

**DNO ASA**  
Interim Results  
**Third Quarter 2024**



# Key figures

USD million	Quarters			First nine months 2024	2023	Full-Year 2023
	Q3 2024	Q2 2024	Q3 2023			
<b>Key financials</b>						
Revenues	170.5	137.0	141.0	490.1	468.2	667.5
EBITDAX	106.7	96.6	78.2	321.8	296.4	431.5
EBITDA	69.3	82.2	71.8	261.9	266.9	383.8
Operating profit/-loss	30.6	-3.2	40.3	88.0	180.7	218.3
Net profit/-loss	20.0	34.5	-54.5	71.2	14.4	18.6
Free cash flow	5.2	34.9	-10.8	64.3	-120.2	-86.9
Operational spend	142.5	132.9	119.4	380.7	418.2	561.9
Net cash/- debt	134.4	158.1	141.9	134.4	141.9	152.7
Lifting costs (USD/boe)	6.0	5.4	13.0	6.0	12.4	10.7
<b>Key operational data</b>						
Gross operated production (boepd)	84,212	79,783	25,984	80,117	40,004	46,500
Net production (boepd)	77,238	79,415	37,150	77,142	46,797	52,566
Sales volume (boepd)	32,914	30,038	25,646	33,719	24,571	28,885

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

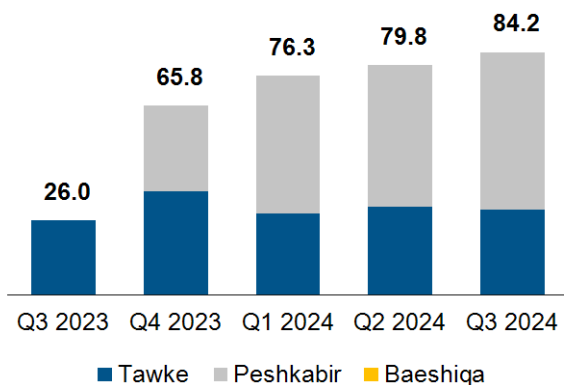
## Q3 2024 highlights

- Net production across the portfolio averaged 77,200 barrels of oil equivalent per day (boepd), to which Kurdistan contributed 63,200 boepd, North Sea 11,200 boepd and West Africa 2,800 boepd
- Increase in net production in Kurdistan driven by three wells that were brought onstream midyear 2024
- Drop in North Sea production due to planned maintenance
- Revenue of USD 170 million, up 24 percent from the previous quarter due to overlift and higher prices in North Sea and higher entitlement production in Kurdistan
- Net profit of USD 20 million, down from USD 34 million in the previous quarter, impacted by expensing of costs related to drilling of the Angel and Hummer prospects
- On the 2023 Heisenberg discovery, second appraisal well was completed, confirming the volume estimate
- Operational cash flow of USD 112 million, down from USD 139 million in the previous quarter
- The balance sheet remains strong with an equity ratio of 40 percent as the Company exited the quarter with cash deposits of USD 919 million and net cash of USD 134 million
- Dividend of NOK 0.3125 per share (totaling USD 29 million) paid during the quarter

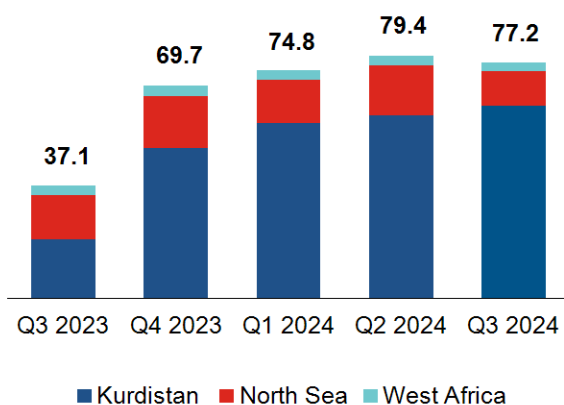
Cover image: In the third quarter of 2024, the Falstaff exploration well was spudded on the DNO-operated license PL1086 offshore Norway.

## Operational review

### Gross operated production (Thousand bopd)



### Net production (Thousand boepd)



Gross production from the Company's operated licenses in Kurdistan increased to an average of 84,212 barrels of oil per day (bopd) during the third quarter, representing a 6% increase from the previous quarter (79,783 bopd). The increase is mainly due to a full quarter production from three wells that were brought onstream during the previous quarter.

Net production during the third quarter stood at 77,238 barrels of oil equivalent per day (boepd), down from 79,415 boepd in the previous quarter. In Kurdistan, net production averaged 63,159 bopd, up from 59,837 bopd in the previous quarter, the North Sea

averaged 11,236 boepd, down from 16,321 boepd in the previous quarter and the Company's West Africa gas asset offshore Côte d'Ivoire averaged 2,842 boepd, down from 3,256 boepd in the previous quarter. The drop in net production compared to the previous quarter was mainly driven by lower production from the North Sea due to planned downtime of some fields.

Net entitlement (NE) production averaged 28,844 boepd during the third quarter, down from 33,489 boepd in the previous quarter.

Sales volume averaged 32,914 boepd during the third quarter, up from 30,038 boepd in the previous quarter. The increase in sales volume was mainly due to higher liftings in the North Sea during the quarter. The net overlift position was 0.11 million barrels of oil equivalent (MMboe) as of end-Q3 (Q2 2024: net underlift 0.41 MMboe).

### Gross operated production

boepd	Quarters			First nine months		Full-Year
	Q3 2024	Q2 2024	Q3 2023	2024	2023	2023
Kurdistan	84,212	79,783	25,984	80,117	40,004	46,500
North Sea	-	-	-	-	-	-
<b>Total</b>	<b>84,212</b>	<b>79,783</b>	<b>25,984</b>	<b>80,117</b>	<b>40,004</b>	<b>46,500</b>

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

### Net production

boepd	Quarters			First nine months		Full-Year
	Q3 2024	Q2 2024	Q3 2023	2024	2023	2023
Kurdistan	63,159	59,837	19,488	60,088	29,970	34,850
North Sea	11,236	16,321	14,288	13,915	13,301	14,203
<b>Sub-total</b>	<b>74,396</b>	<b>76,159</b>	<b>33,777</b>	<b>74,003</b>	<b>43,271</b>	<b>49,053</b>
West Africa	2,842	3,256	3,373	3,139	3,526	3,513
<b>Sub-total</b>	<b>2,842</b>	<b>3,256</b>	<b>3,373</b>	<b>3,139</b>	<b>3,526</b>	<b>3,513</b>
<b>Total</b>	<b>77,238</b>	<b>79,415</b>	<b>37,150</b>	<b>77,142</b>	<b>46,797</b>	<b>52,566</b>

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

### Net entitlement (NE) production

boepd	Quarters			First nine months		Full-Year
	Q3 2024	Q2 2024	Q3 2023	2024	2023	2023
Kurdistan	17,607	17,167	9,897	18,423	11,015	14,806
North Sea	11,236	16,321	14,288	13,915	13,301	14,203
<b>Total</b>	<b>28,844</b>	<b>33,489</b>	<b>24,185</b>	<b>32,338</b>	<b>24,316</b>	<b>29,009</b>

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

### Sales volume

boepd	Quarters			First nine months		Full-Year
	Q3 2024	Q2 2024	Q3 2023	2024	2023	2023
Kurdistan	17,607	17,167	9,897	18,423	11,015	14,806
North Sea	15,307	12,871	15,749	15,296	13,556	14,078
<b>Total</b>	<b>32,914</b>	<b>30,038</b>	<b>25,646</b>	<b>33,719</b>	<b>24,571</b>	<b>28,885</b>

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 84,212 bopd during the third quarter (79,783 bopd in Q2 2024).

The Tawke field contributed 29,693 bopd (30,684 bopd in Q2 2024) and the Peshkabir field contributed 54,520 bopd (49,099 bopd in Q2 2024) during this period.

At the Tawke license, three wells that were drilled but not completed due to the closure of the Iraq-Türkiye Pipeline last year were brought onstream midyear 2024 to meet demand from local traders. The three new wells contributed 7,800 bopd to gross production in the quarter. Further spending on well interventions such as workovers helped add an estimated 3,400 bopd.

Payments continue to be made by local traders in advance to our international bank accounts.

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

### Baeshiqā license

Due to the closure of the export pipeline, the DNO-operated Baeshiqā license has not been in production since mid-2023.

The Company is reviewing results of well testing programs and considering next steps.

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			First nine months		Full-Year
	Q3 2024	Q2 2024	Q3 2023	2024	2023	2023
Tawke	22,269	23,013	19,402	22,189	17,517	19,933
Peshkabir	40,890	36,825	86	37,899	12,263	14,774
Baeshiqā	-	-	-	-	191	143
<b>Total</b>	<b>63,159</b>	<b>59,837</b>	<b>19,488</b>	<b>60,088</b>	<b>29,970</b>	<b>34,850</b>

## North Sea

Net production averaged 11,236 boepd in the North Sea segment during the third quarter (16,321 boepd in Q2 2024), of which 10,502 boepd was in Norway and 735 boepd in the United Kingdom (UK) (14,344 boepd and 1,977 boepd in Q2 2024, respectively).

North Sea production was down due to maintenance, primarily at the Arran field in the UK and at the Norne hub in the Norwegian Sea.

In the third quarter, second successful appraisal well was completed on 2023 Heisenberg discovery (DNO 49 percent). Heisenberg is one of eight discoveries DNO has made in the exploration hotspot close to the Troll and Gjøa hubs offshore Norway since 2021. The other discoveries are Røver Nord, Kveikje, Ofelia, Røver Sør, Carmen, Kyrre and Cuvette, all close to infrastructure and with clear routes towards commercialization.

Meanwhile, DNO is growing the offshore operating organization in Stavanger as it picked up operatorship of Marulk after closing of the Norne area acquisition in August.

Table below shows the net production (boepd) per field in the North Sea.

boepd	Quarters			First nine months		Full-Year
	Q3 2024	Q2 2024	Q3 2023	2024	2023	2023
Alve/Marulk	3,261	5,534	5,155	4,707	5,007	5,438
Ula area	3,218	3,873	4,077	3,359	4,809	4,549
Vilje	720	759	819	752	986	917
Brage	2,521	2,723	2,272	2,759	1,504	1,923
Ringhorne E.	192	310	311	281	105	187
Fenja	1,179	1,654	1,605	1,513	803	1,114
Arran	76	1,431	-	501	-	-
Other	69	39	53	43	87	74
<b>Total</b>	<b>11,236</b>	<b>16,321</b>	<b>14,288</b>	<b>13,915</b>	<b>13,301</b>	<b>14,203</b>

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 2,842 boepd in the third quarter (3,256 boepd in Q2 2024).

boepd	Quarters			First nine months		Full-Year
	Q3 2024	Q2 2024	Q3 2023	2024	2023	2023
Block CI-27	2,842	3,256	3,373	3,139	3,526	3,513
<b>Total</b>	<b>2,842</b>	<b>3,256</b>	<b>3,373</b>	<b>3,139</b>	<b>3,526</b>	<b>3,513</b>

# Financial review

## Revenues, operating and net results, and cash

Revenues in the third quarter stood at USD 170.5 million, up 24 percent compared to the previous quarter (Q2 2024: USD 137.0 million). Kurdistan generated revenues of USD 59.2 million (Q2 2024: USD 56.5 million), while the North Sea generated revenues of USD 111.3 million (Q2 2024: USD 80.4 million). The main driver for the revenue increase was higher oil sales in the North Sea which shifted the previous quarter's underlift to an overlift, along with slightly higher entitlement volumes in Kurdistan.

The Group reported an operating profit of USD 30.6 million in the third quarter, up from an operating loss of USD -3.2 million in the previous quarter mainly due to no impairment of goodwill and higher revenue in the North Sea offset by higher exploration expenses and lifting costs.

Net financial expenses decreased to USD 2.6 million (Q2 2024: USD 4.7 million) mainly due to gain on exchange rate fluctuations.

The Group ended the quarter with a cash balance of USD 919.4 million (Q2 2024: USD 943.1 million) and USD 134.4 million in net cash position (Q2 2024: USD 158.1 million).

## Cost of goods sold

In the third quarter, the cost of goods sold amounted to USD 102.0 million, up from USD 78.8 million in the previous quarter. The increase was mainly due to the net overlift during the quarter.

## Lifting costs

Lifting costs stood at USD 40.9 million in the third quarter, up from USD 37.5 million in the previous quarter. In Kurdistan, the average lifting cost was USD 2.7 per barrel, down from USD 3.8 per barrel in the previous quarter driven by higher production. In the North Sea, the average lifting cost stood at USD 22.2 per barrel of oil equivalent (boe), up from USD 13.1 per boe in the previous quarter driven by lower production.

USD million	Quarters			First nine months		Full-Year 2023
	Q3 2024	Q2 2024	Q3 2023	2024	2023	
Kurdistan	15.4	20.7	18.2	56.7	81.8	101.7
North Sea	22.9	19.4	22.4	64.8	65.2	89.7
<b>Total</b>	<b>40.9</b>	<b>37.5</b>	<b>40.5</b>	<b>120.9</b>	<b>146.9</b>	<b>191.7</b>

(USD/boe)	Quarters			First nine months		Full-Year 2023
	Q3 2024	Q2 2024	Q3 2023	2024	2023	
Kurdistan	2.7	3.8	10.2	3.4	10.0	8.0
North Sea	22.2	13.1	17.0	17.0	18.0	-11.5
<b>Average</b>	<b>6.0</b>	<b>5.4</b>	<b>13.0</b>	<b>6.0</b>	<b>12.4</b>	<b>7.9</b>

## Depreciation, depletion and amortization (DD&A)

DD&A related to the Group's oil and gas production assets amounted to USD 39.9 million in the third quarter, down from USD 42.6 million in the previous quarter. The decrease in DD&A was mainly driven by a decrease in North Sea production.

USD million	Quarters			First nine months		Full-Year 2023
	Q3 2024	Q2 2024	Q3 2023	2024	2023	
Kurdistan	28.3	27.3	16.2	88.1	53.8	96.5
North Sea	11.6	15.4	13.2	42.8	27.5	44.1
<b>Total</b>	<b>39.9</b>	<b>42.6</b>	<b>29.5</b>	<b>130.9</b>	<b>81.3</b>	<b>140.6</b>

(USD/boe)	Quarters			First nine months		Full-Year 2023
	Q3 2024	Q2 2024	Q3 2023	2024	2023	
Kurdistan	17.5	17.4	17.8	17.5	17.9	17.8
North Sea	11.2	10.4	10.1	11.2	7.6	8.5
<b>Average</b>	<b>15.0</b>	<b>14.0</b>	<b>13.2</b>	<b>14.8</b>	<b>12.2</b>	<b>13.3</b>

## Exploration costs expensed

Exploration costs expensed in the third quarter amounted to USD 37.4 million, up from USD 14.4 million in the previous quarter. The increase in exploration costs expensed compared to the previous quarter was mainly due to expensing of the costs related to drilling of the Angel and Hummer prospects.

USD million	Quarters			First nine months		Full-Year 2023
	Q3 2024	Q2 2024	Q3 2023	2024	2023	
Kurdistan	-	-	-	-	-	-
North Sea	37.4	14.4	6.4	59.9	29.4	47.7
<b>Total</b>	<b>37.4</b>	<b>14.4</b>	<b>6.4</b>	<b>59.9</b>	<b>29.4</b>	<b>47.7</b>

## Capital expenditures

Capital expenditures stood at USD 74.5 million in the third quarter, of which USD 13.5 million were in Kurdistan and USD 61.5 million in the North Sea.

USD million	Quarters			First nine months		Full-Year 2023
	Q3 2024	Q2 2024	Q3 2023	2024	2023	
Kurdistan	13.5	17.3	5.8	41.0	66.0	73.0
North Sea	61.5	43.0	55.1	148.3	141.3	204.4
Other	-0.4	1.0	0.1	0.8	0.8	0.9
<b>Total</b>	<b>74.5</b>	<b>61.3</b>	<b>61.0</b>	<b>190.1</b>	<b>208.0</b>	<b>278.3</b>

# Consolidated statements of comprehensive income

(unaudited, in USD million)	Note	Quarters		First nine months	Full-Year	
		Q3 2024	Q3 2023	2024	2023	2023
Revenues	2,3	170.5	141.0	490.1	468.2	667.5
Cost of goods sold	4	-102.0	-87.5	-288.3	-249.1	-364.8
<b>Gross profit</b>		<b>68.5</b>	<b>53.5</b>	<b>201.8</b>	<b>219.1</b>	<b>302.7</b>
Share of profit/-loss from Joint Venture		1.5	2.9	3.6	8.0	11.9
Other income/-expenses		0.5	0.5	0.9	1.4	1.6
Administrative expenses		-4.5	-9.1	-18.1	-16.0	-23.3
Other operating expenses		-0.6	-0.6	-1.7	-2.0	-7.9
Impairment oil and gas assets	7	-0.4	-5.9	-41.7	-5.9	-24.9
Exploration expenses	5	-37.4	-6.4	-59.9	-29.4	-47.7
Gain on disposal of licenses	13	3.0	5.5	3.0	5.5	5.8
<b>Operating profit/-loss</b>		<b>30.6</b>	<b>40.3</b>	<b>88.0</b>	<b>180.7</b>	<b>218.3</b>
Financial income		17.6	1.8	38.3	39.9	45.0
Financial expenses	9,10	-20.2	-61.8	-46.9	-97.7	-112.0
<b>Profit/-loss before income tax</b>		<b>27.9</b>	<b>-19.7</b>	<b>79.4</b>	<b>122.8</b>	<b>151.3</b>
Tax income/-expense	6	-8.0	-34.8	-8.1	-108.4	-132.7
<b>Net profit/-loss</b>		<b>20.0</b>	<b>-54.5</b>	<b>71.2</b>	<b>14.4</b>	<b>18.6</b>
<b>Other comprehensive income</b>						
Currency translation differences		0.4	5.7	-9.6	-19.3	-10.9
<b>Items that may be reclassified to profit or loss in later periods</b>		<b>0.4</b>	<b>5.7</b>	<b>-9.6</b>	<b>-19.3</b>	<b>-10.9</b>
<b>Total comprehensive income, net of tax</b>		<b>20.3</b>	<b>-48.8</b>	<b>61.6</b>	<b>-4.9</b>	<b>7.7</b>
Net profit/-loss attributable to:						
Equity holders of the parent		20.0	-54.5	71.2	14.4	18.6
Total comprehensive income attributable to:						
Equity holders of the parent		20.3	-48.8	61.6	-4.9	7.7
Earnings per share, basic (USD per share)		0.02	-0.06	0.07	0.01	0.02
Earnings per share, diluted (USD per share)		0.02	-0.06	0.07	0.01	0.02
Weighted average number of shares outstanding (millions)		975.00	975.00	975.00	981.74	980.04

# Consolidated statements of financial position

ASSETS (unaudited, in USD million)	Note	At 30 Sep		At 31 Dec
		2024	2023	2023
<b>Non-current assets</b>				
Deferred tax assets	6	50.0	-	-
Goodwill	7	117.3	46.4	43.2
Other intangible assets	7	223.6	160.0	202.1
Property, plant and equipment	7	1,209.6	1,142.8	1,133.2
Investment in Joint Venture		62.6	65.8	67.9
Other non-current receivables	9	101.6	134.7	129.8
<b>Total non-current assets</b>		<b>1,764.7</b>	<b>1,549.7</b>	<b>1,576.2</b>
<b>Current assets</b>				
Inventories	8	76.8	73.9	77.8
Trade and other receivables	9	291.1	251.5	265.4
Cash and cash equivalents		919.4	708.1	718.8
<b>Total current assets</b>		<b>1,287.3</b>	<b>1,033.4</b>	<b>1,062.1</b>
<b>TOTAL ASSETS</b>		<b>3,052.0</b>	<b>2,583.1</b>	<b>2,638.3</b>
<b>EQUITY AND LIABILITIES</b>				
(unaudited, in USD million)				
	Note	At 30 Sep		At 31 Dec
		2024	2023	2023
<b>Equity</b>				
Shareholders' equity		1,222.0	1,244.7	1,234.8
<b>Total equity</b>		<b>1,222.0</b>	<b>1,244.7</b>	<b>1,234.8</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	6	234.1	154.3	192.4
Interest-bearing liabilities	10	774.6	391.2	392.0
Provisions for other liabilities and charges	11	481.8	377.4	404.0
<b>Total non-current liabilities</b>		<b>1,490.6</b>	<b>922.9</b>	<b>988.4</b>
<b>Current liabilities</b>				
Trade and other payables	12	291.0	211.2	221.1
Income taxes payable	6	17.3	2.7	4.6
Current interest-bearing liabilities	10	-	166.2	166.2
Provisions for other liabilities and charges	11	31.3	35.4	23.3
<b>Total current liabilities</b>		<b>339.5</b>	<b>415.4</b>	<b>415.1</b>
<b>Total liabilities</b>		<b>1,830.1</b>	<b>1,338.4</b>	<b>1,403.5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,052.0</b>	<b>2,583.1</b>	<b>2,638.3</b>

# Consolidated cash flow statement

(unaudited, USD million)	Note	Quarters		First nine months	Full-Year	
		Q3 2024	Q3 2023	2024	2023	2023
<b>Operating activities</b>						
Profit/-loss before income tax		27.9	-19.7	79.4	122.8	151.3
<b>Adjustments to add/-deduct non-cash items:</b>						
Exploration cost previously capitalized carried to cost	5	24.8	-0.3	24.8	6.2	6.0
Depreciation, depletion and amortization	4	41.4	31.0	135.2	85.8	146.4
Impairment oil and gas assets	7	0.4	5.9	41.7	5.9	24.9
Loss/-gain on PP&E		-3.0	-	-3.0	-	-
Time value effects on trade receivables	9	-3.5	44.6	-11.0	44.6	44.3
Share of profit/-loss from Joint Venture		-1.5	-2.9	-3.6	-8.0	-11.9
Amortization of borrowing issue costs	10	0.9	0.9	3.2	2.5	3.3
Accretion expense on ARO provisions		5.5	4.2	14.9	12.9	17.4
Interest expense		16.9	11.4	37.2	35.3	44.6
Interest income		-10.6	-8.4	-26.2	-27.0	-36.5
Other		-8.6	-0.3	-14.2	-20.2	-10.0
<b>Change in working capital items and provisions:</b>						
- Inventories	8	-2.7	-7.3	4.0	-26.9	-30.8
- Trade and other receivables	9	1.1	-9.2	-1.1	6.5	-2.3
- Trade and other payables	12	21.1	-20.1	60.6	-32.9	-23.0
- Provisions for other liabilities and charges	11	1.8	1.6	9.2	-5.4	-28.7
<b>Cash generated from operations</b>		<b>112.0</b>	<b>31.7</b>	<b>351.1</b>	<b>202.2</b>	<b>294.9</b>
Net income taxes paid/tax refund received		-	27.2	-	-95.8	-89.5
Interest received		9.0	6.1	19.6	20.1	35.3
Interest paid		-17.2	-11.6	-36.6	-34.7	-46.4
<b>Net cash from/-used in operating activities</b>		<b>103.8</b>	<b>53.4</b>	<b>334.0</b>	<b>91.7</b>	<b>194.1</b>
<b>Investing activities</b>						
Purchases of intangible assets		-25.3	-35.1	-52.9	-80.5	-114.6
Purchases of tangible assets		-49.2	-25.9	-137.3	-127.5	-163.6
Payments for decommissioning		-2.0	-2.5	-4.0	-17.3	-17.9
Payments for license transactions	13	-24.4	-5.1	-84.5	-5.1	-5.1
Equity contribution into Joint Venture		-0.8	-1.8	-8.3	-5.2	-6.9
Dividends from Joint Venture		3.2	6.4	17.2	23.7	27.1
<b>Net cash from/-used in investing activities</b>		<b>-98.6</b>	<b>-64.1</b>	<b>-269.7</b>	<b>-211.9</b>	<b>-281.0</b>
<b>Financing activities</b>						
Proceeds from borrowings	10	-	-	350.0	-	-
Repayment of borrowings	10	-	-	-131.2	-	-
Payment of debt issue costs		-0.2	-	-5.6	-	-
Purchase of treasury shares		-	-	-	-50.7	-50.7
Paid dividend		-29.0	-23.0	-75.1	-69.3	-92.0
Payments of lease liabilities		-0.6	-0.5	-1.8	-3.8	-4.3
<b>Net cash from/-used in financing activities</b>		<b>-29.8</b>	<b>-23.5</b>	<b>136.3</b>	<b>-123.8</b>	<b>-147.0</b>
<b>Net increase/-decrease in cash and cash equivalents</b>		<b>-24.6</b>	<b>-34.3</b>	<b>200.6</b>	<b>-244.0</b>	<b>-233.9</b>
Cash and cash equivalents at beginning of the period		943.0	743.0	718.8	954.4	954.3
Exchange gain/-losses on cash and cash equivalents		1.0	-0.7	-0.1	-2.4	-1.9
<b>Cash and cash equivalents at the end of the period</b>		<b>919.4</b>	<b>708.1</b>	<b>919.4</b>	<b>708.1</b>	<b>718.8</b>
Of which restricted cash		16.1	13.5	16.1	13.5	14.3



## Consolidated statement of changes in equity

(unaudited, in USD million)	Share capital	Share premium	Other comprehensive income	Retained earnings	Total equity
			Currency translation differences		
<b>Total shareholders' equity as of 31 December 2022</b>	<b>33.9</b>	<b>343.6</b>	<b>-29.0</b>	<b>1,020.9</b>	<b>1,369.4</b>
Currency translation differences	-	-	-19.3	-	-19.3
<b>Other comprehensive income/-loss</b>	-	-	<b>-19.3</b>	-	<b>-19.3</b>
Profit/-loss for the period	-	-	-	14.4	14.4
<b>Total comprehensive income</b>	-	-	<b>-19.3</b>	<b>14.4</b>	<b>-4.9</b>
Purchase of treasury shares	-1.1	-	-	-49.5	-50.5
Payment of dividend	-	-	-	-69.1	-69.1
<b>Transactions with shareholders</b>	<b>-1.1</b>	-	-	<b>-118.6</b>	<b>-119.7</b>
<b>Total shareholders' equity as of 30 Sep 2023</b>	<b>32.8</b>	<b>343.6</b>	<b>-48.3</b>	<b>916.7</b>	<b>1,244.7</b>

(unaudited, in USD million)	Share capital	Share premium	Other comprehensive income	Retained earnings	Total equity
			Currency translation differences		
<b>Total shareholders' equity as of 31 December 2023</b>	<b>32.8</b>	<b>343.6</b>	<b>-39.9</b>	<b>898.3</b>	<b>1,234.8</b>
Currency translation differences	-	-	-9.6	-	-9.6
<b>Other comprehensive income/-loss</b>	-	-	<b>-9.6</b>	-	<b>-9.6</b>
Profit/-loss for the period	-	-	-	71.2	71.2
<b>Total comprehensive income</b>	-	-	<b>-9.6</b>	<b>71.2</b>	<b>61.7</b>
Payment of dividend	-	-	-	-74.5	-74.5
<b>Transactions with shareholders</b>	-	-	-	<b>-74.5</b>	<b>-74.5</b>
<b>Total shareholders' equity as of 30 Sep 2024</b>	<b>32.8</b>	<b>343.6</b>	<b>-49.5</b>	<b>895.1</b>	<b>1,222.0</b>

# 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.

Third quarter ending 30 September 2024 USD million	Note	Kurdistan	North Sea	West Africa	Other	Total reporting segments	Un-allocated/eliminated	Total Group
<b>Income statement information</b>								
Revenues	3	59.2	111.3	-	-	170.5	-	170.5
Cost of goods sold	4	-43.9	-54.7	-	-	-98.6	-3.4	-102.0
<b>Gross profit</b>		<b>15.4</b>	<b>56.5</b>	-	-	<b>71.9</b>	<b>-3.4</b>	<b>68.5</b>
Share of profit/-loss from Joint Venture		-	-	1.5	-	1.5	-	1.5
Other operating income		0.3	0.2	-	-	0.5	-	0.5
Administrative and other operating costs		-0.2	-4.9	-	-0.7	-5.7	0.6	-5.2
Impairment of oil and gas assets	7	-	-0.4	-	-	-0.4	-	-0.4
Exploration costs	5	-	-37.4	-	-	-37.4	-	-37.4
<b>Operating profit/-loss</b>		<b>15.5</b>	<b>17.1</b>	<b>1.5</b>	<b>-0.7</b>	<b>33.4</b>	<b>-2.8</b>	<b>30.6</b>
Financial income/-expense (net)	10	4.2	-0.1	0.2	0.1	4.5	-7.1	-2.6
Tax income/-expense	6	-	-8.0	-	-	-8.0	-	-8.0
<b>Net profit/-loss</b>		<b>19.7</b>	<b>9.0</b>	<b>1.7</b>	<b>-0.5</b>	<b>29.9</b>	<b>-10.0</b>	<b>20.0</b>

Third quarter ending 30 September 2023 USD million	Note	Kurdistan	North Sea	West Africa	Other	Total reporting segment	Un-allocated/eliminated	Total Group
<b>Income statement information</b>								
Revenues	3	32.3	108.7	-	-	141.0	-	141.0
Cost of goods sold	4	-34.6	-52.1	-	-	-86.7	-0.8	-87.5
<b>Gross profit</b>		<b>-2.3</b>	<b>56.6</b>	-	-	<b>54.3</b>	<b>-0.8</b>	<b>53.5</b>
Share of profit/-loss from Joint Venture		-	-	2.9	-	2.9	-	2.9
Other operating income		-	0.5	-	-	0.5	-	0.5
Administrative and other operating costs		-0.1	-3.2	-	-0.7	-4.0	-5.6	-9.7
Impairment of oil and gas assets	7	-	-5.9	-	-	-5.9	-	-5.9
Exploration costs	5	-	-6.4	-	-	-6.4	-	-6.4
Net gain on disposal of license		-	5.5	-	-	5.5	-	5.5
<b>Operating profit/-loss</b>		<b>-2.5</b>	<b>46.9</b>	<b>2.9</b>	<b>-0.7</b>	<b>46.7</b>	<b>-6.4</b>	<b>40.3</b>
Financial income/-expense (net)	10	-48.9	-10.7	0.6	0.1	-58.9	-1.1	-60.0
Tax income/-expense	6	-	-34.8	-	-	-34.8	-	-34.8
<b>Net profit/-loss</b>		<b>-51.3</b>	<b>1.4</b>	<b>3.5</b>	<b>-0.6</b>	<b>-47.0</b>	<b>-7.5</b>	<b>-54.5</b>

## Note 2 | Segment information

First nine months ending 30 September 2024 USD million	Note	Kurdistan	North Sea	West Africa	Other	Total reporting segment	Un- allocated/ eliminated	Total Group
<b>Income statement information</b>								
Revenues	3	175.9	314.2	-	-	490.1	-	490.1
Inter-segment sales		-	-	-	-	-	-	-
Cost of goods sold	4	-145.3	-141.1	-	-	-286.4	-1.9	-288.3
<b>Gross profit</b>		<b>30.6</b>	<b>173.1</b>	<b>-</b>	<b>-</b>	<b>203.7</b>	<b>-1.9</b>	<b>201.8</b>
Share of profit/-loss from Joint Venture		-	-	3.6	-	3.6	-	3.6
Other operating income		0.3	0.6	-	-	0.8	-	0.8
Administrative and other operating costs		-1.1	-9.3	-	-1.8	-12.3	-7.6	-19.8
Impairment of oil and gas assets	7	-	-41.7	-	-	-41.7	-	-41.7
Exploration costs	5	-	-59.9	-	-	-59.9	-	-59.9
Net gain on disposal of license	11	-	3.0	-	-	3.0	-	3.0
<b>Operating profit/-loss</b>		<b>29.8</b>	<b>65.7</b>	<b>3.6</b>	<b>-1.8</b>	<b>97.4</b>	<b>-9.4</b>	<b>88.0</b>
Financial income/-expense (net)	10	8.5	-5.1	1.0	1.0	5.4	-14.0	-8.6
Tax income/-expense	6	-	-8.1	-	-	-8.1	-	-8.1
<b>Net profit/-loss</b>		<b>38.4</b>	<b>52.4</b>	<b>4.6</b>	<b>-0.8</b>	<b>94.6</b>	<b>-23.3</b>	<b>71.3</b>
<b>Financial position information</b>								
Non-current assets		779.3	909.8	62.6	-	1,751.8	13.0	1,764.7
Current assets		261.2	235.8	-	1.3	498.2	789.0	1,287.3
<b>Total assets</b>		<b>1,040.5</b>	<b>1,145.6</b>	<b>62.6</b>	<b>1.3</b>	<b>2,250.0</b>	<b>802.0</b>	<b>3,052.0</b>
Non-current liabilities		71.9	663.0	-	-	734.8	755.7	1,490.6
Current liabilities		148.3	163.0	-	7.9	319.2	20.3	339.5
<b>Total liabilities</b>		<b>220.1</b>	<b>826.0</b>	<b>-</b>	<b>7.9</b>	<b>1,054.0</b>	<b>776.0</b>	<b>1,830.1</b>

## Note 2 | Segment information

First nine months ending 30 September 2023 USD million	Note	Kurdistan	North Sea	West Africa		Total reporting segment	Un-allocated/eliminated	Total Group
				Africa	Other			
<b>Income statement information</b>								
Revenues	3	171.9	296.3	-	-	468.2	-	468.2
Cost of goods sold	4	-136.1	-110.4	-	-	-246.5	-2.6	-249.1
<b>Gross profit</b>		<b>35.8</b>	<b>185.9</b>	-	-	<b>221.7</b>	<b>-2.6</b>	<b>219.1</b>
Share of profit/-loss from Joint Venture		-	-	8.0	-	8.0	-	8.0
Other operating income		-	1.4	-	-	1.4	-	1.4
Administrative and other operating costs		-1.2	-8.1	-	-2.1	-11.4	-6.5	-18.0
Impairment of oil and gas assets	7	-	-5.9	-	-	-5.9	-	-5.9
Exploration costs	5	-	-29.4	-	-	-29.4	-	-29.4
Net gain on disposal of license		-	5.5	-	-	5.5	-	5.5
<b>Operating profit/-loss</b>		<b>34.6</b>	<b>149.3</b>	<b>8.0</b>	<b>-2.1</b>	<b>189.8</b>	<b>-9.1</b>	<b>180.7</b>
Financial income/-expense (net)	10	-46.4	-1.2	0.6	0.3	-46.8	-11.1	-57.9
Tax income/-expense	6	-	-110.6	-	-	-110.6	2.2	-108.4
<b>Net profit/-loss</b>		<b>-11.9</b>	<b>37.5</b>	<b>8.6</b>	<b>-1.8</b>	<b>32.4</b>	<b>-17.9</b>	<b>14.4</b>
<b>Financial position information</b>								
Non-current assets		898.8	570.4	65.8	-	1,535.0	14.7	1,549.7
Current assets		234.1	287.9	-	2.6	524.6	508.9	1,033.4
<b>Total assets</b>		<b>1,132.9</b>	<b>858.3</b>	<b>65.8</b>	<b>2.6</b>	<b>2,059.5</b>	<b>523.6</b>	<b>2,583.1</b>
Non-current liabilities		71.8	442.1	-	-	514.0	409.0	922.9
Current liabilities		86.1	151.4	-	32.6	270.1	145.3	415.4
<b>Total liabilities</b>		<b>157.9</b>	<b>593.6</b>	-	<b>32.6</b>	<b>784.0</b>	<b>554.3</b>	<b>1,338.4</b>

## Note 3 | Revenues

USD million	Quarters		First nine months		Full-Year
	Q3 2024	Q3 2023	2024	2023	2023
Sale of oil	147.0	109.2	396.5	354.4	506.2
Sale of gas	18.1	26.2	74.1	94.6	137.3
Sale of natural gas liquids (NGL)	4.3	5.2	17.0	17.4	21.6
Tariff income	1.1	0.4	2.5	1.8	2.4
<b>Total revenues from contracts with customers</b>	<b>170.5</b>	<b>141.0</b>	<b>490.1</b>	<b>468.2</b>	<b>667.5</b>
Sale of oil (boepd)	28,836	19,686	27,795	18,861	22,856
Sale of gas (boepd)	3,063	4,736	4,607	4,360	4,746
Sale of natural gas liquids (NGL) (boepd)	1,015	1,223	1,317	1,349	1,282
<b>Total sales volume (boepd)</b>	<b>32,914</b>	<b>25,646</b>	<b>33,719</b>	<b>24,571</b>	<b>28,885</b>

## Note 4 | Cost of goods sold

USD million	Quarters		First nine months		Full-Year
	Q3 2024	Q3 2023	2024	2023	2023
Lifting costs	-40.9	-40.5	-120.9	-146.9	-191.7
Tariff and transportation expenses	-12.5	-8.6	-30.6	-22.7	-32.4
<b>Production costs based on produced volumes</b>	<b>-53.4</b>	<b>-49.1</b>	<b>-151.6</b>	<b>-169.7</b>	<b>-224.1</b>
Movement in overlift/underlift	-7.2	-7.4	-1.5	6.4	5.6
<b>Production costs based on sold volumes</b>	<b>-60.6</b>	<b>-56.5</b>	<b>-153.0</b>	<b>-163.3</b>	<b>-218.4</b>
Depreciation, depletion and amortization	-41.4	-31.0	-135.2	-85.8	-146.4
<b>Total cost of goods sold</b>	<b>-102.0</b>	<b>-87.5</b>	<b>-288.3</b>	<b>-249.1</b>	<b>-364.8</b>

## Note 5 | Exploration expenses

USD million	Quarters		First nine months		Full-Year
	Q3 2024	Q3 2023	2024	2023	2023
Exploration expenses (G&G and field surveys)	-3.9	-2.3	-11.3	-8.6	-15.0
Seismic costs	-2.9	0.1	-9.2	-3.0	-9.9
Exploration cost capitalized in previous years carried to cost	-0.8	-	-0.8	-	-
Exploration costs capitalized this year carried to cost	-24.0	0.3	-24.0	-6.2	-6.0
Other exploration cost expensed	-5.7	-4.5	-14.4	-11.6	-16.8
<b>Total exploration expenses</b>	<b>-37.4</b>	<b>-6.4</b>	<b>-59.9</b>	<b>-29.4</b>	<b>-47.7</b>

Exploration costs relating to drilling of the Hummer prospect during the first quarter and the Angel prospect during the third quarter were expensed during the third quarter.

## Note 6 | Income taxes

USD million	Quarters		First nine months		Full-Year
	Q3 2024	Q3 2023	Q3 2024	Q3 2023	2023
<b>Tax income/-expense</b>					
Change in deferred taxes	-22.4	-37.9	-8.8	-95.7	-125.8
Income tax receivable/-payable	14.5	3.1	0.6	-12.7	-6.9
<b>Total tax income/-expense</b>	<b>-8.0</b>	<b>-34.8</b>	<b>-8.1</b>	<b>-108.4</b>	<b>-132.7</b>

USD million	At 30 Sep		At 31 Dec
	2024	2023	2023
<b>Income tax receivable/-payable</b>			
Tax receivables (current)	-	-	-
Income taxes payable	-17.3	-2.7	-4.6
<b>Net tax receivable/-payable</b>	<b>-17.3</b>	<b>-2.7</b>	<b>-4.6</b>
<b>Deferred tax assets/-liabilities</b>			
Deferred tax assets	50.0	-	-
Deferred tax liabilities	-234.1	-154.3	-192.4
<b>Net deferred tax assets/-liabilities</b>	<b>-184.1</b>	<b>-154.3</b>	<b>-192.4</b>

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		First nine months		Full-Year
	Q3 2024	Q3 2023	2024	2023	2023
Additions of intangible assets	25.3	35.1	53.2	80.5	114.6
Additions of goodwill and intangible assets through business combinations (Note 13)	54.6	-	116.3	-	-
Disposal of goodwill and intangible assets	-1.2	-	-1.2	-	-
Transfers to/-from intangible assets	-	-	-	-3.1	-3.3
Additions of tangible assets	49.9	30.4	139.7	132.0	178.3
Additions of tangible assets through business combination (Note 13)	75.0	-	112.5	-	-
Disposal of tangible assets	-33.4	-	-33.4	-	-
Transfers to/-from tangible assets	-	-	-	3.1	3.3
PP&E assets reclassified to assets held for sale	-	-	-	-	-
Additions of right-of-use (RoU) assets	0.3	-	0.3	10.5	10.7
Additions of RoU assets through business combinations	-	-	-	-	-
Depreciation, depletion and amortization (Note 4)	-41.4	-31.0	-135.2	-85.8	-146.4
Impairment oil and gas assets/goodwill	-0.4	-5.9	-41.7	-5.9	-24.9
Exploration cost previously capitalized carried to cost (Note 5)	-24.9	0.3	-25.0	-6.2	-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 quarter are explained in Note 13.

## Note 8 | Inventory

USD million	At 30 Sep		At 31 Dec
	2024	2023	2023
Drilling equipment, spare parts and consumables	94.3	75.8	95.2
Provision for obsolete inventory	-17.4	-1.8	-17.4
<b>Total inventory</b>	<b>76.8</b>	<b>73.9</b>	<b>77.8</b>

Book value of inventory as of the reporting date relates to Kurdistan (USD 58.1 million) and the North Sea (USD 18.7 million).



## Note 9 | Other non-current receivables/ Trade Receivables

USD million	At 30 Sep		At 31 Dec
	2024	2023	2023
Trade debtors (non-current portion)	101.6	134.7	129.8
Other non-current receivables	-	-	-
<b>Total other non-current receivables</b>	<b>101.6</b>	<b>134.7</b>	<b>129.8</b>
Trade debtors	179.7	151.6	149.5
Underlift	5.2	13.2	12.1
Other short-term receivables	106.2	86.6	103.8
<b>Total trade and other receivables</b>	<b>291.1</b>	<b>251.5</b>	<b>265.4</b>

As of 30 September 2024, the Company was owed a total of USD 299.6 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 Q3 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 30 September 2024, the Company re-estimated the present value with updated assumptions, resulting in an increase of USD 3.5 million to the book value of KRG arrears. 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 30 Sep		At 31 Dec
					2024	2023	2023
<b>Non-current</b>							
Bond loan (ISIN NO0011088593)	DNO04	USD	7.875 %	09/09/26	350.0	400.0	400.0
Bond loan (ISIN NO0013243766)	-	USD	9.250 %	04/06/29	400.0	-	-
Capitalized borrowing issue costs					-10.4	-8.8	-8.0
Reserve based lending facility		USD	see below	see below	35.0	-	-
<b>Total non-current interest-bearing liabilities</b>					<b>774.6</b>	<b>391.2</b>	<b>392.0</b>
<b>Current</b>							
Bond loan (ISIN NO0010852643)	DNO03	USD	8.375 %	29/05/24	-	131.2	131.2
Reserve based lending facility		USD	see below	see below	-	35.0	35.0
<b>Total current interest-bearing liabilities</b>					<b>-</b>	<b>166.2</b>	<b>166.2</b>
<b>Total interest-bearing liabilities</b>					<b>774.6</b>	<b>557.3</b>	<b>558.2</b>

### 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			At 30 Sep 2024
			Amortization	Currency	Reclassification	
Bond loans	400.0	350.0	-	-	-	750.0
Bond loans (current)	131.2	-131.2	-	-	-	-
Borrowing issue costs	-8.0	-5.4	3.0	-	-	-10.4
Reserve based lending facility	-	-	-	-	35.0	35.0
Reserve based lending facility (current)	35.0	-	-	-	-35.0	-
<b>Total</b>	<b>558.2</b>	<b>213.4</b>	<b>3.0</b>	<b>-</b>	<b>-</b>	<b>774.6</b>

USD million	At 1 Jan 2023	Cash flows	Non-cash changes			At 30 Sep 2023
			Amortization	Currency	Reclassification	
Bond loans	531.2	-262.3	-	-	131.2	400.0
Bond loans (current)	-	-	-	-	131.2	131.2
Borrowing issue costs	-11.3	-	2.5	-	-	-8.8
Reserve based lending facility	26.6	-	-	-	-26.6	-
Reserve based lending facility (current)	8.4	-	-	-	26.6	35.0
<b>Total</b>	<b>554.8</b>	<b>-262.3</b>	<b>2.5</b>	<b>-</b>	<b>262.3</b>	<b>557.3</b>

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 30 September 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 October 2024 is USD 86 million. Amount utilized as of the reporting date is disclosed in the table above. In addition, as of 30 September 2024, USD 29 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 30 Sep		At 31 Dec
	2024	2023	2023
<b>Non-current</b>			
Asset retirement obligations (ARO)	464.0	356.4	382.7
Other long-term provisions and charges	6.8	6.7	7.3
Lease liabilities	11.0	14.3	14.0
<b>Total non-current provisions for other liabilities and charges</b>	<b>481.8</b>	<b>377.4</b>	<b>404.0</b>
<b>Current</b>			
Asset retirement obligations (ARO)	14.6	3.2	10.6
Other provisions and charges	13.2	28.9	9.1
Current lease liabilities	3.5	3.3	3.6
<b>Total current provisions for other liabilities and charges</b>	<b>31.3</b>	<b>35.4</b>	<b>23.3</b>
<b>Total provisions for other liabilities and charges</b>	<b>513.1</b>	<b>412.8</b>	<b>427.2</b>

### 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 30 Sep		At 31 Dec
	2024	2023	2023
Within one year	4.5	4.6	4.8
Two to five years	9.8	12.9	11.8
After five years	3.9	-	5.4
<b>Total undiscounted lease liabilities end of the period</b>	<b>18.2</b>	<b>17.4</b>	<b>22.0</b>

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 30 Sep		At 31 Dec
	2024	2023	2023
Trade payables	54.8	88.8	70.5
Public duties payable	1.7	2.6	4.3
Prepayments from customers	0.8	13.7	21.2
Overlift and other adjustments	105.5	2.0	1.2
Other accrued expenses	128.2	104.1	123.9
<b>Total trade and other payables</b>	<b>291.0</b>	<b>211.2</b>	<b>221.1</b>

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 the first nine months of 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.

The purchase price allocation reported in the previous quarter is adjusted based on new available information during the quarter. Other current assets and other current liabilities were reduced by USD 1.3 million. The adjustment did not impact goodwill.

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

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
<b>Impact on Net profit/-loss</b>	<b>20.4</b>

## 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.

USD million	Fair value at acquisition-date
Deferred tax assets	55.6
Producing asset	75.0
Other current assets	3.0
<b>Total assets</b>	<b>133.6</b>
Asset retirement obligation	67.0
Deferred tax liability	54.5
Other current liabilities	14.0
Tax payable	13.1
<b>Total liabilities</b>	<b>148.6</b>
Consideration (cash)	28.1
Ringhorne East transfer at fair value	11.6
<b>Total consideration</b>	<b>39.6</b>
Net assets excluding goodwill	-15.0
Consideration	39.6
<b>Goodwill</b>	<b>54.6</b>

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
<b>Gain</b>	<b>3.0</b>

## 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		First nine months	Full-Year	
	Q3 2024	Q3 2023	2024	2023	2023
Revenues	170.5	141.0	490.1	468.2	667.5
Lifting costs	-40.9	-40.5	-120.9	-146.9	-191.7
Tariff and transportation	-12.5	-8.6	-30.6	-22.7	-32.4
Movement in overlift/underlift	-7.2	-7.4	-1.5	6.4	5.6
Share of profit/-loss from Joint Venture	1.5	2.9	3.6	8.0	11.9
Exploration expenses	-37.4	-6.4	-59.9	-29.4	-47.7
Administrative expenses	-4.5	-9.1	-18.1	-16.0	-23.3
Other operating income/expenses	-0.1	-0.1	-0.9	-0.6	-6.2
<b>EBITDA</b>	<b>69.3</b>	<b>71.8</b>	<b>261.9</b>	<b>266.9</b>	<b>383.8</b>

### EBITDAX

USD million	Q3 2024	Q3 2023	2024	2023	2023
EBITDA	69.3	71.8	261.9	266.9	383.8
Exploration expenses	37.4	6.4	59.9	29.4	47.7
<b>EBITDAX</b>	<b>106.7</b>	<b>78.2</b>	<b>321.8</b>	<b>296.4</b>	<b>431.5</b>

### Lifting costs

	Q3 2024	Q3 2023	2024	2023	2023
Lifting costs (USD million)	-40.9	-40.5	-120.9	-146.9	-191.7
Net production (MMboe)*	6.8	3.1	20.3	11.8	17.9
<b>Lifting costs (USD/boe)</b>	<b>6.0</b>	<b>13.0</b>	<b>6.0</b>	<b>12.4</b>	<b>10.7</b>

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

### Capital expenditures

	Q3 2024	Q3 2023	2024	2023	2023
Purchases of intangible assets	-25.3	-35.1	-52.9	-80.5	-114.6
Purchases of tangible assets*	-49.2	-25.9	-137.3	-127.5	-163.6
<b>Capital expenditures</b>	<b>-74.5</b>	<b>-61.0</b>	<b>-190.1</b>	<b>-208.0</b>	<b>-278.3</b>

\* Excludes estimate changes on asset retirement obligations.

# Alternative performance measures

## Operational spend

USD million	Quarters		First nine months	Full-Year	
	Q3 2024	Q3 2023	2024	2023	
Lifting costs	-40.9	-40.5	-120.9	-146.9	-191.7
Tariff and transportation expenses	-12.5	-8.6	-30.6	-22.7	-32.4
Exploration expenses	-37.4	-6.4	-59.9	-29.4	-47.7
Exploration cost previously capitalized carried to cost (Note 5)	24.9	-0.3	24.9	6.2	6.0
Purchases of intangible assets	-25.3	-35.1	-52.9	-80.5	-114.6
Purchases of tangible assets	-49.2	-25.9	-137.3	-127.5	-163.6
Payments for decommissioning	-2.0	-2.5	-4.0	-17.3	-17.9
<b>Operational spend</b>	<b>-142.5</b>	<b>-119.4</b>	<b>-380.7</b>	<b>-418.2</b>	<b>-561.9</b>

## Free cash flow

USD million	Q3 2024	Q3 2023	2024	2023	2023
Net cash from/-used in operating activities	103.8	53.4	334.0	91.7	194.1
Capital expenditures	-74.5	-61.0	-190.1	-208.0	-278.3
Payments from license transactions	-24.4	-5.1	-84.5	-5.1	-5.1
Payments for decommissioning	-2.0	-2.5	-4.0	-17.3	-17.9
Equity contribution into Joint Venture	-0.8	-1.8	-8.3	-5.2	-6.9
Dividends from Joint Venture	3.2	6.4	17.2	23.7	27.1
<b>Free cash flow</b>	<b>5.2</b>	<b>-10.8</b>	<b>64.3</b>	<b>-120.3</b>	<b>-86.9</b>

## Equity ratio

USD	Q3 2024	Q3 2023	2024	2023	2023
Equity	1,222.0	1,244.7	1,222.0	1,244.7	1,234.8
Total assets	3,052.0	2,583.1	3,052.0	2,583.1	2,638.3
<b>Equity ratio</b>	<b>40.0%</b>	<b>48.2%</b>	<b>40.0%</b>	<b>48.2%</b>	<b>46.8%</b>

## Net debt

USD million	Q3 2024	Q3 2023	2024	2023	2023
Cash and cash equivalents (including restricted cash)	919.4	708.1	919.4	708.1	718.8
Bond loans and reserve based lending (Note 10)	785.0	566.2	785.0	566.2	566.2
<b>Net cash/-debt</b>	<b>134.4</b>	<b>141.9</b>	<b>134.4</b>	<b>141.9</b>	<b>152.7</b>

# 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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