

INTERIM REPORT

for the first quarter 2023



north
energy

Quarterly highlights

- **North Energy reports comprehensive income of NOK 7.2 million:** Positive change in fair value of financial investments is the main driver for the income.
- **Reach Subsea reports comprehensive income of NOK 4.0 million for first quarter:** Reported EBIT of NOK -8.4 million in first quarter, up from NOK -37.7 million first quarter last year.
- **Wind Catching Systems awarded another grant from ENOVA:** In February 2023 a grant of NOK 9.3 million was awarded from ENOVA to support the initial implementation of a full-scale Windcatcher.
- **Touchstone Exploration announced in March the annual results for 2022 with a reported net loss of USD 3.5 million.** The operation at the Royston-1X sidetrack well commenced operation in February while the Royston-1X exploration well was completed in March.

Key figures

NOK mln	Q1 2023	Q1 2022	Year 2022
Operating profit	6,9	-13,0	-14,0
Comprehensive income	7,2	-12,6	-13,1
Investments	343,7	292,2	314,7
Total assets	358,6	324,7	327,6
Equity ratio	88	95	94
Interest bearing debt	32,9	0	7,7

Financial information

Figures for Q1 2023 represent the consolidated financials for the Group consisting of North Energy ASA and the newly established subsidiaries North Industries 1 AS and North Industries 2 AS. Comparison figures for 2022 are the figures for North Energy ASA, (which included the investments transferred to the new subsidiaries).

North Energy recorded a comprehensive income of NOK 7.2 million in the first quarter of 2023, compared with a comprehensive loss of NOK 12.6 million in the corresponding quarter of 2022. The improvement versus the same quarter last year is primarily due to fair value changes on financial investments, as well as improved results from associated companies.

Payroll and related expenses in the first quarter were NOK 5.3 million, compared with NOK 2.2 million in the same quarter previous year. First quarter previous year the company implemented a new management structure where two former advisors was employed as co-CEOs. The figures for first quarter this year includes performance bonuses to the management of the company.

Other operating expenses are reported at NOK 1.0 million, which is at about the same level as in the same quarter last year.

Change in fair value of financial investments amounted to NOK 14.3 million, compared with NOK 3.3 million in the same quarter last year. The key reason is the share price increase in Touchstone Exploration in the first quarter, as well as a weakened NOK.

Net result from investments in associates were NOK -0.8 million, which is up from NOK -12.9 million in the same quarter last year. Reach Subsea delivered a better result in the first quarter this year compared with last year, which explains the improvement.

Net financial items were a gain of NOK 0.4 million in the first quarter 2023, same as last year, consisting mainly of interest received on bonds offset by interest expenses on lease liabilities and credit facilities.

Total assets at the end of the quarter were NOK 358.6 million, up from NOK 324.7 million at the end of the same quarter last year. The increase is mainly due to an increase in investment in associates of NOK 62.5 million offset by a decrease in cash of NOK 24.6 million as well as a decrease in financial investments of NOK 8.9 million.

Total equity at the end of the quarter was NOK 315.5 million, up from NOK 308.7 million at the first quarter last year. The increase is explained by total comprehensive income of NOK 6.8 million during the last twelve months. The Company's equity ratio stood at 88.0 percent at the end of the quarter.

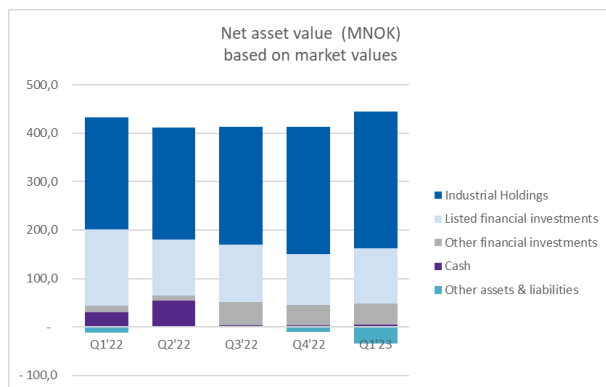
North Energy recorded NOK 5.4 million in cash at the end of the quarter. This is down from NOK 30.0 million at the end of the same quarter last year mainly due to investing activities of NOK 40.4 million, cash burn of NOK 28.4 million offset by dividend and capital received from investments of NOK 11.3 million and drawdown on loan facility of NOK 32.9 million.

The Company established a new multicurrency credit facility with DNB last year 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 51.7 million, which includes cash, liquid investment grade bonds, and unutilized credit facilities.

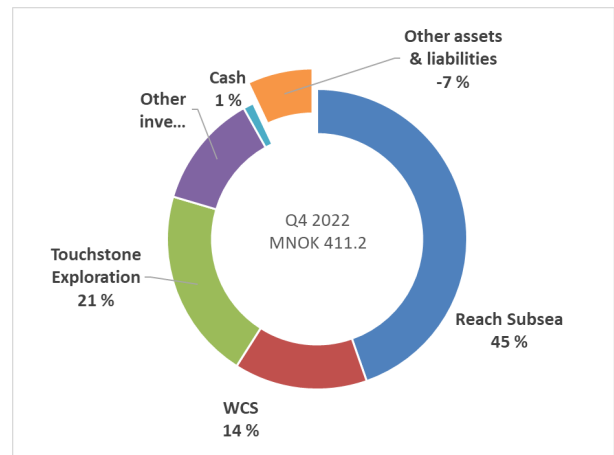
The Board regards the Company's financial position as solid.

Net asset value composition



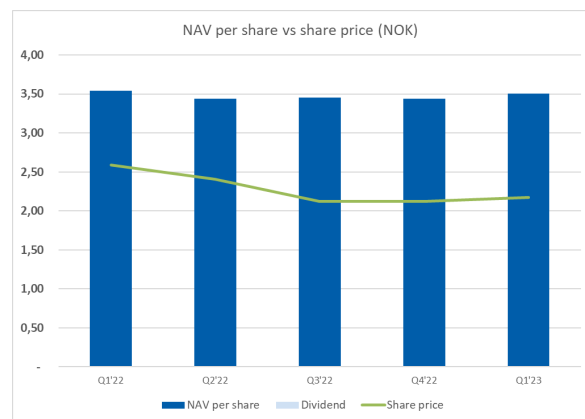
At the end of first quarter, total market value of investments amounted to NOK 439.4 million, compared to NOK 402.7 million at the end of first quarter last year. The increase of NOK 36.7 million in investments compared to last year is due to net investment activity during the period of NOK 40.4 million offset by fluctuation in market values of the investments of NOK 3.7 million.

Including cash of NOK 5.4 million and net other assets and liabilities of negative NOK 33.5 million the net asset value (NAV) for the company was NOK 411.2 million at the end of the quarter, compared with NOK 421.2 million at the end of same quarter last year.



NAV per share vs. share price

The net asset value per share was NOK 3.51 while the share price at the end of the quarter was NOK 2.18, representing a discount of 38% 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. The investment was moved from the parent Company North Energy ASA to the newly created subsidiary North Industries 1 AS during last quarter.

Following the private placement completed in March 2023, where North Energy contributed with NOK 20 million, the ownership for North Energy was reduced to 19.9%. The ownership in Reach is still reported as an associated company.

The Group 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 first quarter, Reach reported an EBIT of NOK - 8.4 million, which is up from NOK -37.7 million the same quarter last year. Last year's EBIT included NOK 7.6 million in transaction expenses (iSurvey acquisition). Beyond this non-recurring effect, the improvement from last year is primarily driven by higher utilization in the seasonally weak Q1.

Reach announces that it is seeing strong 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 280 million, of which NOK 200 million is covered by credit facilities while the remainder has ample coverage from existing cash and working capital of NOK 280 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.

The company is listed on the Oslo Stock Exchange and as of the end of the first quarter, the company had a market capitalization of NOK 1 073 million.

As of the end of the first quarter 2023, the investment in Reach is accounted for at a book value of NOK 159.8 million, up from NOK 111.0 million in the same quarter last year. The year-over-year increase in book value is driven by North Energy's share of comprehensive income of NOK 22.8 million, new investment of NOK 20 million, gain on deemed disposal of NOK 13,8 million, offset by dividend received of NOK 8,3 million. The share price of Reach Subsea ended the quarter at NOK 4.2, which gives North Energy's shareholding a market value of NOK 213.5 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 February 6, 2023, the company announced the second grant from ENOVA SF, a government enterprise owned by the Norwegian Ministry of Climate and Environment, of NOK 9.3 million to support the implementation of a full-scale Windcatcher. (The company has previously received a grant of NOK 22 million from ENOVA to 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 2023 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 first quarter 2023 North Energy has consolidated a loss of NOK 1.6 million in the result. At the end of the first quarter, book value of the investment was NOK 26.7 million. The estimated market value of the investment was NOK 68.7 million and is based on the share price used in the recent private placement completed in October 2022.

Financial investments

Touchstone Exploration Inc.

The Company's key financial investment is in Touchstone Exploration with an ownership interest of 5.1 per cent by the end of the quarter.

On January 9, 2023, Touchstone announced the execution of an asset exchange agreement for the exchange of certain onshore assets with a private Trinidadian entity, Lease Operations Limited. The transaction includes swapping non-core legacy crude oil fields with highly prospective exploration and development acreage contiguous to the Ortoire block.

Further, on February 6, 2023, Touchstone reports that it has commenced operations at the Royston-1X sidetrack well located on the onshore Ortoire block. Royston-1X is a sidetrack well reentering the previously drilled Royston-1 well and is expected to be drilled to a measured depth of 11,300 feet, targeting hydrocarbon accumulations in the Middle Miocene Herrera overthrust, intermediate, and subthrust sheets.

On March 2, 2023, Touchstone announced the completion of drilling the Royston-1X exploration well ahead of schedule and on budget, and that they have encountered substantial sands in the targeted Herrera Formation that exceeds pre-drill expectations. Royston-1X is the deepest exploration well drilled by Touchstone. The well is currently being prepared for production testing.

On March 24, 2023, Touchstone announced the fourth quarter financials as well as the Annual Financial and Operating Results for 2022. The report shows a comprehensive loss for the year of USD 3,5 million compared to a comprehensive income of USD 5,7 million in 2021 (mainly due to impairment reversals recognized in prior year based on increased forecasted crude oil pricing).

Other financial investments

As of first quarter 2023 the Company has several minor investments in shares and bonds as part of its liquidity management, with a total market value of NOK 58.8 million, of this is NOK 30.2 million invested in NOK denominated 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.

North Energy has an investment in Nordic Nanovector with a market value of NOK 16.2 million equivalent to an ownership at the end of the quarter of 16.5 percent.

Outlook and strategy

As of the first quarter of 2023, the outlook for the global economy looks mixed as central banks have raised interest rates to combat inflation while most parts of the global economy continue to perform reasonably well. Moderation in goods inflation has become evident, while the key underlying wage and services inflation is still substantially above inflation targets set by central banks globally. The full effects of higher interest rates are most likely to be observed in the next 6-12 months.

With a backdrop of a weakening global economy, energy prices have been flat in the first quarter of 2023. However, they continue to be high compared to historical levels, which we expect to continue. Low levels of energy investments over the last decade, as well as the war in Ukraine, will limit supply side growth and support prices.

Developments in global financial markets have been quite strong in Q1 2023, supported by emerging optimism of a near term peak in both inflation and interest rates. Market consensus is expecting a peak in interest rates in H1 2023 with interest rate cuts towards the end of the year as the economy weakens.

We still expect a muted outlook for global growth in 2023, with increasing recession risks, as the global economy continues to face significant headwinds on multiple fronts. The full impact of higher interest rates has most likely not been felt across the global economy and this will continue to play out during 2023.

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 first quarter 2023

CONSOLIDATED INCOME STATEMENT

NOK 1 000	Note	Q1 2023 (unaudited)	Q1 2022 (unaudited)	Year 2022 (audited)
Sales		0	50	113
Payroll and related expenses		(5 313)	(2 239)	(9 252)
Depreciation and amortisation		(366)	(232)	(1 537)
Other operating expenses		(1 026)	(921)	(4 273)
			0	
Change in fair value of financial investments		14 313	3 270	(37 526)
Net result from investments in associates	10	(751)	(12 933)	38 435
Operating profit/(loss)		6 858	(13 005)	(14 041)
Financial income		724	393	1 308
Financial costs		(345)	(8)	(339)
Net financial items		380	384	969
Profit/(loss) before income tax		7 237	(12 621)	(13 072)
Income taxes	7	0	0	0
Profit/(loss) for the period		7 237	(12 621)	(13 072)
Attributable to:				
Owners of North Energy ASA		7 237	(12 621)	(13 072)
		7 237	(12 621)	(13 072)
Earnings per share (NOK per share)				
- Basic		0,06	-0,11	-0,11
- Diluted		0,06	-0,11	-0,11

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK 1 000	Q1 2023 (unaudited)	Q1 2022 (unaudited)	Year 2022 (audited)
Profit/(loss) for the period	7 237	(12 621)	(13 072)
Other comprehensive income, net of tax			
Total other comprehensive income, net of tax	0	0	0
Total comprehensive income/(loss) for the period	7 237	(12 621)	(13 072)
Attributable to:			
Owners of North Energy ASA	7 237	(12 621)	(13 072)
	7 237	(12 621)	(13 072)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

NOK 1 000	Note	31.03.2023 (unaudited)	31.03.2022 (unaudited)	31.12.2022 (audited)
ASSETS				
Non-current assets				
Property, plant and equipment		177	188	189
Right-of-use assets	11	5 657	3 781	6 011
Other receivables		0	0	0
Investments in associates	10	190 860	128 379	171 610
Deferred tax asset	7	0	0	0
Total non-current assets		196 693	132 348	177 810
Current assets				
Trade and other receivables	12	3 723	608	3 645
Financial investments, current	8,9	152 815	161 764	143 069
Cash and cash equivalents		5 353	29 977	3 056
Total current assets		161 892	192 348	149 770
Total assets		358 585	324 696	327 580
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		(681 239)	(688 025)	(688 476)
Total equity		315 466	308 680	308 229
Liabilities				
Non-current liabilities				
Deferred tax liability	7	0	0	0
Leasing liabilities	11	4 481	2 924	4 802
Other non-current liabilities		0	0	0
Total non-current liabilities		4 481	2 924	4 802
Current liabilities				
Leasing liabilities, current	11	1 325	672	1 325
Trade creditors		207	80	46
Tax payable	7	0	0	0
Other current liabilities	13	4 252	12 341	5 455
Current borrowings	14	32 855		7 723
Total current liabilities		38 637	13 092	14 549
Total liabilities		43 119	16 016	19 351
Total equity and liabilities		358 585	324 696	327 580

CONSOLIDATED 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 2022	119 047	(3 411)	850 378	30 691	(675 404)	321 301
Total comprehensive income for 01.01.22-31.03.22					(12 621)	(12 621)
Equity at 31 March 2022	119 047	(3 411)	850 378	30 691	(688 025)	308 680
Total comprehensive income for 01.04.22-31.12.22					(451)	(451)
Equity at 31 December 2022	119 047	(3 411)	850 378	30 691	(688 476)	308 229
Total comprehensive income for 01.01.23-31.03.23					7 237	7 237
Equity at 31 March 2023	119 047	(3 411)	850 378	30 691	(681 239)	315 466

CONSOLIDATED CASH FLOW STATEMENT

NOK 1 000	Q1 2023 (unaudited)	Q1 2022 (unaudited)	Year 2022 (audited)
Cash flow from operating activities			
Profit/(loss) before income tax	7 237	(12 621)	(13 072)
Adjustments:			
Tax refunded/paid	0	0	0
Depreciation	366	232	1 537
Pensions	0	258	258
Change in fair value of financial investments	(14 313)	(3 270)	37 526
Net result from investments in associates	751	12 933	(38 435)
Changes in trade creditors	161	0	16
Changes in other accruals	(4 394)	(2 989)	(15 159)
Net cash flow from operating activities	(10 193)	(5 457)	(27 328)
Cash flow from investing activities			
Purchase of property, plant, and equipment	0	(49)	(84)
Proceeds from sales of property, plant, and equipment	0	0	0
Investments in associates	(20 000)	0	(3 167)
Dividends from associates	0	0	0
Distribution from associates	0	0	8 303
Purchase of financial investments	(4 839)	(4 952)	3 000
Proceeds from sales of financial investments	12 199	587	(89 472)
Proceeds/payments from other non-current receivables	0	(138)	64 094
Net cash flow from investing activities	(12 641)	(4 552)	(17 326)
Cash flow from financing activities			
Dividends paid from North Energy ASA	0	0	0
Increase/decrease bank facility	25 132	0	7 723
Net cash flow from financing activities	25 132	0	7 723
Net change in cash and cash equivalents	2 298	(10 010)	(36 931)
Cash and cash equivalents at beginning of the period	3 056	39 986	39 987
Cash and cash equivalents at end of the period	5 353	29 977	3 056

Notes to the interim consolidated financial statements first quarter 2023

Note 1 - General and corporate information

These financial statements are the unaudited interim condensed consolidated financial statements of North Energy ASA and its subsidiaries (hereafter “the Group”) for the first quarter of 2023. 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 2022. The annual accounts for 2022 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 2022. New standards, amendments, and interpretations to existing standards effective from 1 January 2023 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 2022.

Note 5 - Share capital

Number of outstanding shares at 1 January 2023	119 047 065
New shares issued during the period	0
Number of outstanding shares at 31 March 2023 *	119 047 065
Nominal value NOK per share at 31 March 2023	1
Share capital NOK at 31 March 2023	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 - Income taxes

Specification of income tax	Q1 2023	Q1 2022	Year 2022
Tax payable	0	0	0
Change deferred tax asset	0	0	0
Total income taxes	0	0	0

Specification of temporary differences, tax losses carried forward, deferred tax	31.03.2023	31.03.2022	31.12.2022
Property, plant and equipment	5 568	3 633	5 914
Pensions	0	149	21
Leasing liabilities	(5 806)	(3 596)	(6 127)
Financial investments	67 088	107 793	51 119
Provisions	0	(109 724)	0
Tax losses carried forward	(118 834)	(1 745)	(118 168)
Total basis for deferred tax asset	(51 985)	(384)	(67 240)
Deferred tax asset/(liability) before valuation allowance	11 437	384	14 793
Not capitalised deferred tax asset (valuation allowance)	(11 437)	0	(14 793)
Deferred tax asset/(liability)	0	0	0

Reconciliation of effective tax rate	Q1 2023	Q1 2022	Year 2022
Profit/(loss) before income tax	7 237	(12 621)	(13 072)
Expected income tax 22%	1 592	2 777	2 876
Adjusted for tax effects (22%) of the following items:			
Permanent differences	1 704	(2 847)	11 463
Adjustments previous years	0		0
Changed tax rates	0		0
Change in valuation allowance for deferred tax assets	(3 297)	70	(14 339)
Total income taxes	0	0	(0)

Note 8 - Financial investments

Financial investments are investments in shares and bonds. The main investments at 31 March 2023 consist of shares in Touchstone Exploration and Nordic Nanovector as well as bonds in InterOil Exploration and various interest-bearing bonds.

Note 9 - 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 are 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 31.03.2023	Level 1	Level 2	Level 3	Total
Shares	115 159		0	115 159
Bonds		37 657		37 657
Total fair value	115 159	36 867	0	152 815

There has been no transfer between level 1 and level 2 during 2023.

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

Note 10 - Investment in an associate

Reconciliation and specification of carrying amount of investment in associates:

	31.03.2023	31.03.2022	31.12.2022
Opening balance carrying amount of investments in associates	171 610	141 312	141 312
Gain on dilution of ownership, Reach Subsea ASA*	0	0	13 842
Gain on dilution of ownership Wind Catching Systems AS*	0	0	18 325
Acquisition cost shares acquired, Reach Subsea ASA	20 000	0	0
Acquisition cost shares acquired, Wind Catching Systems AS	0	0	3 167
Repayment of capital, Tyveholmen AS	0	0	(3 000)
Share of net result in investment, Reach Subsea ASA	815	(11 841)	10 597
Share of net result in investment, Wind Catching Systems AS	(1 566)	(1 093)	(4 552)
Share of net result in investment, Tyveholmen AS	0	0	222
Dividend received, Reach Subsea ASA	0	0	(8 303)
Total carrying amount of investments in associates at balance date	190 860	128 379	171 610

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

	Q1 2023	Q1 2022	Year 2022
Share of net result in investment, Reach Subsea ASA	815	(11 841)	10 597
Share of net result in investment, Wind Catching Systems AS	(1 566)	(1 093)	(4 552)
Share of net result in investment, Tyveholmen AS	0	0	222
Gain on dilution of ownership, Wind Catching Systems AS*	0	0	18 325
Gain on dilution of ownership, Reach Subsea ASA*	0	0	13 842
Net result from investments in associates	(751)	(12 933)	38 435

* 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 and 28 October 2022.

Note 11 - 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 2023	11 840
Addition of right-of-use assets	0
Disposals of right-of-use assets	0
Acquisition cost at 31 March 2023	11 840
Accumulated depreciation and impairment 1 January 2023	(5 829)
Depreciation	(354)
Impairment	0
Accumulated depreciation and impairment 31 March 2023	(6 183)
Carrying amount of right-of-use assets 31 March 2023	5 657

Lower of remaining lease term or economic life	4.00 years
Depreciation method	Linear

Leasing liabilities:

Lease liabilities at 1 January 2023	6 127
Additions lease contracts	0
Disposals lease contracts	0
Accretion lease liabilities	71
Payments of lease liabilities	(392)
Total leasing liabilities 31 March 2023	5 806
Breakdown of lease debt:	
Short-term	1 325
Long-term	4 481
Total lease debt	5 806

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

	31.03.2023
Within 1 year	1 566
1 to 5 years	4 698
After 5 years	0
Total	6 264

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

Note 12 - 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 13 - 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, was paid in January 2023.

Note 14 - Current borrowings

In the third quarter of 2022 the Company established a new multicurrency credit facility with DNB for a total amount of NOK 49 million. The Company uses listed financial investments as collateral for the credit facility. At the end of the quarter the Company has utilized NOK 32.9 million of the facility.

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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