Operating profit/-loss		**-81.9**	**37.6**	**6.1**	**218.3**
Financial income		9.0	5.1	47.3	45.0
Financial expenses	9,10	-19.8	-14.3	-66.7	-112.0
Profit/-loss before income tax		**-92.7**	**28.5**	**-13.3**	**151.3**
Tax income/-expense	6	-5.7	-24.3	-13.8	-132.7
Net profit/-loss		**-98.4**	**4.2**	**-27.1**	**18.6**
Other comprehensive income					
Currency translation differences		-16.2	8.4	-25.8	-10.9
Items that may be reclassified to profit or loss in later periods		**-16.2**	**8.4**	**-25.8**	**-10.9**
Total comprehensive income, net of tax		**-114.5**	**12.6**	**-52.9**	**7.7**
Net profit/-loss attributable to:					
Equity holders of the parent		-98.4	4.2	-27.1	18.6
Total comprehensive income attributable to:					
Equity holders of the parent		-114.5	12.6	-52.9	7.7
Earnings per share, basic (USD per share)		-0.10	0.00	-0.03	0.02
Earnings per share, diluted (USD per share)		-0.10	0.00	-0.03	0.02
Weighted average number of shares outstanding (millions)		975.00	975.00	975.00	980.04

Consolidated statements of financial position

ASSETS (unaudited, in USD million)	Note	At 31 Dec 2024	2023
Non-current assets			
Deferred tax assets	6	39.6	-
Goodwill	7	102.1	43.2
Other intangible assets	7	228.5	202.1
Property, plant and equipment	7	1,109.4	1,133.2
Investment in Joint Venture		48.8	67.9
Other non-current receivables	9	98.2	129.8
Total non-current assets		**1,626.6**	**1,576.2**
Current assets			
Inventories	8	74.8	77.8
Trade and other receivables	9	338.1	265.4
Tax receivables	6	27.5	-
Cash and cash equivalents		899.0	718.8
Total current assets		**1,339.5**	**1,062.1**
TOTAL ASSETS		**2,966.1**	**2,638.3**

EQUITY AND LIABILITIES (unaudited, in USD million)	Note	At 31 Dec 2024	2023
Equity			
Shareholders' equity		1,080.0	1,234.8
Total equity		**1,080.0**	**1,234.8**
Non-current liabilities			
Deferred tax liabilities	6	257.2	192.4
Interest-bearing liabilities	10	790.5	392.0
Provisions for other liabilities and charges	11	484.5	404.0
Total non-current liabilities		**1,532.2**	**988.4**
Current liabilities			
Trade and other payables	12	323.7	221.1
Income taxes payable	6	-	4.6
Current interest-bearing liabilities	10	-	166.2
Provisions for other liabilities and charges	11	30.2	23.3
Total current liabilities		**353.9**	**415.1**
Total liabilities		**1,886.1**	**1,403.5**
TOTAL EQUITY AND LIABILITIES		**2,966.1**	**2,638.3**

Consolidated cash flow statement

(unaudited, USD million)	Note	Quarters Q4 2024	Quarters Q4 2023	Full-Year 2024	Full-Year 2023
Operating activities					
Profit/-loss before income tax		-92.7	28.5	-13.3	151.3
Adjustments to add/-deduct non-cash items:					
Exploration cost previously capitalized carried to cost	5	12.8	-0.2	37.7	6.0
Depreciation, depletion and amortization	4	48.9	60.6	184.1	146.4
Impairment oil and gas assets	7	104.4	18.9	146.0	24.9
Loss/-gain on PP&E		-	-	-3.0	-
Time value effects on trade receivables	9	-0.4	-0.3	-11.4	44.3
Share of profit/-loss from Joint Venture		0.3	-3.9	-3.3	-11.9
Amortization of borrowing issue costs	10	0.9	0.8	4.1	3.3
Accretion expense on ARO provisions		5.5	4.5	20.4	17.4
Interest expense		17.1	9.3	54.3	44.6
Interest income		-11.9	-9.5	-38.1	-36.5
Other		5.4	10.1	-8.6	-10.0
Change in working capital items and provisions:					
- Inventories	8	2.0	-3.9	6.0	-30.8
- Trade and other receivables	9	-44.8	-8.8	-46.1	-2.3
- Trade and other payables	12	36.8	9.9	97.4	-23.0
- Provisions for other liabilities and charges	11	-2.3	-23.4	6.9	-28.7
Cash generated from operations		**82.0**	**92.6**	**433.0**	**294.9**
Net income taxes paid/tax refund received		-0.8	6.3	-0.8	-89.5
Interest received		15.0	15.2	34.6	35.3
Interest paid		-17.1	-11.7	-53.7	-46.4
Net cash from/-used in operating activities		**79.0**	**102.4**	**413.0**	**194.2**
Investing activities					
Purchases of intangible assets		-34.3	-34.1	-87.2	-114.6
Purchases of tangible assets		-62.5	-36.1	-199.8	-163.6
Payments for decommissioning		-0.9	-0.6	-4.9	-17.9
Payments for license transactions	13	-0.3	-	-84.8	-5.1
Equity contribution into Joint Venture		-1.1	-1.7	-9.4	-6.9
Dividends from Joint Venture		14.5	3.4	31.8	27.1
Net cash from/-used in investing activities		**-84.5**	**-69.1**	**-354.2**	**-281.0**
Financing activities					
Proceeds from borrowings	10	15.0	-	365.0	-
Repayment of borrowings	10	-	-	-131.2	-
Payment of debt issue costs		-	-	-5.6	-
Purchase of treasury shares		-	-	-	-50.7
Paid dividend		-27.4	-22.7	-102.5	-92.0
Payments of lease liabilities		-0.7	-0.4	-2.5	-4.3
Net cash from/-used in financing activities		**-13.1**	**-23.1**	**123.2**	**-147.0**
Net increase/-decrease in cash and cash equivalents		-18.5	10.2	182.1	-233.8
Cash and cash equivalents at beginning of the period		919.4	708.1	718.8	954.3
Exchange gain/-losses on cash and cash equivalents		-1.8	0.5	-1.9	-1.9
Cash and cash equivalents at the end of the period		**899.0**	**718.8**	**899.0**	**718.8**
Of which restricted cash		17.5	14.3	17.5	14.3

Consolidated statement of changes in equity

(unaudited, in USD million)	Share capital	Share premium	Other comprehensive income: Currency translation differences	Retained earnings	Total equity
Total shareholders' equity as of 31 December 2022	**33.9**	**343.6**	**-29.0**	**1,020.9**	**1,369.5**
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**

(unaudited, in USD million)	Share capital	Share premium	Other comprehensive income: Currency translation differences	Retained earnings	Total equity
Total shareholders' equity as of 31 December 2023	**32.8**	**343.6**	**-39.9**	**898.3**	**1,234.8**
Currency translation differences	-	-	-25.8	-	-25.8
Other comprehensive income/-loss	**-**	**-**	**-25.8**	**-**	**-25.8**
Profit/-loss for the period	-	-	-	-27.1	-27.1
Total comprehensive income	**-**	**-**	**-25.8**	**-27.1**	**-52.9**
Payment of dividend	-	-	-	-101.9	-101.9
Transactions with shareholders	**-**	**-**	**-**	**-101.9**	**-101.9**
Total shareholders' equity as of 31 December 2024	**32.8**	**343.6**	**-65.7**	**769.3**	**1,080.0**

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 2023.

The interim financial information for 2024 and 2023 is unaudited.

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 2023.

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 2023.

Due to rounding adjustments, some row and column totals may not exactly match the sum of the amounts shown.

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). The segment assets/liabilities do not include internal receivables/liabilities.

Fourth quarter ending 31 December 2024 USD million	Note	Kurdistan	North Sea	West Africa	Other	Total reporting segments	Un-allocated/ eliminated	Total Group
Income statement information								
Revenues	3	54.9	121.8	-	-	176.6	-	176.6
Cost of goods sold	4	-54.4	-63.4	-	-	-117.8	-0.8	-118.6
Gross profit		**0.5**	**58.4**	**-**	**-**	**58.9**	**-0.8**	**58.1**
Share of profit/-loss from Joint Venture		-	-	-0.3	-	-0.3	-	-0.3
Other operating income		-	-	-	-	-	-	-
Administrative and other operating costs		-1.1	-1.3	-	-0.5	-3.0	-3.3	-6.2
Impairment of oil and gas assets	7	-89.0	-15.4	-	-	-104.4	-	-104.4
Exploration costs	5	-	-29.0	-	-	-29.0	-	-29.0
Operating profit/-loss		**-89.6**	**12.7**	**-0.3**	**-0.5**	**-77.8**	**-4.0**	**-81.9**
Financial income/-expense (net)	10	3.1	-5.1	0.5	0.2	-1.4	-9.4	-10.8
Tax income/-expense	6	-	-5.7	-	-	-5.7	-	-5.7
Net profit/-loss		**-86.6**	**1.9**	**0.2**	**-0.4**	**-84.9**	**-13.5**	**-98.4**

Fourth quarter 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	81.3	118.0	-	-	199.3	-	199.3
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		-	-	3.9	-	3.9	-	3.9
Other operating income		-	0.2	-	-	0.2	0.0	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		-0.0	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**

Note 2 | Segment information

Full-Year ending 31 December 2024 USD million	Note	Kurdistan	North Sea	West Africa	Other	Total reporting segment	Un-allocated/ eliminated	Total Group
Income statement information								
Revenues	3	230.8	436.0	-	-	666.8	-	666.8
Inter-segment sales		-	-	-	-	-	-	-
Cost of goods sold	4	-199.7	-204.5	-	-	-404.2	-2.7	-406.9
Gross profit		**31.1**	**231.5**	**-**	**-**	**262.6**	**-2.7**	**259.9**
Share of profit/-loss from Joint Venture		-	-	3.3	-	3.3	-	3.3
Other operating income		0.3	0.6	-	-	0.9	0.1	1.0
Administrative and other operating costs		-2.2	-10.6	-	-2.4	-15.2	-10.8	-26.0
Impairment of oil and gas assets	7	-89.0	-57.0	-	-	-146.0	-	-146.0
Exploration costs	5	-	-88.9	-	-	-88.9	-	-88.9
Net gain on disposal of license	11	-	3.0	-	-	3.0	-	3.0
Operating profit/-loss		**-59.8**	**78.4**	**3.3**	**-2.4**	**19.5**	**-13.4**	**6.1**
Financial income/-expense (net)	10	11.6	-10.3	1.5	1.2	4.0	-23.4	-19.4
Tax income/-expense	6	-	-13.8	-	-	-13.8	-	-13.8
Net profit/-loss		**-48.2**	**54.3**	**4.8**	**-1.2**	**9.7**	**-36.8**	**-27.1**
Financial position information								
Non-current assets		663.1	902.5	48.8	-	1,614.5	12.2	1,626.6
Current assets		237.4	283.2	-	1.3	521.8	817.7	1,339.5
Total assets		**900.5**	**1,185.7**	**48.8**	**1.3**	**2,136.3**	**829.9**	**2,966.1**
Non-current liabilities		71.4	705.1	-	-	776.5	755.7	1,532.2
Current liabilities		142.3	177.4	-	8.1	327.8	26.1	353.9
Total liabilities		**213.8**	**882.4**	**-**	**8.1**	**1,104.3**	**781.8**	**1,886.1**

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
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		-	-	11.9	-	11.9	-	11.9
Other operating income		-	1.6	-	-	1.6	0.0	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		-0.0	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	-	-134.9	-	-	-134.9	2.2	-132.7
Net profit/-loss		**2.2**	**39.8**	**12.7**	**-7.9**	**46.9**	**-28.3**	**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 3 | Revenues

USD million	Quarters Q4 2024	Quarters Q4 2023	Full-Year 2024	Full-Year 2023
Sale of oil	99.5	151.8	496.0	506.2
Sale of gas	64.4	42.7	138.5	137.3
Sale of natural gas liquids (NGL)	9.8	4.2	26.9	21.6
Tariff income	3.0	0.6	5.4	2.4
Total revenues from contracts with customers	**176.6**	**199.3**	**666.8**	**667.5**
Sale of oil (bopd)	24,044	34,709	26,852	22,856
Sale of gas (boepd)	8,142	5,892	5,496	4,746
Sale of natural gas liquids (NGL) (boepd)	2,327	1,084	1,571	1,282
Total sales volume (boepd)	**34,513**	**41,685**	**33,918**	**28,885**

Note 4 | Cost of goods sold

USD million	Quarters Q4 2024	Quarters Q4 2023	Full-Year 2024	Full-Year 2023
Lifting costs	-54.5	-44.8	-175.5	-191.7
Tariff and transportation expenses	-18.8	-9.6	-49.4	-32.4
Production costs based on produced volumes	**-73.3**	**-54.4**	**-224.9**	**-224.1**
Movement in overlift/underlift	3.6	-0.7	2.1	5.6
Production costs based on sold volumes	**-69.7**	**-55.2**	**-222.7**	**-218.4**
Depreciation, depletion and amortization	-48.9	-60.6	-184.1	-146.4
Total cost of goods sold	**-118.6**	**-115.7**	**-406.9**	**-364.8**

Note 5 | Exploration expenses

USD million	Quarters Q4 2024	Quarters Q4 2023	Full-Year 2024	Full-Year 2023
Exploration expenses (G&G and field surveys)	-5.2	-6.4	-16.5	-15.0
Seismic costs	-7.3	-6.9	-16.5	-9.9
Exploration cost capitalized in previous years carried to cost	-	-	-0.8	-
Exploration costs capitalized this year carried to cost	-12.8	0.2	-37.0	-6.0
Other exploration cost expensed	-3.8	-5.2	-18.3	-16.8
Total exploration expenses	**-29.0**	**-18.3**	**-88.9**	**-47.7**

Exploration costs relating to the Falstaff prospect in the Falstaff/Othello well were expensed during the quarter.

Note 6 | Income taxes

USD million	Quarters		Full-Year	
	Q4 2024	Q4 2023	Q4 2024	Q4 2023
Tax income/-expense				
Change in deferred taxes	-49.2	-30.2	-57.9	-125.8
Income tax receivable/-payable	43.5	5.9	44.1	-6.9
Total tax income/-expense	**-5.7**	**-24.3**	**-13.8**	**-132.7**

USD million	At 31 Dec	
	2024	2023
Income tax receivable/-payable		
Tax receivables (current)	27.5	-
Income taxes payable	-	-4.6
Net tax receivable/-payable	**27.5**	**-4.6**
Deferred tax assets/-liabilities		
Deferred tax assets	39.6	-
Deferred tax liabilities	-257.2	-192.4
Net deferred tax assets/-liabilities	**-217.6**	**-192.4**

The tax balances relate to the activity on the Norwegian Continental Shelf and the UK Continental Shelf.

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.

For tax impacts due to acquisitions, see Note 13.

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

USD million	Quarters		Full-Year	
	Q4 2024	Q4 2023	2024	2023
Additions of intangible assets	34.3	34.1	87.2	114.6
Additions of goodwill and intangible assets through business combinations (Note 13)	-2.5	-	113.8	-
Disposal of goodwill and intangible assets	0.1	-	-1.1	-
Transfers to/-from intangible assets	-	-	-	-3.3
Additions of tangible assets	86.4	46.3	226.1	178.3
Additions of tangible assets through business combination (Note 13)	-0.2	-	112.5	-
Disposal of tangible assets	2.5	-		-
Transfers to/-from tangible assets	-	-	-	3.3
PP&E assets reclassified to assets held for sale	-	-	-	-
Additions of right-of-use (RoU) assets	-	0.2	0.3	10.7
Additions of RoU assets through business combinations	-	-	-	-
Depreciation, depletion and amortization (Note 4)	-48.9	-60.6	-184.1	-146.4
Impairment oil and gas assets/goodwill	-104.4	-18.9	-146.0	-24.9
Exploration cost previously capitalized carried to cost (Note 5)	-12.8	0.2	-38.0	-6.0

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.

Additions through business combinations and disposals during the year are explained in Note 13.

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 2024, a net impairment charge of USD 104.4 million (USD 99.2 million post-tax) was recognized mainly driven by the results of well testing programs in the Baeshiqa license, 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.

USD million		Income statement:			Balance sheet:			
CGU, Segment	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
Baeshiqa	82.0	-89.0	-	-89.0	-	-89.0	-	-
Vilje	5.3	-2.2	-	-2.2	-2.2	-	-	-0.0
Ula area	-	-6.7	5.2	-1.5	-	-6.6	5.2	-0.0
Other, North Sea	-	-6.4	-	-6.4	-2.4	-2.6	-	-1.4
Total		**-104.4**	**5.2**	**-99.2**	**-4.7**	**-98.2**	**5.2**	**-1.5**

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 (2025: USD 71.5, 2026: 74.4, 2027: USD 72.0 and 2028: USD 71.8 per barrel, nominal terms). From 2029, the Brent oil price was based on the Group's long-term price assumption (USD 65 per barrel, real term), unchanged from yearend 2023. The relevant post-tax nominal discount rate (WACC) applied in the impairment test was 8.9 percent in the Norway, 8.6 percent in the UK and 13.3 percent in Kurdistan.

Note 8 | Inventory

USD million	At 31 Dec 2024	2023
Drilling equipment, spare parts and consumables	94.3	95.2
Provision for obsolete inventory	-19.4	-17.4
Total inventory	**74.8**	**77.8**

Book value of inventory as of the reporting date relates to Kurdistan (USD 55.7 million) and the North Sea (USD 19.1 million).

Note 9 | Other non-current receivables/ Trade Receivables

USD million	At 31 Dec 2024	2023
Trade debtors (non-current portion)	98.2	129.8
Total other non-current receivables	**98.2**	**129.8**
Trade debtors	185.0	149.5
Underlift	7.1	12.1
Other short-term receivables	146.1	103.8
Total trade and other receivables	**338.1**	**265.4**

As of 31 December 2024, the Company was owed a total of USD 298.1 million, excluding any interest, by the KRG mainly related to sales of DNO's entitlement share 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. During Q4 2024, DNO recognized that USD 1.5 million of these arrears had been settled by way of offsetting against payables due to the KRG. 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. During 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. As of 31 December 2024, the Company re-estimated the present value with updated assumptions, resulting in an accumulated increase of USD 11.9 million to the book value of KRG arrears during 2024. Moreover, the classification of the receivables (current/non-current portion) was updated accordingly.

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	Interest	Maturity	At 31 Dec 2024	At 31 Dec 2023
Non-current						
Bond loan (ISIN NO0011088593)	DNO04	USD	7.875 %	09/09/26	350.0	400.0
Bond loan (ISIN NO0013243766)	DNO05	USD	9.250 %	04/06/29	400.0	-
Capitalized borrowing issue costs					-9.5	-8.0
Reserve based lending facility		USD	see below	see below	50.0	-
Total non-current interest-bearing liabilities					**790.5**	**392.0**
Current						
Bond loan (ISIN NO0010852643)	DNO03	USD	8.375 %	29/05/24	-	131.2
Reserve based lending facility		USD	see below	see below	-	35.0
Total current interest-bearing liabilities					**-**	**166.2**
Total interest-bearing liabilities					**790.5**	**558.2**

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

USD million	At 1 Jan 2024	Cash flows	Non-cash changes Amortization	Currency	Reclassification	At 31 Dec 2024
Bond loans	400.0	350.0	-	-	-	750.0
Bond loans (current)	131.2	-131.2	-	-	-	-
Borrowing issue costs	-8.0	-5.6	4.1	-	-	-9.5
Reserve based lending facility	-	15.0	-	-	35.0	50.0
Reserve based lending facility (current)	35.0	-	-	-	-35.0	-
Total	**558.2**	**228.2**	**4.1**	**-**	**-**	**790.5**

USD million	At 1 Jan 2023	Cash flows	Non-cash changes Amortization	Currency	Reclassification	At 31 Dec 2023
Bond loans	531.2	-262.3	-	-	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	-
Reserve based lending facility (current)	8.4	-	-	-	26.6	35.0
Total	**554.8**	**-262.3**	**3.3**	**-**	**262.3**	**558.2**

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

On 4 June 2024, DNO ASA completed the placement of a new USD 400 million, five-year senior unsecured bond issued at 100 percent at par with a coupon rate of 9.25 percent. In connection with the bond placement, the Company agreed to buy back USD 50 million in nominal value of DNO04 at par plus accrued interest. The financial covenants of the bonds issued by DNO ASA require minimum USD 40 million of liquidity, and that the Group maintains either an equity ratio of 30 percent or a total equity of a minimum of USD 600 million.

As of 31 December 2024, the Group had a reserve-based lending (RBL) facility for its Norwegian and UK production licenses with a total facility limit of USD 230 million which is available for both debt and issuance of letters of credit. The borrowing base amount of the facility from 1 January 2025 is USD 150 million. Amount utilized as of the reporting date is disclosed in the table above. In addition, as of 31 December 2024, USD 18.6 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 2023.

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

USD million	At 31 Dec 2024	2023
Non-current		
Asset retirement obligations (ARO)	467.9	382.7
Other long-term provisions and charges	6.9	7.3
Lease liabilities	9.7	14.0
Total non-current provisions for other liabilities and charges	**484.5**	**404.0**
Current		
Asset retirement obligations (ARO)	12.9	10.6
Other provisions and charges	14.2	9.1
Current lease liabilities	3.1	3.6
Total current provisions for other liabilities and charges	**30.2**	**23.3**
Total provisions for other liabilities and charges	**514.6**	**427.2**

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 5.1 percent and 5.3 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 2024	2023
Within one year	4.0	4.8
Two to five years	8.7	11.8
After five years	3.2	5.4
Total undiscounted lease liabilities end of the period	**15.9**	**22.0**

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 2024	2023
Trade payables	84.5	70.5
Public duties payable	4.0	4.3
Prepayments from customers	4.7	21.2
Overlift and other adjustments	103.7	1.2
Other accrued expenses	126.8	123.9
Total trade and other payables	**323.7**	**221.1**

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.

Note 13 | Business combination

The Company has completed two transactions during 2024 as described below.
The transactions are regarded as business combinations and accounted for using the acquisition method in accordance with IFRS 3 Business Combinations. Purchase price allocations (PPA) have been performed to allocate the consideration to fair value of assets acquired and liabilities assumed.

Arran acquisition
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 completed on 15 May 2024 which is also the acquisition date for accounting purposes. The goodwill recognized relates mainly to technical goodwill and tax synergies. Technical goodwill arises due to the requirement to recognize deferred tax for the difference between the assigned fair value and the tax base of assets acquired and liabilities assumed. No contingent consideration is to be paid. Transaction costs of USD 0.7 million were incurred and expensed in the profit/-loss statement.

USD million	Fair value at acquisition-date
Deferred tax assets	8.4
Producing asset	37.5
Other current assets	0.3
Total assets	**46.2**
Asset retirement obligation	21.1
Deferred tax liability	20.3
Other current liabilities	6.4
Total liabilities	**47.8**
Net assets excluding goodwill	-1.6
Consideration (cash)	60.1
Goodwill	**61.7**

After the recognition of the PPA, a reassessment of the utilization of tax losses in the acquiring entity was carried out, which triggered the recognition of a deferred tax asset and a partial impairment of goodwill. The overall impact on the Net profit/-loss is positive but the adjustments are reported through different lines in the accounts.

Impairment of goodwill	-41.3
Tax income due to recognition of deferred tax asset	61.7
Impact on Net profit/-loss	**20.4**

Note 13 | Business combination

Norne Area acquisition

On 8 May 2024, the Company announced that its wholly owned subsidiary DNO Norge AS has entered into an agreement to acquire stakes in five oil and gas fields, including an operatorship, in the Norne area in the Norwegian Sea from Vår Energi ASA. The transaction includes interests in four producing fields, Norne (6.9 percent), Skuld (11.5 percent), Urd (11.5 percent) and Marulk (20 percent and operatorship) plus the ongoing Verdande development (10 percent). The transaction completed on 30 August 2024 which is also the acquisition date for accounting purposes. The goodwill recognized relates mainly to technical goodwill. Technical goodwill arises due to the requirement to recognize deferred tax for the difference between the assigned fair value and the tax base of assets acquired and liabilities assumed. No contingent consideration is to be paid. Transaction costs of USD 0.2 million were incurred and expensed in the profit/-loss statement.

The purchase price allocation reported in the previous quarter is adjusted based on new available information during the quarter. Other current liabilities and tax payable were in total reduced by USD 2.8 million and the cash consideration was increased by USD 0.2 million, resulting in a decrease of USD 2.6 million in goodwill.

USD million	Fair value at acquisition-date
Deferred tax assets	55.6
Producing asset	75.0
Other current assets	3.0
Total assets	**133.6**
Asset retirement obligation	67.0
Deferred tax liability	54.5
Other current liabilities	11.4
Tax payable	12.9
Total liabilities	**145.8**
Consideration (cash)	28.3
Ringhorne East transfer at fair value	11.6
Total consideration	**39.9**
Net assets excluding goodwill	-12.2
Consideration	39.9
Goodwill	**52.1**

The transfer of DNO's 22.6 percent interest in Ringhorne East to Vår Energi, the other element of the swap, was also completed on 30 August 2024. The gain on the disposal is the difference between the proceeds and the carrying amount and has been recognized in the profit/-loss statement.

Net asset derecognized	12.3
Consideration received	15.3
Gain	**3.0**

Note 14 | Subsequent events after the reporting date

DNO Receives 13 Awards in Norway's APA Licensing Round

On 14 January 2025, the company announced that its wholly-owned subsidiary DNO Norge AS has been awarded participation in 13 exploration licenses, of which four are operatorships, under Norway's Awards in Predefined Areas (APA) 2024 licensing round. Of the 13 new licenses, 10 are in the North Sea and three 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

	Quarters		Full-Year	
USD million	**Q4 2024**	**Q4 2023**	**2024**	**2023**
Revenues	176.6	199.3	666.8	667.5
Lifting costs	-54.5	-44.8	-175.5	-191.7
Tariff and transportation	-18.8	-9.6	-49.4	-32.4
Movement in overlift/underlift	3.6	-0.7	2.1	5.6
Share of profit/-loss from Joint Venture	-0.3	3.9	3.3	11.9
Exploration expenses	-29.0	-18.3	-88.9	-47.7
Administrative expenses	-5.5	-7.3	-23.5	-23.3
Other operating income/expenses	-0.7	-5.7	-1.6	-6.2
EBITDA	**71.4**	**116.8**	**333.3**	**383.8**

EBITDAX

USD million	**Q4 2024**	**Q4 2023**	**2024**	**2023**
EBITDA	71.4	116.8	333.3	383.8
Exploration expenses	29.0	18.3	88.9	47.7
EBITDAX	**100.4**	**135.1**	**422.2**	**431.5**

Lifting costs

	Q4 2024	**Q4 2023**	**2024**	**2023**
Lifting costs (USD million)	-54.5	-44.8	-175.5	-191.7
Net production (MMboe)*	6.9	6.1	27.1	17.9
Lifting costs (USD/boe)	**7.9**	**7.3**	**6.5**	**10.7**

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

Capital expenditures

	Q4 2024	**Q4 2023**	**2024**	**2023**
Purchases of intangible assets	-34.3	-34.1	-87.2	-114.6
Purchases of tangible assets*	-62.5	-36.1	-199.8	-163.6
Capital expenditures	**-96.8**	**-70.2**	**-287.0**	**-278.3**

* Excludes estimate changes on asset retirement obligations.

Alternative performance measures

Operational spend

USD million	Quarters		Full-Year	
	Q4 2024	Q4 2023	2024	2023
Lifting costs	-54.5	-44.8	-175.5	-191.7
Tariff and transportation expenses	-18.8	-9.6	-49.4	-32.4
Exploration expenses	-29.0	-18.3	-88.9	-47.7
Exploration cost previously capitalized carried to cost (Note 5)	12.8	-0.2	37.7	6.0
Purchases of intangible assets	-34.3	-34.1	-87.2	-114.6
Purchases of tangible assets	-62.5	-36.1	-199.8	-163.6
Payments for decommissioning	-0.9	-0.6	-4.9	-17.9
Operational spend	**-187.2**	**-143.7**	**-568.0**	**-561.9**

Free cash flow

USD million	Q4 2024	Q4 2023	2024	2023
Net cash from/-used in operating activities	79.0	102.4	413.0	194.2
Capital expenditures	-96.8	-70.2	-287.0	-278.3
Payments from license transactions	-0.3	-	-84.8	-5.1
Payments for decommissioning	-0.9	-0.6	-4.9	-17.9
Equity contribution into Joint Venture	-1.1	-1.7	-9.4	-6.9
Dividends from Joint Venture	14.5	3.4	31.8	27.1
Free cash flow	**-5.4**	**33.3**	**58.8**	**-86.8**

Equity ratio

USD			2024	2023
Equity			1,080.0	1,234.8
Total assets			2,966.1	2,638.3
Equity ratio			**36.4%**	**46.8%**

Net debt

USD million			2024	2023
Cash and cash equivalents (including restricted cash)			899.0	718.8
Bond loans and reserve based lending (Note 10)			800.0	566.2
Net cash/-debt			**99.0**	**152.7**

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.

NOTES

DNO ASA
Dokkveien 1
N-0250 Oslo
Norway

Phone: (+47) 23 23 84 80
Fax: (+47) 23 23 84 81

dno.no