

INTERIM REPORT

for the third quarter 2022



north
energy

Quarterly highlights

- **North Energy reports comprehensive income of NOK 0.9 million:** Profit from investment in associates offset by negative change in fair value of financial investments.
- **Reach Subsea with record result for third quarter:** Record EBIT of NOK 58.4 million (23.4 million) for third quarter, and solid financial position with NOK 325 million in total working capital.
- **Wind Catching Systems awarded grant from Enova:** A technology development grant of NOK 22 million was awarded to support the design and testing of the 1 MW wind turbines that Wind Catching Systems plans to install in its floating multi-turbine structure.
- **Touchstone Exploration announced first natural gas production from Coho:** On October 11, 2022, Touchstone Exploration announced that natural gas deliveries from the Coho facility have commenced.
- **Strategic review initiated by Nordic Nanovector ASA:** Announcement in August of a strategic review led by Carnegie Investment Bank with the aim of optimising shareholder value, following the cancellation of the PARADIGME clinical trial.
- **Steps taken to optimize excess liquidity management:** NOK 35 million placed in NOK denominated investment grade bonds with short duration, and establishment of a new multicurrency credit facility with DNB for a total amount of NOK 49 million.

Key figures

NOK mIn	Q3 2022	Q3 2021	Year 2021
Operating profit	0,4	52,9	-46,7
Comprehensive income	0,9	47,7	-27,8
Investments	330,1	309,1	295,4
Total assets	343,5	367,5	339,0
Equity ratio	97	94	95
Interest bearing debt	0	0	0

Financial information

North Energy recorded a comprehensive income of NOK 0.9 million in the third quarter of 2022, compared with a comprehensive income of NOK 47.7 million in the corresponding quarter of 2021. The low income reported in third quarter this year is mainly driven by the negative change of NOK 5.9 million in value of financial investments, operating expenses of NOK 3.6 million, offset by the company's share of net result from associated companies of NOK 9.8 million. Operating expenses was reported at NOK 3.6 million compared with NOK 7.8 million in the same quarter last year. The income reported in the third quarter last year was driven by a significant increase of NOK 47.6 million in the valuation of financial investments as well as North Energy's share of the positive result from investments in associates of NOK 13.1 million.

The market value of North Energy's investment in Reach Subsea has increased by NOK 11.1 million (from NOK 162.8 million to NOK 173.9 million) in the third quarter of 2022. As the investment in Reach is accounted for as an associated company, the accounting effect is our share of the comprehensive income from Reach of NOK 10.6 million. The book value of Reach per end of the third quarter was NOK 136.5 million.

Payroll and related expenses in the third quarter were NOK 2.4 million, compared with NOK 1.1 million in the same quarter last year. The increase is due to the new management structure in place from 1 January 2022 where the two former advisors have been employed as co-CEOs. A corresponding offset is seen in consultancy expenses reported under other operating expenses.

Other operating expenses are reported at NOK 0.8 million, which is down from NOK 6.4 million in the same quarter last year. Last year figure included an increase of NOK 4.0 million of the provision made for a claim by the Norwegian Tax Administration related to prior year correction of VAT. See note 13 for further details.

Net financial items were a gain of NOK 0.5 million in the third quarter 2022 consisting mainly of interest received on bonds.

Total assets at the end of the quarter were NOK 343.5 million, down from NOK 367.5 million at the end of the same quarter last year. The decrease is mainly due to decreased cash of NOK 51.5 million, offset by an increase of the book value of the investment portfolio of NOK 21.0 million.

Total equity at the end of the quarter was NOK 332.5 million, down from NOK 345.4 million at the third quarter last year. The decrease is explained by total comprehensive loss of NOK 12.9 million during the last twelve months. The Company's equity ratio stood at 96.8 percent at the end of the third quarter.

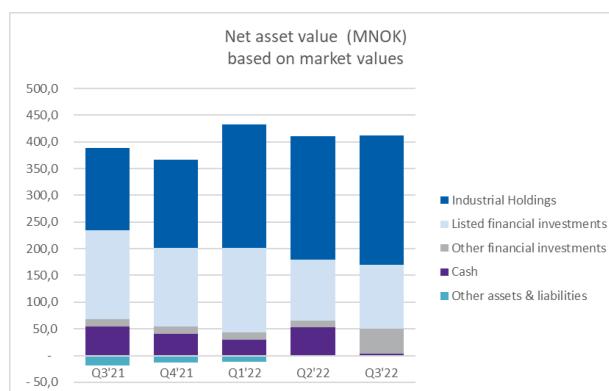
North Energy recorded NOK 3.2 million in cash at the end of the quarter. This is down from NOK 54.6 million at the end of the same quarter last year mainly due to new investing activities of NOK 24.9 million as well as cash used in operating activities of NOK 29.1 million.

The Company has during the quarter established a new multicurrency credit facility with DNB for a total amount of NOK 49 million where the Company uses listed financial investments as collateral. This gives the Company more flexibility when it comes to liquidity management.

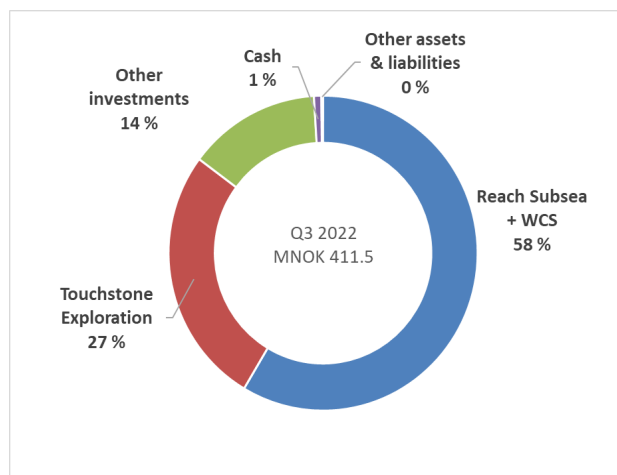
As of quarter end the available liquidity was NOK 87 million, which includes cash, liquid investment grade bonds, and unutilized credit facilities.

The Board regards the Company's financial position as solid.

Net asset value composition



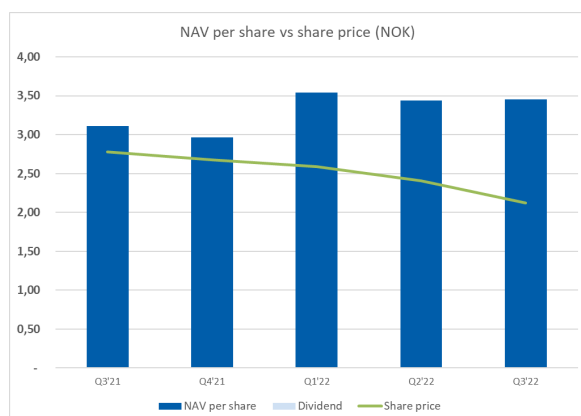
At the end of the quarter, total market value of investments amounted to NOK 409.1 million, compared to NOK 334.3 million at the end of third quarter last year and NOK 357.1 million last quarter. The increase in investments compared to same quarter last year is due to increase in the market value of Reach and Wind Catching systems as well as new investments in Nordic Nanovector and bonds, offset by a decrease in the market value of Touchstone Exploration.



Including cash of NOK 3.2 million and net other assets and liabilities of negative NOK 0.8 million the net asset value for the company was NOK 411.5 million at the end of the quarter, compared with NOK 370.6 million at the end of third quarter last year and NOK 409.6 million last quarter.

NAV per share vs. share price

The net asset value per share was NOK 3.46 while the share price at the end of the quarter was NOK 2.11, representing a discount of 39% compared to the net asset value per share.



Investments

Industrial holdings

Reach Subsea ASA

The main industrial investment is the shareholding in Reach Subsea ASA where North Energy has two representatives on the Board of Directors.

Earlier this year, Reach announced two major strategic moves with the acquisition of iSurvey Group and the strategic agreement with Wilhelmsen New Energy. The acquisition of iSurvey Group adds valuable survey, data management and data processing capabilities to Reach's inhouse portfolio of services and adds important capabilities for the commercialization of Reach Remote. Wilhelmsen New Energy has invested NOK 150 million in Reach through a directed private placement in an agreement which forms part of a broader strategic partnership on the commercialization of Reach Remote.

Following the equity issue of NOK 150 million towards Wilhelmsen New Energy the ownership for North Energy was reduced to 21%. Thus, the ownership in Reach is still reported as an associated company.

The Company expects to continue as a major shareholder in Reach Subsea ASA and further develop

the company as a leading subsea service provider, offering solutions to gather and deliver subsea data and solutions for maintaining the integrity of the client's subsurface equipment and infrastructure.

For the third quarter, Reach reported a record high EBIT of NOK 58.4 million, which is up from NOK 23.4 million the same quarter last year. EBIT for the first nine months came in at NOK 70.6 million, also a record and up from NOK 53.3 million for the first nine months last year. The increase is driven by high utilization, an improved pricing environment, solid execution, and the addition of newly acquired businesses iSurvey and Octio.

Reach announces that it is seeing healthy demand across all sectors going forward, driven by higher oil & gas prices as well as increasing demand from the renewable energy sector.

On Reach Remote, the initiative to revolutionize the way subsea services are delivered, the company states that the project is on track. Remaining investments amount to approximately NOK 310 million, of which NOK 190 million is covered by credit facilities while the remainder has ample coverage from existing cash and working capital of NOK 325 million.

The company is well positioned for the future, with key strategic capabilities in place, a solid plan in place for reshaping the delivery model, with a strong market outlook, and backed by a strong financial position with NOK 325 million in cash and working capital and limited financial debt.

The company is listed on the Oslo Stock Exchange and as of the end of the third quarter, the company had a market capitalization of NOK 850 million.

As of the end of third quarter 2022, the investment in Reach is accounted for at a book value of NOK 136.5 million, up from NOK 125.9 million last quarter. The increase is driven by North Energy's share of comprehensive income of NOK 10.6 million.

Wind Catching Systems AS

Wind Catching Systems holds a new innovative technology for floating offshore wind systems ("WCS technology"). The wind turbines are designed for all weather conditions, with the potential to produce electricity at a significantly lower cost and with substantially less use of space than any other known

technology today. Together with its key technology partner Aibel AS and IFE (Institute for Energy Technology), and with support from Innovasjon Norge, the company intends to finalize and commercialize the WCS technology.

On October 17, 2022, WCS announced the award of a technology development grant of NOK 22 million from ENOVA SF, a government enterprise owned by the Norwegian Ministry of Climate and Environment. The grant will support the design, construction and testing of a wind turbine pilot planned at Mehuken wind park on the West Coast of Norway. The turbine is planned to be installed in 2023 for testing and verification.

The company continues to develop its organization in parallel with maturing the technology and concept together with its key technology partners Aibel and IFE.

Further engineering work continues in 2022 with key areas of focus being marine engineering and equipment design in partnership with Tier 1 equipment providers to optimize the operating performance of the unit. Discussions are also ongoing with respect to strategic partnerships and future client adoption for the WCS concept.

WCS is accounted for as an associated company, hence North Energy consolidates its share of the net result from WCS. For the third quarter North Energy has consolidated a loss of NOK 0.8 million in the result. At the end of the third quarter, book value of the investment was NOK 26.3 million.

Financial investments

Touchstone Exploration Inc.

The Company's key financial investment is in Touchstone Exploration with an ownership interest of 6.0 per cent by the end of the third quarter.

On October 11, 2022, Touchstone Exploration announced that the Coho facility has safely delivered first natural gas, representing the first onshore natural gas project to come onstream in Trinidad and Tobago in over twenty years. The Coho area is located in the Ortoire block, where Touchstone has an 80 percent operating working interest and Heritage Petroleum

Company Limited holds the remaining 20 percent working interest.

On September 26, 2022, the Coho facility was approved by the Certified Verification Agent with the Trinidad and Tobago Ministry of Energy and Energy Industries authorizing facility commissioning. The day after, Touchstone commenced commissioning and achieved commercial deliveries on October 10, 2022, with a field estimate sustained gross production rate of approximately 10.5 million cubic feet per day. Natural gas production from Coho facility will be sold to the National Gas Company pursuant to a natural gas agreement executed in December 2020. The Coho facility is capable of 24 million cubic feet per day through a combination of additional drilling and well optimization.

Other financial investments

As of third quarter 2022 the Company has several minor investments in shares and bonds as part of its liquidity management, with a total value of NOK 57.3 million. During the quarter the company has invested most of its available cash balance in NOK denominated government bonds and investment grade bank bonds with short duration. The bonds have very low credit risk, high liquidity and represent an attractive alternative to bank deposits at current interest rate levels.

During the quarter, North Energy has invested NOK 14.6 million in Nordic Nanovector resulting in an ownership of 7.3 percent. Nordic Nanovector announced in August that a strategic review led by Carnegie has been initiated with the aim of optimising shareholder value, following the cancellation of the PARADIGME clinical trial.

On September 15, 2022, Nordic Nanovector announced that three members of the Company's Board have decided to step down to support the preservation of financial resources during this strategic process while retaining the necessary personnel needed to maximise the chances of a successful conclusion.

Strategy and outlook

During the third quarter of 2022, outlook for the global economy has continued to deteriorate due to high inflation and weakening demand across multiple sectors. Energy prices have continued to be strong with natural gas and electricity prices continuing to be very high globally, particularly in Europe. Although energy prices have moderated towards the end of the quarter, this is likely driven mostly by demand destruction as extreme prices have impacted demand, both from industry and consumers.

Central banks have continued to tighten monetary conditions over the last few months to combat inflation, which is running significantly above target levels. As a result, financial conditions have deteriorated materially during 2022. Performance in global capital markets has been weak this year, with losses in the order of USD 35 trillion across both equities and bonds. The ripple effects from these losses, particularly from bond markets, are likely to continue to cascade through the global economy into 2023.

Companies and consumers are under pressure as high inflation and higher interest rates continue to reduce purchasing power and weaken end demand for many products. We expect a muted outlook for global growth for the rest of 2022 and into 2023, with increasing recession risks, as the global economy faces significant headwinds on multiple fronts.

North Energy intends to further develop the company in accordance with its strategy and will seek to maintain optionality in order to successfully execute its long-term strategy and actively seek opportunities to develop and expand the industrial portfolio.

For further elaboration of the Company's strategy, reference is made to the Company's webpage: www.northenergy.no



Financial statements third quarter 2022

INCOME STATEMENT

NOK 1 000	Note	Q3 2022 (unaudited)	Q3 2021 (unaudited)	YTD Q3 2022 (unaudited)	YTD Q3 2021 (unaudited)	Year 2021 (audited)
Sales		32	38	113	152	178
				0		
Payroll and related expenses		(2 402)	(1 107)	(6 711)	(3 030)	(9 165)
Depreciation and amortisation		(366)	(280)	(1 158)	(844)	(1 096)
Other operating expenses		(815)	(6 423)	(3 131)	(15 617)	(18 351)
Change in fair value of financial investments		(5 875)	47 578	(13 618)	(17 545)	(45 152)
Net result from investments in associates	11	9 818	13 094	34 808	21 874	26 862
Operating profit/(loss)		391	52 900	10 302	(15 010)	(46 724)
Financial income		558	273	1 111	536	593
Financial costs		(71)	(0)	(185)	(1)	(80)
Net financial items		487	273	926	534	512
Profit/(loss) before income tax		878	53 173	11 228	(14 475)	(46 212)
Income taxes	8	0	(5 455)	0	10 759	18 383
Profit/(loss) for the period		878	47 719	11 228	(3 717)	(27 829)
Attributable to:						
Owners of North Energy ASA		878	47 719	11 228	(3 717)	(27 829)
Non-controlling interests		0	0	0	0	0
		878	47 719	11 228	(3 717)	(27 829)
Earnings per share (NOK per share)						
- Basic		0,01	0,41	0,09	(0,03)	(0,24)
- Diluted		0,01	0,41	0,09	(0,03)	(0,24)

STATEMENT OF COMPREHENSIVE INCOME

NOK 1 000	Q2 2022 (unaudited)	Q2 2021 (unaudited)	YTD Q2 2022 (unaudited)	YTD Q2 2021 (unaudited)	Year 2021 (audited)
Profit/(loss) for the period	878	47 719	11 228	(3 717)	(27 829)
Other comprehensive income, net of tax					
Total other comprehensive income, net of tax	0	0	0	0	0
Total comprehensive income/(loss) for the period	878	47 719	11 228	(3 717)	(27 829)
Attributable to:					
Owners of North Energy ASA	878	47 719	11 228	(3 717)	(27 829)
Non-controlling interests	0	0	0	0	0
	878	47 719	11 228	(3 717)	(27 829)

STATEMENT OF FINANCIAL POSITION

NOK 1 000	Note	30.09.2022 (unaudited)	30.09.2021 (unaudited)	31.12.2021 (audited)
ASSETS				
Non-current assets				
Property, plant and equipment		201	153	148
Right-of-use assets	3,12	6 378	3 142	3 103
Other receivables		0	155	120
Investments in associates	11	167 178	136 325	141 312
Deferred tax asset	8	0	0	0
Total non-current assets		173 756	139 775	144 683
Current assets				
Trade and other receivables	13	3 609	298	195
Financial investments, current	9	162 962	172 796	154 129
Cash and cash equivalents		3 159	54 611	39 986
Total current assets		169 730	227 705	194 311
Total assets		343 486	367 480	338 993
EQUITY AND LIABILITIES				
Equity				
Share capital	5	119 047	119 047	119 047
Treasury shares	5	(3 411)	(3 411)	(3 411)
Share premium		850 378	850 378	850 378
Other paid-in capital		30 691	30 691	30 691
Retained earnings		(664 176)	(651 292)	(675 404)
Total equity		332 529	345 413	321 301
Liabilities				
Non-current liabilities				
Deferred tax liability	8	0	7 624	0
Leasing liabilities	3,12	5 162	2 671	2 531
Other non-current liabilities		0		2 513
Total non-current liabilities		5 162	10 295	5 044
Current liabilities				
Leasing liabilities, current	3,12	1 283	532	642
Trade creditors		144	2 478	30
Tax payable	8	0	0	0
Other current liabilities	14	4 368	8 762	11 977
Total current liabilities		5 795	11 772	12 649
Total liabilities		10 957	22 067	17 693
Total equity and liabilities		343 486	367 480	338 993

STATEMENT OF CHANGES IN EQUITY

NOK 1 000	Share capital	Treasury Shares	Share premium	Other paid-in capital	Retained earnings	Total equity
Equity at 1 January 2021	119 047	(3 411)	903 141	30 691	(647 575)	401 893
Total comprehensive income for 01.01.21-30.09.21					(3 717)	(3 717)
Paid dividend			(52 763)			(52 763)
Equity at 30 September 2021	119 047	(3 411)	850 378	30 691	(651 292)	345 413
Total comprehensive income for 01.09.21-31.12.21					(24 112)	(24 112)
Equity at 31 December 2021	119 047	(3 411)	850 378	30 691	(675 404)	321 301
Total comprehensive income for 01.01.22-30.09.22					11 228	11 228
Equity at 30 September 2022	119 047	(3 411)	850 378	30 691	(664 176)	332 529

CASH FLOW STATEMENT

NOK 1 000	Q3 2022 (unaudited)	Q3 2021 (unaudited)	YTD Q3 2022 (unaudited)	YTD Q3 2021 (unaudited)	Year 2021 (audited)
Cash flow from operating activities					
Profit/(loss) before income tax	878	53 173	11 228	(14 475)	(46 212)
Adjustments:					
Depreciation	366	280	1 158	844	1 096
Pensions	0	37	258	103	138
Change in fair value of financial investments	5 875	(47 578)	13 618	17 545	45 152
Net result from investments in associates	(9 818)	(13 094)	(34 808)	(21 874)	(26 862)
Changes in other accruals	(1 169)	6 783	(14 904)	7 943	11 087
Net cash flow from operating activities	(3 867)	(399)	(23 449)	(9 914)	(15 600)
Cash flow from investing activities					
Purchase of property, plant and equipment	0	0	(49)	(42)	(42)
Proceeds from sales of property, plant and equipment	0	0	0	0	0
Investments in associates	0	0	(2 361)	(10 000)	(10 000)
Dividends from associates	0	0	8 303	6 919	6 919
Distribution from associates	0	0	3 000	0	0
Purchase of financial investments	(55 486)	(2 574)	(70 117)	(4 445)	(13 385)
Proceeds from sales of financial investments	8 877	0	47 846	5 526	5 526
Proceeds/payments from other non-current receivables	0	0	0	0	0
Net cash flow from investing activities	(46 609)	(2 574)	(13 379)	(2 043)	(10 982)
Cash flow from financing activities					
Dividends paid from North Energy ASA	0	0	0	(52 763)	(52 763)
Net cash flow from financing activities	0	0	0	(52 763)	(52 763)
Net change in cash and cash equivalents	(50 476)	(2 973)	(36 828)	(64 720)	(79 345)
Cash and cash equivalents at beginning of the period	53 634	57 585	39 986	119 332	119 332
Cash and cash equivalents at end of the period	3 159	54 611	3 159	54 611	39 986

Notes to the interim consolidated financial statements third quarter 2022

Note 1 - General and corporate information

These financial statements are the unaudited interim condensed financial statements of North Energy ASA for the third quarter of 2022. North Energy ASA is a public limited company incorporated and domiciled in Norway, with its main office located in Oslo. North Energy ASA's shares were listed on Oslo Axess (now Euronext Expand), an exchange regulated by the Euronext Stock Exchange, on 5 February 2010. The company's ticker is NORTH.

Note 2 - Basis of preparation

The interim accounts have been prepared in accordance with IAS 34 Interim Financial Reporting and the supplementary requirements in the Norwegian Securities Trading Act (Verdipapirhandelloven). The interim accounts do not include all the information required in the annual accounts and should therefore be read in conjunction with the annual accounts for 2021. The annual accounts for 2021 were prepared in accordance with the EU's approved IFRS.

Note 3 - Accounting policies

The accounting policies adopted in the preparation of the interim accounts are consistent with those followed in the preparation of the annual accounts for 2021. New standards, amendments, and interpretations to existing standards effective from 1 January 2022 did not have any significant impact on the financial statements.

Note 4 - Critical accounting estimates and judgements

The preparation of the interim accounts entails the use of judgements, estimates and assumptions that affect the application of accounting policies and the amounts recognised as assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances. The actual results may deviate from these estimates. The material assessments underlying the application of the company's accounting policies and the main sources of uncertainty are the same for the interim accounts as for the annual accounts for 2021.

Note 5 - Share capital

Number of outstanding shares at 1 January 2022	119 047 065
New shares issued during the period	0
Number of outstanding shares at 30 September 2022 *	119 047 065
Nominal value NOK per share at 30 September 2022	1
Share capital NOK at 30 September 2022	119 047 065

* Inclusive 1,795,472 treasury shares.

Note 6 - Business segments

The Group reports only one business segment which includes the investment activities.

Note 7 - Related parties

The company's transactions with related parties:

Purchase of services from	Description of services	Q3 2022	Q3 2010	Year 2021
Celisa Capital AS	Consultancy services	0	2 812	3 750
Isfjorden AS	Consultancy services	0	2 812	3 750

Note 8 - Income taxes

Specification of income tax	YTD Q3 2022	YTD Q3 2021	Year 2021
Tax payable	0	0	0
Change deferred tax asset	0	10 759	18 383
Total income taxes	0	10 759	18 383

Specification of temporary differences, tax losses carried forward, deferred tax	30.09.2022	30.09.2021	31.12.2021
Property, plant and equipment	6 292	2 953	2 939
Pensions	135	287	252
Leasing liabilities	(6 445)	(3 203)	(3 173)
Financial investments	76 863	132 055	104 448
Tax losses carried forward	(113 995)	(97 436)	(106 529)
Total basis for deferred tax asset	(37 150)	34 656	(2 063)
Deferred tax asset/(liability) before valuation allowance	(8 173)	(7 624)	454
Not capitalised deferred tax asset (valuation allowance)	8 173	0	(454)
Deferred tax asset/(liability)	0	(7 624)	0

Reconciliation of effective tax rate	YTD Q3 2022	YTD Q3 2021	Year 2021
Profit/(loss) before income tax	11 228	(14 475)	(46 212)
Expected income tax 22%	(2 470)	3 185	10 167
Adjusted for tax effects (22%) of the following items:			
Permanent differences	10 793	5 074	6 170
Adjustments previous years	(604)	2 500	2 500
Changed tax rates		0	0
Change in valuation allowance for deferred tax assets	(7 719)	0	(454)
Total income taxes	0	10 759	18 383

Note 9 - Financial investments

Financial investments are investments in shares and bonds. The main investments at 30 September 2022 consist of shares in Touchstone Exploration and Nordic Nanovector as well as bonds in Interoil Exploration and various interest bonds.

Note 10 - Fair value of financial instruments

The carrying amount of cash and cash equivalents and other current receivables is approximately equal to fair value since these instruments have a short term to maturity. Similarly, the carrying amount of trade creditors and other current liabilities is approximately equal to fair value, since the effect of discounting is not significant, due to short term to maturity.

Fair value of the stock exchange-listed shares is the stock market price at the balance sheet date (level 1 in the fair value hierarchy). Fair value of bonds is based on quoted market prices at the balance sheet date (level 2 in the fair value hierarchy). Fair value of other non-listed investments are valued using the best information available in the circumstances including the entities' own data. (level 3 in the fair value hierarchy).

Specification of financial instruments based on level in the fair value hierarchy

Fair Value 30.09.2022	Level 1	Level 2	Level 3	Total
Shares	120 157		0	120 157
Bonds		42 805		42 805
Total fair value	120 157	42 805	0	162 962

There has been no transfer between level 1 and level 2 during 2022.

Reconciliation of level 3 in the fair value hierarchy	Level 3
Opening balance	0
Movement during the quarter	0
Closing balance	0

Note 11 - Investment in an associate

Reconciliation and specification of carrying amount of investment in associates:

	30.09.2022	30.09.2021	31.12.2021
Opening balance carrying amount of investments in associates	141 312	111 369	111 369
Gain on dilution of ownership, Reach Subsea ASA*	13 842	0	0
Gain on dilution of ownership Wind Catching Systems AS*	15 444	0	0
Acquisition cost shares acquired, Wind Catching Systems AS	2 361	10 000	10 000
Repayment of capital, Tyveholmen AS	(3 000)	0	0
Share of net result in investment, Reach Subsea ASA	8 131	22 863	30 279
Share of net result in investment, Wind Catching Systems AS	(2 839)	(989)	(3 729)
Share of net result in investment, Tyveholmen AS	230	0	312
Dividend received, Reach Subsea ASA	(8 303)	(6 919)	(6 919)
Total carrying amount of investments in associates at balance date	167 178	136 325	141 312

Specification of net result from investment in an associate recognised in the income statement:

	YTD Q3 2022	YTD Q3 2021	Year 2021
Share of net result in investment, Reach Subsea ASA	8 131	22 863	30 279
Share of net result in investment, Wind Catching Systems AS	(2 839)	(989)	(3 729)
Share of net result in investment, Tyveholmen AS	230	0	312
Gain on dilution of ownership, Wind Catching Systems AS*	15 444	0	0
Gain on dilution of ownership, Reach Subsea ASA*	13 842	0	0
Net result from investments in associates	34 808	21 874	26 862

* The gain on dilution of ownership is an accounting effect triggered by private placements resulting in increased equity in the associated companies. North Energy participated in the private placements but with a lower share than the original ownership, hence North Energy's ownership percentage has been reduced while the value of the investment has increased. A gain on the deemed disposal arises because the amount per share subscribed by the third party was greater than North Energy's carrying value per share prior to the event.

The dilution of ownership in Reach Subsea took place 25 March 2022 and the dilution of ownership in Wind Catching Systems took place 9 June 2022.

Note 12 - Leases

Right-of-use assets:

The Group leases office facilities. The Group's right-of-use assets are categorised and presented in the table below:

Right-of-use assets	Office facilities
Acquisition cost at 1 January 2022	7 438
Addition of right-of-use assets	7 256
Disposals of right-of-use assets	(2 854)
Acquisition cost at 30 September 2022	11 840
Accumulated depreciation and impairment 1 January 2022	(4 335)
Depreciation	(1 127)
Impairment	0
Accumulated depreciation and impairment 30 September 2022	(5 462)
Carrying amount of right-of-use assets 30 September 2022	6 378

Lower of remaining lease term or economic life	4.5 years
Depreciation method	Linear

Leasing liabilities:

Lease liabilities at 1 January 2022	3 173
Additions lease contracts	7 256
Disposals lease contracts	(2 933)
Accretion lease liabilities	171
Payments of lease liabilities	(1 222)
Total leasing liabilities 30 September 2022	6 445
Breakdown of lease debt:	
Short-term	1 283
Long-term	5 162
Total lease debt	6 445

Maturity of future undiscounted lease payments under non-cancellable lease agreements:

	30.09.2022
Within 1 year	1 566
1 to 5 years	5 481
After 5 years	-
Total	7 047

The leases do not impose any restrictions on the Company's dividend policy or financing opportunities.

Note 13 - Other current receivables

In May 2020 North Energy received a notice from the Norwegian Tax Administration informing that they started a control of North Energy ASA's accounts for the years 2016 up to and including 2019. In December 2021, the company received the report from the control together with a notification of changes of VAT from the control period. In February 2022, the company submitted their response to the notification expressing the company's view regarding the treatment of VAT during the control period which deviates from the view of the tax administration. In April 2022, the tax administration issued their final decision after the control resulting in a claim of NOK 12.9 million which consist of NOK 10.1 million of reclassifying deducted VAT to non-deductible VAT over the four-years period, interests of NOK 0.8 million and additional tax of NOK 2.0 million which is 20 % of the reclassified VAT.

The VAT and the interests were settled with NOK 10.9 million in May 2022. The company does not agree with the conclusion from the tax administration and has submitted a complaint to the Tax administration. The additional tax will not fall due until the complaint has been processed and a final decision has been reached. To cover for the claim a provision of total NOK 7.5 million was made during 2021. The excess cash paid of NOK 3.4 million compared to our original provision has been accounted for as a short-term receivable.

Note 14 - Other current liabilities

In December 2021, the Board of North Energy announced that Mr. Knut Sæberg would retire from his position as CEO on 31 December 2021 and the Company made a provision of NOK 5.0 million (including employment tax) to cover for a severance payment to the former CEO. Half of the provision was paid in January 2022 while the rest of the provision, NOK 2.5 million, will be paid in January 2023 and is classified as other current liabilities.

Note 15 - Events after the balance sheet date

There are no subsequent events with significant accounting impacts that have occurred between the end of the reporting period and the date of this report that are not already reflected or disclosed in these interim financial statements.

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