Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	988 714 526
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	DNO IRAQ AS
Forretningsadresse:	Dokkveien 1
	0250 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2024 - 31.12.2024

Konsern

Morselskap i konsern:	Nei

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Mathias Hasle Aamelfot
Dato for fastsettelse av årsregnskapet:	19.06.2025

Grunnlag for avgivelse

År 2024: Årsregnskapet er elektronisk innlevert
År 2023: Tall er hentet fra elektronisk innlevert årsregnskap fra 2024

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 27.07.2025

Resultatregnskap

Beløp i: USD	Note	2024	2023
RESULTATREGNSKAP			
Inntekter			
Operating revenues	2	231 058 000	253 174 000
Sum inntekter		**231 058 000**	**253 174 000**
Kostnader			
Production expense	3	83 638 000	99 198 000
Depreciation	4	116 067 000	96 463 000
Other operating expenses	3	2 294 000	2 033 000
Impairment	7	89 000 000	
Sum kostnader		**290 999 000**	**197 694 000**
Driftsresultat		**-59 941 000**	**55 480 000**
Finansinntekter og finanskostnader			
Renteinntekt fra foretak i samme konsern	4	4 206 000	0
Annen renteinntekt	4	649 000	21 000
Other financial income			0
Time value effect trade debtors	4	11 663 000	
Gain on foreign exchange transactions	4	337 000	105 000
Exchange rate gain, unrealized items	4	246 000	
Sum finansinntekter		**17 101 000**	**126 000**
Time value effect trade debtors			44 642 000
Loss on foreign exchange transactions		1 000	-3 036 000
Exchange rate loss, unrealized items		1 000	18 000
Rentekostnad til foretak i samme konsern		1 710 000	5 543 000
Other financial expense		3 627 000	2 997 000
Sum finanskostnader		**5 339 000**	**50 164 000**
Netto finans		**11 762 000**	**-50 038 000**
Resultat før skattekostnad		**-48 179 000**	**5 442 000**
Tax income/-expense	5	5 306 000	1 464 000
Årsresultat		**-53 485 000**	**3 978 000**

Resultatregnskap

Beløp i: USD	Note	2024	2023
Overføringer og disponeringer			
Retained earnings		-53 485 000	3 978 000
Sum overføringer og disponeringer		**-53 485 000**	**3 978 000**

Balanse

Beløp i: USD	Note	2024	2023
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
License interests	6	11 522 000	12 663 000
Sum immaterielle eiendeler		**11 522 000**	**12 663 000**
Varige driftsmidler			
Oil and gas field sin production	6	552 217 000	710 767 000
Sum varige driftsmidler		**552 217 000**	**710 767 000**
Finansielle anleggsmidler			
Non-current trade receivables	9	98 191 000	129 823 000
Receivables from group comapnies	15	138 333 000	
Sum finansielle anleggsmidler		**236 524 000**	**129 823 000**
Sum anleggsmidler		**800 263 000**	**853 253 000**
Omløpsmidler			
Varer			
Inventories	8	55 744 000	65 329 000
Sum varer		**55 744 000**	**65 329 000**
Fordringer			
Trade receivables	9	167 252 000	137 467 000
Other receivables	9	4 102 000	4 327 000
Receivables from group companies	15		751 000
Sum fordringer		**171 354 000**	**142 545 000**
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	10	10 266 000	12 059 000
Sum bankinnskudd, kontanter og lignende		**10 266 000**	**12 059 000**
Sum omløpsmidler		**237 364 000**	**219 933 000**
SUM EIENDELER		**1 037 627 000**	**1 073 186 000**

Balanse

Beløp i: USD	Note	2024	2023
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	11	177 000	177 000
Overkurs	11	73 914 000	73 914 000
Annen innskutt egenkapital	11	89 957 000	89 957 000
Sum innskutt egenkapital		**164 048 000**	**164 048 000**
Opptjent egenkapital			
Other equity	11	622 874 000	700 461 000
Sum opptjent egenkapital		**622 874 000**	**700 461 000**
Sum egenkapital		**786 922 000**	**864 509 000**
Gjeld			
Langsiktig gjeld			
Asset retirement	12	70 602 000	68 415 000
Sum avsetninger for forpliktelser		**70 602 000**	**68 415 000**
Annen langsiktig gjeld			
Langsiktig konserngjeld	15		64 455 000
Sum annen langsiktig gjeld			**64 455 000**
Sum langsiktig gjeld		**70 602 000**	**132 870 000**
Kortsiktig gjeld			
Kortsiktig konserngjeld	15	38 297 000	9 074 000
other short-term liabilities	13	141 807 000	64 537 000
asset retirement obligations	12		2 196 000
Sum kortsiktig gjeld		**180 104 000**	**75 807 000**
Sum gjeld		**250 706 000**	**208 677 000**
SUM EGENKAPITAL OG GJELD		**1 037 628 000**	**1 073 186 000**

Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2024 - GENERELL INFORMASJON

Journalnummer:	2025 699145

Enheten

Organisasjonsnummer:	988 714 526
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	DNO IRAQ AS
Forretningsadresse:	Dokkveien 1 0250 OSLO

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Brønnøysundregistrene, 26.07.2025

Brønnøysundregistrene
Postadresse: Postboks 900, 8910 Brønnøysund
Telefon: 75 00 75 00
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673

Organisasjonsnr: 988 714 526
DNO IRAQ AS

RESULTATREGNSKAP

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Organisasjonsnr: 988 714 526
DNO IRAQ AS

BALANSE

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BALANSE - EGENKAPITAL OG GJELD

Egenkapital
Innskutt egenkapital

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Sum gjeld		**250 706 000**	**208 677 000**
SUM EGENKAPITAL OG GJELD		**1 037 628 000**	**1 073 186 000**

Organisasjonsnr: 988 714 526
DNO IRAQ AS

NOTEOPPLYSNINGER - SELSKAP

- alle poster oppgitt i hele tall

Note
1

Regnskapsprinsipper
se vedlagt filvedlegg.

Note
3

Antall årsverk i regnskapsåret
796.00

Note
3

Spesifisering av resultatregnskapet

Lønnkostnader

Mer om årsverk og lønn
Se vedlagt filvedlegg.

Sum	Beløp

Note
6

Varige driftsmidler og immaterielle eiendeler

Balanseført verdi 31.12.	Varige driftsmidler	Immaterielle eiend.

Anskaffelseskost - balanseførte lånekostnader, egentilvirkede anleggsmidler

Goodwill spesifisert for hvert enkelt virksomhetskjøp

Avskrivningsplan for goodwill som er lenger enn fem år - begrunnelse

Mer om varige driftsmidler/immaterielle eiendeler

Note
1

Konsern, tilknyttet selskap m.v.

Investering som regnskapsføres etter egenkapitalmetoden

Konsernregnskap
Virksomheten inngår i konsolideringen til morselskapets konsernregnsk.: Ja

Morselskapet sitt navn
DNO ASA

Forretningskontor for morselskapet
Dokkveien 1, 0250 Oslo

Begrunnelse for at datterselskap er utelatt fra konsolideringen

Konsern, tilknyttet selskap m.v. - fordringer og gjeld

Fordringer

Samlet beløp - foretak i samme konsern	Årets	Fjorårets
	138333000.00	751000.00

Samlet beløp - tilknyttet selskap	Årets	Fjorårets

Annen langsiktig gjeld

Samlet beløp - foretak i samme konsern	Årets	Fjorårets
		64455000.00

Kortsiktig gjeld

Samlet beløp - foretak i samme konsern	Årets	Fjorårets
	38297000.00	9074000.00

Samlet beløp - felles kontrollert virksomhet	Årets	Fjorårets

Pantstillelse	Beløp

Note

Fordringer

Fordringer som forfaller senere enn ett år etter regnskapsårets slutt

Mer om fordringer

Note

Beholdning av egne aksjer	Antall	Pålydende	Andel av aksjek.

Erverv

Endringer i beholdning av aksjer i løpet av regnskapsåret

Avhendelse

Endringer i beholdning av aksjer i løpet av regnskapsåret

Samvirkeforetak

Vedtektsbestemmelser/årsmøtevedtak/forslag til vedtak om medlemskapskonti

Mer om aksjer

Note
3

Lån og sikkerhetsstillelse til medlemmer
Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Opplysninger om: **Medlemmer av:**

Mer om lån og sikkerhetsstillelse

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Jan Hoelstad	24.11.2010	14.12.2010
Telefon	Deres referanse	Vår referanse
22077325	Cathrine Manum	2010/1198508

DNO International ASA
Postboks 1345 Vika
0113 OSLO

Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk

Det vises til deres brev av 24. november 2010 hvor det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende heleide datterselskap av DNO International ASA:

- DNO Iraq AS Og. nr: 988 714 526
- DNO Yemen AS Org. nr: 984 308 736
- DNO Mozambique AS Org. nr: 995 739 879

Bakgrunn:
Fra deres brev gjengis:

"DNO International ASA er notert på Oslo Børs og fikk 28. mai 2010 dispensasjon fra regnskapslovens § 3-4 om å utarbeide årsregnskap og årsberetning på engelsk. Datterselskapenes virksomhet drives i sin helhet i henholdsvis Irak, Jemen og Mozambique. Selskapene har ingen ekstern finansiering, kun en lånefasilitet fra morselskapet. Selskapene har heller ingen ansatte. All kommunikasjon og alle avtaler blir gjort på engelsk.

De norske regnskapene utarbeides kun for å oppfylle språkkravene i regnskapsloven og foretaksregisteret. Årsregnskapene til datterselskapene publiseres heller ikke. Brukerne av regnskapene har i hovedsak vært ansatte i konsernet, slik at norsk oversettelse er følgelig et rent ekstraarbeid som påfører selskapene unødvendige kostnader og merarbeid. "

Skattedirektoratets vurdering og konklusjon
Etter regnskapsloven § 3-4 tredje ledd *skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:
"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at

Postadresse	Besøksadresse	Sentralbord
Postboks 9200 Grønland	Fredrik Selmers vei 4	800 80 000
0134 Oslo	Org. nr: 974761076	Telefaks
skattedirektoratet@skatteetaten.no		22 17 08 60

ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet. Offentlige myndigheter må også anses som en sentral regnskapsbruker, idet ulike myndigheter, som lignings- og tilsynsmyndigheter, benytter regnskapene som et verktøy i sin kontrollvirksomhet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir negativt berørt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjonen som skal vurderes ved en dispensasjonssøknad. Selskapenes virksomhet skjer i sin helhet i utlandet, og de har ikke egne ansatte. Selskapenes eier er allerede innvilget tilsvarende dispensasjon.

Skattedirektoratet gir på bakgrunn av en helhetsvurdering de ovenfor nevnte selskapene dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen

Torstein Helleland
Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jan Hoelstad
Jan Hoelstad

Annual Report 2024
DNO Iraq AS

31 December 2024

- Board of Director's report
- Income statement
- Balance sheet
- Cash flow statement
- Notes

Org.no: 988714526

Board of Directors' report

Introduction

DNO Iraq AS (DNO or the Company) was established in 2005 and is a wholly owned subsidiary of DNO ASA (the parent company). The Company's business address is in Oslo, with a branch office in Erbil.

The Company is engaged in exploration, development and production of crude oil in the Kurdistan region of Iraq (Kurdistan), and holds interests in two licenses, both through Production Sharing Contracts (PSCs). The Tawke license contains the producing Tawke and Peshkabir fields. The Baeshiqa license contains the Baeshiqa and Zartik structures.

License	Tawke PSC	Baeshiqa PSC
Type	Onshore	Onshore
Status	Development Period	Development Period
Participating interest (paying interest) in %	75 (75)	64 (80)
Operator	DNO Iraq AS	DNO Iraq AS
Partners (participating interest)	Genel Energy International Limited (25 percent)	Turkish Energy Company Limited (16 percent), Kurdistan Regional Government (20 percent carried interest)

Operations review

Exploration, appraisal, field development and production

Tawke license
Gross production from the DNO operated Tawke license, containing the Tawke and Peshkabir fields, averaged 78,615 bopd during 2024 (46,276 bopd in 2023). The Tawke field contributed 29,153 bopd (26,577 bopd in 2023) and the Peshkabir field contributed 49,462 bopd (19,699 bopd in 2023). Gross Tawke license production was up 70 percent year-on-year as output was held steady in 2024 following the disruptions caused by the closure of the ITP export route in 2023.

DNO sold its oil at its Fish Khabur terminal to local traders as the ITP remained shut. Maintaining strict capital spending discipline, DNO drilled no new wells on the Tawke license in 2024. Notwithstanding, output was kept at a high level by bringing three previously drilled wells onstream and by workovers and interventions on more than 20 other wells across the license.

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

Baeshiqa license
Gross operated production at the Baeshiqa license averaged 5 bopd (224 bopd in 2023). The 2024 production resulted from well testing programs conducted in the fourth quarter of the year. Based on the test results, DNO took a partial impairment on the asset and is currently minimizing running costs while determining its future work program.

DNO holds a 64 percent operated interest in the Baeshiqa license (80 percent paying interest) with partners including the Turkish Energy Company Limited (TEC) with a 16 percent interest (20 percent paying interest) and the Kurdistan Regional Government (KRG) with a 20 percent carried interest.

RESERVES

On a net basis at yearend 2024, 1P reserves in the Company's Kurdistan portfolio totaled 142.8 MMbbls (175.1 MMbbls at yearend 2023), 2P reserves totaled 224.9 MMbbls (244.5 MMbbls at yearend 2023) and 3P reserves totaled 257.9 MMbbls (298.0 MMbbls at yearend 2023). Net 2C resources were 59.5 MMbbls, unchanged from yearend 2023 level.

The Company's Kurdistan reserves relate entirely to the Tawke license. Out of the net 2C contingent resources in the Kurdistan portfolio, the Baeshiqa license represented 38.1 MMbbls (39.1 MMbbls at yearend 2023).

Enterprise risk management

The objective of the Company's risk management is to identify potential exposures that may impact the Company and to manage identified risks within strict guidelines while pursuing our business objectives. We continuously review our risk profile, incorporating industry-recognized risk identification and quantification processes. The Board of Directors of the parent Company and its committees also regularly monitor the Company's risk management systems and internal controls.

Financial risk

Risks related to commodity prices, liquidity risk, concentration risk and credit risk constitute financial risks for the Company. In order to minimize any potentially adverse effects from such risks, financial risk is managed by the DNO group finance function under policies approved by the Board of Directors of the parent Company.

Entitlement risk

DNO has interests in two licenses in Kurdistan through Production Sharing Contracts (PSCs) and has based its entitlement calculations on the terms of these PSCs.

The Company notes from public reports that on 15 February 2022, the Federal Supreme Court of Iraq (FSCI) ruled on two matters, one stemming back to 2012 and another related matter dating back to 2019. Reportedly, the FSCI found amongst other things that the Kurdistan Oil and Gas Law No. 27/2007 (KOGL) is unconstitutional, that the KRG is to hand over all oil production from areas located in the Kurdistan region of Iraq (KRI) to the Federal Government of Iraq (FGI) and that the FGI has the right to pursue the nullity of the oil contracts concluded by the KRG. DNO was not a party to these proceedings. Further, DNO learned via media reports that on 4 July 2022, the Karkh commercial court in Baghdad ruled that PSCs signed between the KRG and four international oil companies (including DNO) should be voided. Similar cases were reported as regards four other international oil companies over the ensuing weeks. Media then reported that on 21 August 2022, the KRG filed third party objections to the reported 2022 Baghdad court rulings including those understood to concern DNO. On 18 December 2024, it was reported that the Karkh Court of Appeal ruled in favor of inter alia the KRG, confirming that the PSCs in question were valid. That ruling was also reportedly appealed by the FGI, however, on 22 January 2025, DNO learnt, again from media reports, that the Court of Cassation dismissed the FGI's appeal and thus confirmed that the PSCs are valid. On 27 February 2025, there were reports that the FGI had requested a correction of the rulings of the Court of Cassation. The Company noted that also this objection was dismissed by the courts. On 23 April 2025, media reported that in a meeting on 20 April 2025, Federal Ministry of Oil officials conceded that federal courts have effectively ruled that KRI IOC PSCs are valid, or at least, cannot be invalidated. Throughout the period when these cases were pending, the KRG issued repeated assurances that the PSCs remain valid and there were also several rulings in Erbil courts affirming the validity of the PSCs.

In 2014, the FGI initiated an arbitration case against the Government of Türkiye and its state-owned pipeline operator BOTAS relating to the ITP. Following an arbitration ruling which became publicly known on or around 24 March 2023, and which were in parts in favor of Iraq, the ITP was closed on 25 March 2023. As of the reporting date, the ITP remains closed, despite Türkiye's announcement in October 2023 that the ITP is ready to resume operations. Timing of export resumption is uncertain. Consequently, DNO initiated cost reduction measures in Kurdistan and commenced local sales on a cash and carry basis, where the oil is transported by traders by road tanker or pipelined to local refineries. The contractor entities' entitlement is sold by DNO. Varying by contract, local selling prices were in the mid USD 30s per barrel during 2024, significantly lower than the international prices previously achieved through pipeline export. However, all local deliveries are prepaid by the buyers directly to DNO, eliminating counterparty credit risk.

The FGI's 2023-2025 Federal Iraqi Budget Law (Budget Law) entered into force in June 2023. The details of FGI-KRG budget allocations, implementation of the Budget Law and the monetary size of the budget transfers to the KRG are not clear to DNO. DNO notes however that on 2 February 2025, the Iraqi Parliament approved amendments of the Budget Law. There have been several media reports that indicate that the Budget Law amendment may enable restart of export of Kurdish oil through the ITP. The Company notes that there has been increased dialogue between FGI and KRG on such resumption after the amendment of the Budget Law entered into force, including on the implementation of the amended Budget Law and the appointment of and the scope of work for a technical consultant to calculate the "fair estimated costs of production and transportation" for each KRI field. DNO and other member companies of the Association of the Petroleum Industry of Kurdistan (APIKUR) have repeatedly stated that they are prepared to resume exports, contingent upon reaching agreements that provide for payment surety for past and future exports, direct payment and preservation of the legal, commercial and economic terms of their production sharing contracts (Conditions). It is unclear to the Company how implementation of the amended Budget Law can facilitate satisfaction of the Conditions. It is also not clear how the KRG and the FGI will address these matters. DNO continues its operations in Kurdistan, and developments are closely monitored.

Due to the disagreements between the FGI and the KRG, economic conditions in Kurdistan and limited oil export channels, DNO has historically faced constraints in fully monetizing the oil it produces in Kurdistan. There is no guarantee that oil can be exported or sold locally in sufficient quantities or at prices required to sustain DNO's operations and investment plans or that the Company will promptly receive its full entitlement payments for any oil it delivers for export if the ITP reopens. Export sales have not always followed the PSC terms. Furthermore, there has also previously been uncertainty related to receipt of payments for oil sold to the KRG but notwithstanding sometimes lengthy delays, payments have ultimately been received by DNO.

At yearend 2024, the Company was owed a total of USD 298.1 million, excluding any interest, by the KRG mainly related to export oil sales to the KRG for the months October 2022 through March 2023. These receivables are past due (see Note 9). The KRG has repeatedly stated that it is and remains committed to its PSCs.

Timing of export resumption and payments for previous oil sales by the KRG is uncertain. The Company continues to engage with the KRG regarding recovery of the arrears and payment terms and conditions for any future oil exports.

The Company's PSCs include rights for the host government to audit the PSC accounts and there is uncertainty relating to the outcome and impact of any such audit on the Company's recovery of costs and financial results. During 2024 in Kurdistan, such audits were carried out with respect to the Baeshiqa 2018-2019 Accounts and the Tawke 2021 Accounts.

Operational risk

The Company is exposed to operational risks across its portfolio. Operational risk applies to all stages of upstream operations, including exploration, development and production. Failure to manage operations efficiently can manifest itself in project delays, cost overruns, higher-than-estimated operating costs and lower-than-expected oil and gas production and/or reserves. Our ability to effectively manage and deliver value from our exploration, development and production activities is dependent on the quality of our staff and contractors. Inefficiency or interruption to our supply chain or the unwillingness of service contractors to engage in our areas of operation may also negatively affect operations.

The Company seeks to mitigate its operational risk through diligent follow-up and management of its assets. Defined targets and milestones are set for all exploration and development projects, against which progress is continuously monitored, allowing for early identification of complications and timely remedial action. Risks of inefficiency or interruption in the value chain are managed through close monitoring of operational progress, efforts to eliminate the probability of occurrence, as well as plans to mitigate adverse consequences of such incidents should they occur.

Security risk

DNO is committed to providing a secure work environment for all personnel involved in its activities. Due to a security environment which at times can be challenging in Kurdistan, there are security personnel at all field locations at all times to ensure the safety of all employees. This consists of both DNO hired security staff and the government-run oil police force. DNO has also established a layered security system whereby personnel and visitors are required to pass through several security checkpoints before entering the premises.

Compliance risk

DNO has a policy of zero tolerance for corruption, bribery and other illegal or inappropriate business conduct. Violations of compliance laws and contractual obligations can result in fines and a deterioration in the Company's ability to effectively execute its business plans. DNO adheres to a strict and comprehensive conflict of interest policy, trade sanctions and other policies focused on the Company's Code of Conduct to ensure regulatory and Company expectations are met. The Company encourages its personnel to raise concerns about unethical or illegal behavior and breaches of DNO's Code of Conduct or other Company policies. The Company also has a confidential channel for those who wish to raise such matters in strict privacy or even anonymously.

Political risk

Our portfolio is located in areas where political, social and economic instability may adversely impact our business. Relevant political developments on both the federal and regional level in Iraq as well as neighbouring countries are closely monitored by the Company, although our operations to date have been minimally impacted.

The Company notes the implications for commodity prices and potential interruptions of supply chains and third-party services from the ongoing conflicts. The Company is monitoring international sanctions and trade control legislation to ensure compliance and mitigate the potential impact on the Company's operations.

Other risks

Environmental and climate-related risks are described in the Sustainability statement included in the 2024 Annual Report for DNO ASA and can be retrieved from www.dno.no.

Organization and personnel

Equal opportunities, work environment and personnel

The Company had a total workforce of 796 employees engaged in its operations in Kurdistan at yearend 2024 (819 at yearend 2023). The Company aims to be a workplace with equal opportunities and has included in its policies regulations to prevent gender discrimination regarding salary, promotion and recruiting.

Directors' and officers' insurance

The Company has directors' and officers' liability insurance which covers the cost of compensation claims made against the Company's directors and key managers (officers) for alleged wrongful acts.

HSSE performance

The parent Company has a HSSE system and established HSSE standards, which apply to the Company.

Our HSSE standards, procedures and protocols are based on the following principles:

- Avoid harm to all personnel involved in, or affected by, our operations;
- Minimize and where possible eliminate the impact of our operations on the environment;
- Comply with all applicable legal and regulatory requirements; and
- Achieve continuous improvement in HSSE performance.

The Norwegian Transparency Act, requires the Company to report on how it ensures compliance with fundamental human rights and decent working conditions in its operations, in its supply chain and with its business partners. The parent Company DNO ASA, on behalf of all subsidiaries in the Group, will publish its 2024 Transparency Act Statement on its website (https://www.dno.no/en/about-dno/governance/) by 30 June 2025.

Financial performance

Revenues, operating expenses, operating profit and cash

Total revenue in 2024 stood at USD 231,058 thousand, down from USD 253,174 thousand in 2023. The reported 2024 revenues were negatively impacted by the March 2023 ITP shutdown in Kurdistan, causing lower production with volumes sold in the local market at lower realized oil prices than previously achieved through export.

During 2024, the Company recognized an impairment charge of USD 89 000 thousand related to the Baeshiqa license.

The Company reported an operating loss of USD 59,941 thousand in 2024, down from an operating profit USD 55,480 thousand during 2023. The decrease in operating result was mainly driven by the impairment on Baeshiqa but was also impacted by higher depreciation partially offset by lower production expenses as a result of the March 2023 ITP shutdown in Kurdistan.

Net loss for 2024 was USD 53,485 thousand (net profit of USD 3,978 thousand in 2023).

Net cash flows from operating activities were USD 45,021 thousand in 2024 (USD 65,831 thousand in 2023). Total investments in 2024 amounted to USD 46,815 thousand (USD 72,968 thousand in 2023).

The Company ended the year with USD 10,266 thousand in cash and cash equivalents (USD 12,059 thousand at yearend 2023).

Assets, liability and equity

Total assets at yearend 2024 were USD 1,037,627 thousand (USD 1,073,186 thousand in 2023) and the equity ratio was 76 percent (81 percent in 2023).

Going concern

As required under the Norwegian Accounting Act, the Company's Board of Directors conducted a review of the going concern assumption considering all relevant information available up to the date these financial statements are issued and taking into account all available information about the future, for at least 12 months from the end of the reporting period. The Board of Directors' review included in particular assessment of the Company's projected cash flow generation and access to financing from the parent company considering its operational outlook and work program.

Following its review, the Board of Directors confirmed, pursuant to the Norwegian Accounting Act section 3-3a, that the requirements of the going concern assumption are met and that these financial statements has been prepared on that basis.

Oslo, 19 June 2025

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Chris Spencer
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Christopher Spencer
Managing Director

DocuSigned by:
DE8E322D940B484...
Haakon Sandborg
Chairman

Signed by:
Geir Arne Skau
D598A41B32194AF...
Geir Arne Skau
Board member

Signed by:
AA7047AB211A440...
Linn Hoel
Board member

Income statement

1 January - 31 December

USD thousand	Note	2024	2023
Operating revenue, oil and gas	2	230,773	253,174
Other operating revenue		285	-
Operating revenue		**231,058**	**253,174**
Production expenses	3	83,638	99,198
Depreciation	6	116,067	96,463
Administrative/other operating expenses	3	2,294	2,033
Impairment of oil and gas assets	7	89,000	-
Operating expenses		**290,999**	**197,694**
Operating profit/loss		**-59,941**	**55,480**
Financial income	4	17,101	126
Financial expenses	4	-5,339	-50,164
Net financial income/expense		**11,762**	**-50,038**
Profit/-loss before income tax		**-48,179**	**5,442**
Tax income/expense	5	-5,306	-1,464
Net profit/loss		**-53,485**	**3,978**

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Consolidated accounts

Balance sheet

USD thousand	Note	2024	2023
		Years ended 31 December	
ASSETS			
Non-current assets			
Other intangible assets	6	11,522	12,663
Property, plant and equipment	6	552,217	710,767
Trade and other receivables	9	98,191	129,823
Receivables from group companies	15	138,333	-
Total non-current assets		**800,263**	**853,253**
Current assets			
Inventories	8	55,744	65,329
Trade and other receivables	9	171,354	141,794
Receivables from group companies	15	-	751
Cash and cash equivalents	10	10,266	12,059
Total current assets		**237,364**	**219,933**
TOTAL ASSETS		**1,037,627**	**1,073,186**
EQUITY AND LIABILITIES			
Equity			
Share capital		177	177
Share premium		163,871	163,871
Retained earnings		622,874	700,461
Total equity	11	**786,922**	**864,509**
Non-current liabilities			
Long-term debt to group companies	15	-	64,455
Asset retirment obligations	12	70,602	68,415
Total non-current liabilities		**70,602**	**132,870**
Current liabilities			
Trade and other payables	13	141,728	64,533
Short-term debt to group companies	15	38,297	9,074
Asset retirment obligations	12	-	2,196
Other liabilities		79	4
Total current liabilities		**180,104**	**75,807**
Total liabilities		**250,706**	**208,677**
TOTAL EQUITY AND LIABILITIES		**1,037,627**	**1,073,186**

Oslo, 19 June 2025

DocuSigned by:
Chris Spencer
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Managing Director

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Chairman

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Geir Arne Skau
Board member

Signed by:
AA7047AB211A440...
Linn Hoel
Board member

Cash flow statement

USD thousand	Note	2024	2023
		1 January - 31 December	
Cash flow from operating activities			
Profit/loss before income tax		-48,179	5,442
Adjustments to add/deduct non-cash items:			
Depreciation, depletion and amortization	6	116,067	96,463
Impairment oil and gas assets	7	89,000	-
Time value effect trade debtors		-11,663	44,642
Accretion expense on ARO provisions	12	3,626	3,020
Interest expense to group companies	15	1,710	5,543
Interest income from group companies	15	-4,206	-
Other		302	3,044
Changes in working capital items and provisions:			
- Inventories	8	9,585	-31,589
- Trade and other receivables	9, 15	-123,847	-14,480
- Trade and other payables	13, 15	12,560	-43,529
- Provisions for other liabilities and charges		66	-2,725
Net cash from/used in operating activities		**45,021**	**65,831**
Cash flow from investment activities			
Purchases of tangible assets	6	-46,815	-72,968
Net cash from/used in investing activities		**-46,815**	**-72,968**
Cash flow from financing activities			
Paid dividend	11	-	-
Net cash from/used in financing activities		**-**	**-**
Net increase/decrease in cash and cash equivalents		-1,794	-7,137
Cash and cash equivalents at beginning of the period		12,059	19,195
Cash and cash equivalents at end of the period	**10**	**10,266**	**12,059**
Of which restricted cash	10	-	-

Note 1

Accounting principles

■ Principal activities and corporate information

DNO Iraq AS' ("the Company", or "DNO" when it is referring to the Company) principal activities are oil and gas exploration, development, production and decommissioning in Iraq.

■ Basis for preparation

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The accompanying notes are an integral part of the financial statements.

These financial statements have been prepared based on a going concern assumption.

The Company is part of the consolidated financial statements of DNO ASA. The consolidated financial statements of DNO ASA can be retrieved from www.dno.no.

■ Significant accounting estimates and assumptions

The preparation of DNO's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities at the reporting date. Estimates and assumptions are based on management's best knowledge and historical experience and various other factors that are believed to be reasonable under the circumstances. Uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. DNO based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of DNO. Such changes are reflected in the assumptions when they occur.

Estimates and assumptions

The key assumptions and key sources of estimation uncertainty for the Company are described in each of the following notes:
• Entitlement risk associated with operating in Kurdistan (Note 2 and 9);
• Notional corporate income tax/deferred taxation in Kurdistan (Note 5);
• Impairment/reversal of oil and gas assets (Note 7);
• Estimation of the cost for decommissioning (Note 12);
• Reserves and resources estimates (Note 16).

■ Functional currency

The financial statements are presented in US dollars (USD), which is also the functional currency of the Company. Cash items denominated in foreign currencies are converted using exchange rates on the balance sheet date. Realized and unrealized currency gains and losses are included in the annual profit or loss.

■ Cash flow statement

The cash flow statement is based on the indirect method.

■ Related parties

Parties are related if one party has the ability to directly, jointly or indirectly control the other party or exercise significant influence over the party in making financial and operating decisions. Management is also considered to be a related party.

Transactions between related parties are transfers of resources, services or obligations, regardless of whether a price is charged. All transactions between the related parties are recorded at market value.

■ Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

Note 2

Revenue

Accounting policies

Revenues
During 2024 and most of 2023, revenues in Kurdistan were generated from local sales and recognized on the basis of volumes lifted and sold to customers during the period. Local deliveries are prepaid by the buyers directly to DNO.

Export revenues in Kurdistan were in the first three months of 2023 generated through the sale of oil produced from the Tawke and the Baeshiqa licenses which was exported by the pipeline through Türkiye. Title to the oil was considered to have passed on delivery of oil to the export pipeline at Fish Khabur terminal. Revenues generated from export sales were recognized on the basis of invoiced oil sales following monthly deliveries to the KRG. Based on business practice, the KRG was responsible for exporting the oil produced in Kurdistan and it is assessed that DNO has a customer relationship with the KRG. The price for export oil deliveries to the KRG was based on Brent prices with adjustments for oil quality and transportation fees.

Entitlement risk associated with operating in Kurdistan
DNO has interests in two licenses in Kurdistan through PSCs and has based its entitlement calculations on the terms of these PSCs.

The Company notes from public reports that on 15 February 2022, the Federal Supreme Court of Iraq (FSCI) ruled on two matters, one stemming back to 2012 and another related matter dating back to 2019. Reportedly, the FSCI found amongst other things that the Kurdistan Oil and Gas Law No. 27/2007 (KOGL) is unconstitutional, that the KRG is to hand over all oil production from areas located in the Kurdistan region of Iraq (KRI) to the Federal Government of Iraq (FGI) and that the FGI has the right to pursue the nullity of the oil contracts concluded by the KRG. DNO was not a party to these proceedings. Further, DNO learned via media reports that on 4 July 2022, the Karkh commercial court in Baghdad ruled that PSCs signed between the KRG and four international oil companies (including DNO) should be voided. Similar cases were reported as regards four other international oil companies over the ensuing weeks. Media then reported that on 21 August 2022, the KRG filed third party objections to the reported 2022 Baghdad court rulings including those understood to concern DNO. On 18 December 2024, it was reported that the Karkh Court of Appeal ruled in favor of inter alia the KRG, confirming that the PSCs in question were valid. That ruling was also reported appealed by the FGI, however, on 22 January 2025, DNO learnt, again from media reports, that the Court of Cassation dismissed the FGI's appeal and thus confirmed that the PSCs are valid. On 27 February 2025, there were reports that the FGI had requested a correction of the rulings of the Court of Cassation. The Company noted reports that also this objection was dismissed by the courts. On 23 April 2025, media reported that in a meeting on 20 April 2025, Federal Ministry of Oil officials conceded that federal courts have effectively ruled that KRI IOC PSCs are valid, or at least, cannot be invalidated. Throughout the period when these cases were pending, the KRG issued repeated assurances that the PSCs remain valid and there were also several rulings in Erbil courts affirming the validity of the PSCs. In 2014, the FGI initiated an arbitration case against the Government of Türkiye and its state-owned pipeline operator BOTAS relating to the ITP. Following an arbitration ruling which became publicly known on or around 24 March 2023, and which were in parts in favor of Iraq, the ITP was closed on 25 March 2023. As of the reporting date, the ITP remains closed, despite Türkiye's announcement in October 2023 that the ITP is ready to resume operations. Timing of export resumption is uncertain. Consequently, DNO initiated cost reduction measures in Kurdistan and commenced local sales on a cash and carry basis, where the oil is transported by traders by road tanker or pipelined to local refineries. The contractor entities' entitlement is sold by DNO. Varying by contract, local selling prices were in the mid USD 30s per barrel during 2024, significantly lower than the international prices previously achieved through pipeline export. However, all local deliveries are prepaid by the buyers directly to DNO, eliminating counterparty credit risk.

The FGI's 2023-2025 Federal Iraqi Budget Law (Budget Law) entered into force in June 2023. The details of FGI-KRG budget allocations, implementation of the Budget Law and the monetary size of the budget transfers to the KRG are not clear to DNO. DNO notes however that on 2 February 2025, the Iraqi Parliament approved amendments of the Budget Law. There have been several media reports that indicate that the Budget Law amendment may enable restart of export of Kurdish oil through the ITP. The Company notes that there has been increased dialogue between FGI and KRG on such resumption after the amendment of the Budget Law entered into force, including on the implementation of the amended Budget Law and the appointment of and the scope of work for a technical consultant to calculate the "fair estimated costs of production and transportation" for each KRI field. DNO and other member companies of the Association of the Petroleum Industry of Kurdistan (APIKUR) have repeatedly stated that they are prepared to resume exports, contingent upon reaching agreements that provide for payment surety for past and future exports, direct payment and preservation of the legal, commercial and economic terms of their PSCs (Conditions).

It is unclear to the Company how implementation of the amended Budget Law can facilitate satisfaction of the Conditions. It is also not clear how the KRG and the FGI will address these matters beyond 2025. To date, DNO continues its operations in Kurdistan, and developments are closely monitored.

Note 2
Revenue

Due to the disagreements between the FGI and the KRG, economic conditions in Kurdistan and limited oil export channels, DNO has historically faced constraints in fully monetizing the oil it produces in Kurdistan. There is no guarantee that oil can be exported or sold locally in sufficient quantities or at prices required to sustain DNO's operations and investment plans or that the Company will promptly receive its full entitlement payments for any oil it delivers for export if the ITP reopens. Export sales have not always followed the PSC terms. Furthermore, there has also previously been uncertainty related to receipt of payments for oil sold to the KRG but notwithstanding sometimes lengthy delays, payments have ultimately been received by DNO.

At yearend 2024, the Company was owed a total of USD 298.1 million, excluding any interest, by the KRG mainly related to export oil sales to the KRG for the months October 2022 through March 2023. These receivables are past due (see Note 9). The KRG has repeatedly stated that it is and remains committed to its PSCs. Timing of export resumption and payments for previous oil sales by the KRG is uncertain. The Company continues to engage with the KRG regarding recovery of the arrears and payment terms and conditions for any future oil exports.

The Company's PSCs include rights for the host government to audit the PSC accounts which may impact the Company's recovery of costs and financial results. During 2024 in Kurdistan, such audits were carried out with respect to the Baeshiqa 2018-2019 Accounts and the Tawke 2021 Accounts.

					1 January - 31 December	
	Tawke PSC		Baeshiqa PSC		Total	
USD thousand	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Sale of oil	230,736	250,748	37	2,426	230,773	253,174
Total revenues from contracts with customers	**230,736**	**250,748**	**37**	**2,426**	**230,773**	**253,174**
Sale of oil (bopd)	18,170	14,715	2	91	18,172	14,806
Total sales volumes (bopd)	**18,170**	**14,715**	**2**	**91**	**18,172**	**14,806**

Prior to the ITP closure in March 2023, the Company generated revenues in Kurdistan through the sale of oil produced from the Tawke and the Baeshiqa licenses which were exported by pipeline through Türkiye. Following closure of the ITP, the Company gradually resumed operations at the Tawke license and has been selling oil to local trading companies in Kurdistan since late Q2 2023.

Note 3
Administrative/Other operating expenses

USD thousand	1 January - 31 December 2024	2023
Salaries and social expenses	-	-
General and administration expenses	543	270
Other operating expenses	1,751	1,763
Total administrative/other operating expenses	**2,294**	**2,033**
Employees engaged at yearend	796	819

All employees engaged in the operations are working in Kurdistan. No salaries or fees have been paid to Managing Director or to the Board in 2024. No loans or guarantees have been made to senior management in the parent company, shareholders, members of the Board or related parties to these.

Salaries and social expenses directly attributable to license activities are reclassified to lifting costs and exploration costs, or PP&E and intangible assets (i.e., capitalized exploration).

Pensions
The Company has no employees in Norway and is not required to have a mandatory occupational pension ("obligatorisk tjenestepensjon").

Auditor fees

USD thousand	1 January - 31 December 2024	2023
Auditor fees	131	136
Total administrative expenses	**131**	**136**

Note 4
Financial income and financial expenses

Accounting policies

Financial income and expenses

Accretion expenses from unwinding of the discount related to the ARO provision are further detailed in Note 12. Accounting effects from the expected credit loss model assessment related to the KRG arrears is further detailed in Note 9.

		1 January - 31 December	
USD thousand	**Note**	**2024**	**2023**
Interest income		649	21
Interest received from group companies	15	4,206	-
Time value effect trade debtors	9	11,663	-
Exchange rate gain, unrealized items		246	-
Currency exchange gains recognized in the income statement (net)		337	105
Financial income		**17,101**	**126**
Interest paid to parent company	15	-1,710	-5,543
Time value effect trade debtors	9	-	-44,642
Exchange rate loss, unrealized items		-1	-18
Currency exchange losses charged to the income statement (net)		-1	3,036
Other financial expenses		-3,627	-2,997
Financial expenses		**-5,339**	**-50,164**
Net financial income/expenses		**11,762**	**-50,038**

Note 5
Income taxes

Accounting policies

Income taxes

Tax income/expense consists of taxes receivable/payable and changes in deferred taxes. Taxes receivable/payable are based on the amount receivable from or payable to the tax authorities. Deferred tax liability is calculated on all taxable temporary differences unless there is a recognition exception. A deferred tax asset is recognized only to the extent that it is probable that the future taxable income will be available against which the asset can be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and deferred tax liabilities are recognized at their nominal value and classified as non-current assets/liabilities in the statements of financial position. Tax payable and deferred tax are recognized directly in the equity to the extent that they relate to items charged directly to equity.

Under the terms of the PSCs in Kurdistan, the Company is not required to pay any corporate income taxes. The share of profit oil which the KRG is entitled to is deemed to include a portion representing the notional corporate income tax paid by the KRG on behalf of the Company. 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 KRG and there is currently no well-established tax regime for international oil companies. As such, it has not been possible to reliably measure such notional corporate income tax deemed to have been paid on behalf of the Company. This is an accounting presentational issue and there is no tax required to be paid by the Company.

Profits/-losses by Norwegian companies from foreign 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.

Tax income/-expense

	1 January - 31 December	
USD thousand	**2024**	**2023**
Tax payable	-5,306	-1,464
Changes in deferred taxes	-	-
Income taxes receivable/payable	-	-
Total tax income/expense	**-5,306**	**-1,464**

Tax effects on temporary differences

	Years ended 31 December	
USD thousand	**2024**	**2023**
Tax losses carried forward	-	-
Total deferred tax assets/liabilities	**-**	**-**
Deferred tax asset allowance	-	-
Recognized deferred tax assets	-	-
Recognized deferred tax liabilities	-	-

The current tax rate in Norway in 2024 was 22 percent (2023: 22 percent). If applicable, tax rates effective from 1 January 2025 have been used to calculate deferred taxes.

Income tax receivable/payable

	Years ended 31 December	
USD thousand	**2024**	**2023**
Income taxes payable	-5,306	-1,464
Tax effect group contribution	5,306	1,464
Net tax receivable/payable	**-**	**-**

Note 6

Property, plant and equipment/Intangible assets

Accounting policies

Property, plant and equipment (PP&E)

General
PP&E are recognized at historical cost and adjusted for depreciation, depletion and amortization (DD&A) and impairment charges. Depreciation of PP&E other than oil and gas assets are generally depreciated on a straight-line basis over expected useful lives, normally varying from three to seven years. Expected useful lives are reviewed at each balance sheet date and, where there are changes in estimates, depreciation periods are changed accordingly.

Exploration and development costs
Capitalized exploration expenditures are classified as intangible assets and reclassified to tangible assets (i.e., PP&E) at the start of the development. For accounting purposes, an oil and gas field is considered to enter the development phase when the technical feasibility and commercial viability of extracting oil and gas from the field are demonstrable. All costs of developing commercial oil and gas fields are capitalized, including indirect costs. Capitalized development costs are classified as tangible assets.

Acquired license rights are recognized as intangible assets at the time of acquisition. Acquired license rights related to fields in the exploration phase remain as intangible assets when the related fields enter the development or production phase. Furthermore, 3D seismic cost over a discovery area is capitalized when the objective is to learn more about the reservoir and to support the determination of new well locations within the discovery area.

Oil and gas assets in production
Capitalized costs for oil and gas assets are depreciated using the unit-of-production (UoP) method. The rate of depreciation is equal to the ratio of oil and gas production for the period over the estimated remaining 2P reserves at the beginning of the period. The future development expenditures necessary to bring those reserves into production are included in the basis for depreciation and are estimated by the management based on current period-end un-escalated price levels. The reserve basis used for depreciation purposes is updated at least once a year. Any changes in the reserves affecting UoP calculations are reflected prospectively.

Intangible assets

Intangible assets are stated at cost, less accumulated amortization and accumulated impairment charges. Intangible assets include acquisition costs for oil and gas licenses, expenditures on the exploration for oil and gas resources and other intangible assets.

The useful lives of intangible assets are assessed as either finite or infinite. Amortization of intangible assets is based on the expected useful economic life and assessed for impairment whenever there is an indication that the intangible asset might be impaired. The impairment assessment of intangible assets with infinite lives is undertaken annually or more often if indicators exist.

Exploration and evaluation assets
The Company uses the successful efforts method to account for its exploration and evaluation assets. Acquisition costs of licenses and drilling costs of exploration wells are temporarily capitalized pending the determination of oil and gas resources. These costs include directly attributable employee remuneration, materials and fuel used, rig costs and payments to contractors. Continued capitalization of such costs is assessed for impairment at each reporting date. The main criterion is that there must be plans for future activity in the license or that a development decision is expected in the near future. If reserves or resources are not found, or if discoveries are assessed not technically or commercially recoverable, the costs of exploration wells and licenses are expensed. Furthermore, 3D seismic cost over a discovery area is capitalized when the objective is to learn more about the reservoir and to support the determination of new well locations within the discovery area.

Note 6

Property, plant and equipment/Intangible assets

USD thousand	License interests	Oil and gas fields in production	Other fixed fixed assets	Total
As of 1 January 2024	83,508	2,323,531	2,518	2,409,558
Additions*	-	45,378	-	45,378
Cost 31 December 2024	**83,508**	**2,368,909**	**2,518**	**2,454,936**
Accumulated depreciation and impairments 1 January 2024	-70,845	-1,612,764	-2,518	-1,686,128
Depreciations	-1,141	-114,928	-	-116,069
Impairment	-	-89,000	-	-89,000
Accumulated depreciation and impairments 31 December 2024	**-71,986**	**-1,816,692**	**-2,518**	**-1,891,197**
Net book value 31 December 2024	**11,522**	**552,217**	**-**	**563,739**
Net book value 31 December 2023	12,663	710,767	-	723,430
Depreciation method	UoP	UoP	20-30% Linear	

License costs, capitalized exploration costs and field under development are not depreciated until production commences.

* Includes changes in estimate of asset retirement, see Note 12.

Note 7
Impairments

Accounting principles

Impairment/reversal of impairment

Impairment/reversal of impairment of oil and gas assets
The Company has recognized significant investments in development and production assets (classified under PP&E) and exploration and evaluation assets (classified under intangible assets) in the consolidated statements of financial position. Changes in the circumstances or expectations of future performance of an individual asset or a group of assets may be an indicator that the asset is impaired, requiring the carrying amount to be written down to its recoverable amount. Management must determine whether there are circumstances indicating a possible impairment of the Company's oil and gas assets. The estimation of the recoverable amount for the oil and gas assets includes assessments of expected future cash flows and future market conditions, including entitlement production, future oil and gas prices, cost profiles, country risk factors (i.e., discount rate) and the date of expiration of the licenses.

Impairments, other than those relating to goodwill, are reversed if the conditions for impairment are no longer present. Evaluating whether an asset is impaired or if an impairment should be reversed requires a high degree of judgment.

Climate considerations in impairment assessments
Certain climate considerations are factored into the Company's estimation of cash flows that are applied in the calculation of recoverable amount. This includes factoring in current legislation (e.g., environmental taxes/fees) and estimation of future levels of environmental taxes/fees. For DNO's oil and gas assets on the NCS, carbon pricing is in line with current legislation and reflects the operators forecasts for individual assets. As proposed in the Norwegian Government's Climate Plan for 2021-2030, a steady increase in the total carbon price (quota plus CO2 tax) to NOK 2,000 per tonnes (in 2020 real terms) is expected by 2030. In Kurdistan, the KRG introduced in 2021 a requirement for oil companies to put plans in place to curb gas flaring to reduce emissions. The Company has run sensitivities for its Kurdistan oil assets with the CO2 tax assumptions as described in the scenarios described by the International Energy Agency (IEA).

An energy transition is likely to impact future oil and gas prices which in turn may affect the recoverable amount of the oil and gas assets. Indirectly, climate considerations are also assessed in the forecasting of oil and gas prices where supply and demand are considered.

Impairment testing
Impairment assessment of the Company's assets is based on the value in use approach. For the value in use, the impairment testing is performed based on discounted cash flows. The expected future cash flows are discounted to the net present value by applying a discount rate after tax. Cash flows are projected for the estimated lifetime of the fields or license, which may exceed periods longer than five years.

Below is an overview of the key assumptions applied for impairment assessment purposes as of 31 December 2024.

Oil prices
Forecasted oil prices are based on management's estimates and market data. The near-term price assumptions are based on forward curve pricing over the period for which there is deemed to be a sufficient liquid market and observable broker and analyst consensus. The long-term price assumptions reflect management's best estimate of the oil price development over the life of the Company's oil and gas fields based on its view of current market conditions and future developments. Management's assessment also includes comparison with long-term oil price assumptions communicated by peer companies and other external forecasts. Oil price assumptions applied for impairment testing are reviewed and, where necessary, adjusted on a periodic basis.

The nominal oil price assumptions applied for impairment assessments at yearend 2024 were as follows (yearend 2023 in brackets):

	2025	2026	2027	2028
Brent Blend (USD/bbl)	(84)	(75.5)	72.0 (73.6)	71.9 (71.8)
Local price (USD/bbl) obtained at Tawke/BSQ	35.0/41.5	35.0/41.5		

For periods after year 2029, the long-term oil price assumptions applied was USD 65 per barrel (in real terms, basis year 2024).

Oil price differential
The estimated net oil price is based on the above nominal price assumptions adjusted for price differentials due to quality and transportation for each individual field.

Oil reserves and resources

Note 7

Impairments

Future cash flows are calculated on the basis of expected production profiles and estimated proven and probable remaining reserves. For more information about reserves and resources estimate, see Note 1 and Note 16.

Discount rate
The discount rate is derived from the Company's weighted average cost of capital (WACC). Main elements of the WACC include:

- For the value in use calculations, the capital structure considered in the WACC calculation is derived from DNO's debt and equity to enterprise value ratio at yearend.
- The cost of equity is calculated on a country-by-country basis using the Capital Asset Pricing Model (CAPM) and adding a country risk premium. The beta factor is based on publicly available data about the Company's beta in the value in use calculations, whereas the beta factors used for the fair value calculations are based on publicly available market data about the identified peer group.
- For the value in use calculations, the cost of debt is based on yield-to-maturity on the Company's outstanding bond loans with an upward adjustment to reflect a potential extension.

For the value in use calculations, the relevant post-tax nominal discount rate at yearend 2024 was 13.3 percent (13.7 percent at yearend 2023) for the Kurdistan assets.

Inflation
The long-term inflation rate is assumed to be 2 percent independent of the underlying country or currency (unchanged from yearend 2023).

Impairment charge and/or reversal
During the 2024 impairment testing, an impairment charge of USD 89,000 thousand was recognized, mainly due to well testing programs on the Baeshiqa Cash Generating Unit (CGU).

The Company performed testing of its Kurdistan assets following the ITP closure in March 2023. The estimated recoverable amounts were higher than the carrying amounts and thus no impairment charges were recognized at yearend 2023.

Sensitivities
The factors below illustrate how the net profit/loss in 2024 would have been affected by changes in the various assumptions, holding the remaining assumptions unchanged. The estimated recoverable amounts related to the Tawke license in Kurdistan are substantially higher than the carrying amounts and the same sensitivity tests would not imply any impairment charges.
- Oil price: +/- 15%
- Reserves (2P) and resources (2C): +/-5%
- Discount Rate (WACC): +/- 1%

Climate considerations in impairment assessment
To assess the robustness of the Company's oil assets, the Company has run sensitivities with the oil and gas price assumptions described by three scenarios outlined by the IEA: the Net Zero Emissions Scenario by 2050, the Announced Pledges Scenario and the Stated Policies Scenario. These scenarios are commonly applied by peer companies and the Company believes that these are useful for investors and other stakeholders in assessing portfolio resilience across companies in the industry. The oil price assumptions in the scenarios have been provided by the IEA for the years 2030 and 2050 (in 2022 real terms), and for the sensitivity calculation a linear development between average actual 2023 and IEA 2030, as well as between IEA 2030 and IEA 2050 have been applied.

A significant reduction in the oil price assumptions could also affect the estimated economic cut-off of the projects.
These illustrative impairment sensitivities assume no changes to assumptions other than oil prices. The illustrative sensitivities on climate change are not considered to represent a best estimate of an expected impairment impact. Moreover, a significant and prolonged reduction in oil prices would likely result in mitigating actions by the Company and its license partners; for example it could have an impact on drilling plans and production profiles for new and existing assets. Quantifying such impacts is considered impracticable, as it requires detailed evaluations based on hypothetical scenarios and not based on existing business or development plans.

License expiry and economic cut-off dates for development and production assets
In Kurdistan, the Tawke license expires in 2026 but DNO has the right to one automatic five-year extension (i.e., to 2031) and, if commercial production is still possible at the end of this extended period, DNO is entitled to, upon request to the KRG, a further five-year extension (i.e., to 2036). Based on DNO's current assessments, the production from Tawke license will be commercial for the duration of its contractual term and through subsequent extensions. On the Baeshiqa license, commerciality was declared by the contractor on 1 August 2021, terminating the exploration period and moving into the PSC development period, which has as a 20-year duration. If commercial production is still possible at the end of the 20-year period, DNO is entitled to a five-year extension.

Note 8
Inventory

Accounting policies

Inventories
Inventories comprise of drilling equipment, spare parts and consumables for own use and are valued at the lower of cost and net realizable value. Inventories that meet the definition of PP&E are presented under the PP&E and are depreciated as part of the underlying capitalized asset using the UoP method.

	Tawke PSC		Baeshiqa PSC		Years ended 31 December	
USD thousand	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Drilling equipment, spare parts and consumables	56,893	61,522	14,047	18,835	70,940	80,357
Provision for obsolete inventory	-15,028	-15,028	-168	-	-15,196	-15,028
Total inventory	**41,865**	**46,494**	**13,879**	**18,835**	**55,744**	**65,329**

Note 9
Trade and other receivables

Accounting policies

Trade debtors
Trade debtors are recognized at nominal value less any provisions for expected credit losses (ECL). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the (discounted) cash flows that are expected to be received (i.e., cash shortfalls). ECLs on trade receivables are measured by applying either the general model or the simplified model. A company must apply the simplified model for trade receivables, which, when invoiced, were without a significant financing component. This applies to the Company's oil sales and hence the simplified model is applied in respect of the ELC assessment of the Kurdistan trade debtors (see below).

Overlift/underlift
An underlift arises when the sale is less than the Company's share of the oil production. In general, the overlift/underlift balances are valued at production cost including depreciation (the sales method).

Trade and other receivables

	Years ended 31 December	
USD thousand	**2024**	**2023**
Other receivables	98,191	129,823
Total non-current trade and other receivables	**98,191**	**129,823**

	Years ended 31 December	
USD thousand	**2024**	**2023**
Trade receivables	167,252	137,467
Prepayments and accrued income	2,846	2,893
Other current receivables	1,256	1,434
Total current trade and other receivables	**171,354**	**141,794**

At yearend 2024, the Company was owed over USD 298.1 million, excluding any interest, by the KRG mainly related to sales of DNO's entitlement shares of oil to the KRG for the months October 2022 through March 2023 plus part of the amount invoiced for oil sold to the KRG in September 2022. These receivables are past due. Since 2017, DNO has consistently invoiced the KRG for such oil sales based on an agreed Brent-based pricing mechanism. For September 2022, the KRG unilaterally decided to pay based on a purported price realized by the KRG during the delivery month. The KRG proposed such change to the agreed pricing mechanism in September 2022 to which DNO has not agreed. DNO therefore continues to request payment of the full invoiced amount. During 2024, DNO recognized that USD 16.9 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. Nonetheless, the Company has reduced the book value of the KRG arrears in 2023 by USD 44.6 million (presented under *Financial expenses* in the income statement, and Note 4) when comparing the book value of these arrears with the present value of the estimated future cash flows. As of 31 December 2024, the Company re-estimated the present value with updated assumptions, resulting in an accumulated increase of USD 11.9 million to the book value of KRG arrears during 2024. The calculation of present value, considers a range of possible scenarios with assigned weighting, involving estimation of the timing of receipt of the arrears which will be dependent upon uncertain future events, in particular the assumed timing of the re-opening of the ITP which has been shut-down since end of March 2023. A discount rate of 12 percent has been applied.

Note 10
Cash and cash equivalents

Accounting policies

Cash and cash equivalents
Cash and short-term deposits in the statements of financial position comprise cash held in banks, cash in hand and short-term deposits with an original maturity of three months or less and held to meet short term commitments. Restricted cash is cash reserved for a specific purpose and therefore not available for immediate and general use by the Company.

	Years ended 31 December	
USD thousand	**2024**	**2023**
Cash and cash equivalents, restricted	-	-
Cash and cash equivalents, non-restricted	10,266	12,059
Total cash and cash equivalents	**10,266**	**12,059**

The Company has no restricted bank deposits.

Note 11
Shareholders' equity

Accounting policies

Equity

Ordinary shares
Ordinary shares are classified as equity. Costs directly attributable to the issue of ordinary shares are recognized as a reduction of equity.

Dividend
A liability to pay a dividend is recognized when the board of the company proposes distribution to the shareholders at the Annual General Meeting (AGM). A corresponding amount is recognized directly in equity.

Movement in shareholder's equity:

USD thousand	Share capital	Share premium	Retained earnings	Total equity
Shareholders' equity as of 1 January 2024	**177**	**163,871**	**700,461**	**864,509**
Net profit/loss for the period	-	-	(53,485)	(53,485)
Group contribution received/given	-	-	(24,099)	(24,099)
Shareholders' equity as of 31 December 2024	**177**	**163,871**	**622,874**	**786,922**

	2024
Share capital, NOK	1,200,000
Number of shares	600,000
Par value, NOK	2.00

The company is fully owned by DNO ASA.

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Note 12
Asset retirement obligations

Accounting policies

Provisions for asset retirement obligations (ARO)
Provisions for ARO are initially recognized at the present value of the estimated future costs determined in accordance with local conditions and requirements. A corresponding asset of an amount equivalent to the provision is also recognized initially and is presented as part of the PP&E. The retirement asset is subsequently depreciated as part of the capital costs of the production asset it relates to.

The ARO provisions and the discount rates are reviewed at each balance sheet date. The discount rates used in the calculation of the present value of the ARO are pre-tax risk-free rates with the addition of a credit margin. The risk-free rate used has a maturity date that is expected to coincide with the time the removal will be affected and denominated in the same currency as the expected future expenditures. Changes in the measurement of the ARO resulting from a change in the timing or amount of the outflow of resources embodying economic benefits required to settle the obligation, or a change in the discount rate, are added to or deducted from the cost of the related asset. Changes in the estimated ARO provisions impact the ARO asset in the period in which the estimate is revised.

Estimation uncertainty: Estimation of the cost for decommissioning
Estimation of the costs for decommissioning is complex and requires judgement as these estimates are based on currently applicable laws, regulations and technology. Decommissioning activities will normally take place in the distant future, and the technology, regulatory requirements and related costs may change. The energy transition may bring forward the decommissioning activities and thereby increasing the present value of associated decommissioning provisions. Based on various scenario analysis performed by the Company, management does not expect any reasonable change in the expected timeframe to have a material effect on the Company's decommissioning provisions, assuming cost estimates (i.e., cash flows) remain unchanged. The estimates cover expected removal concepts based on known technology. As a result, the initial recognition of the liability and the capitalized cost associated with decommissioning obligations, and the subsequent adjustment of these balance sheet items, involve the application of significant judgement. Based on the described uncertainty, there may be significant adjustments in estimates of liabilities that can affect future financial results.

Asset retirement obligations (ARO)
The provisions for ARO are based on the present value of estimated future cost of decommissioning oil and gas assets. The discount rates before tax applied at yearend 2024 were between 5.1 percent and 5.3 percent (yearend 2023: between 4.9 percent and 5.0 percent). The credit margin included in the discount rates at yearend 2024 was 0.8 percent (yearend 2023: 0.8 percent).

	Years ended 31 December	
USD thousand	**2024**	**2023**
Non-current asset retirement obligations (ARO)	70,602	68,415
Current asset retirement obligations (ARO)	-	2,196
Total asset retirement obligations (ARO)	**70,602**	**70,611**

	1 January - 31 December	
USD thousand	**2024**	**2023**
Asset retirement obligation as of 1 January	**70,611**	**70,317**
Increase/decrease in existing provisions	(3,361)	(2,764)
Effects of change in the discount rate	(274)	(281)
Accretion expenses (unwinding of discount)	3,626	3,340
Asset retirement obligation as of 31 December	**70,602**	**70,611**

Note 13
Trade and other payables

	Years ended 31 December	
USD thousand	**2024**	**2023**
Trade payables	23,853	29,814
Accruals	17,916	28,980
Other payables	99,959	5,739
Total trade and other payables	**141,728**	**64,533**

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

Accruals and other payables at yearend 2024 include items of working capital related to participation in licenses and adjustments related to lifting.

Note 14
Guarantees and commitments

Contractual obligations/license commitments
At yearend 2024, the Company has no contractual obligations relating to its interests in own and partner-operated oil and gas fields. All commitment wells have been drilled to date.

Lease obligations
The Company's non-cancellable operating leases are related to office rent (Erbil office), rent of storage and warehouse. The related lease expense is included in the financial statement line "Production expenses" and is recorded through the monthly billing statements.

Future minimum lease payments under non-cancellable operating leases as of 31 December 2024 are as follows:

	1 January - 31 December	
USD thousand	**2024**	**2023**
Within one year	640	675
Two to five years	856	1,497
After five years	-	-
Total undiscounted lease liabilities end of the period	**1,497**	**2,171**

Liability for damages/insurance
Installations and operations are covered by various insurance policies.

Note 15
Intercompany

Intercompany balances

		Non-current receivables		Non-current liabilities	
USD thousand	**Currency**	**2024**	**2023**	**2024**	**2023**
DNO ASA	USD	138,333	-	-	64,455
Non-current intercompany receivables/liabilities		**138,333**	**-**	**-**	**64,455**

		Current receivables		Current liabilities	
USD thousand	**Currency**	**2024**	**2023**	**2024**	**2023**
DNO ASA*	USD	-	-	29,954	7,509
DNO Technical Services AS	USD	-	-	3,051	1,563
DNO Mena AS**	USD	-	-	5,285	-
DNO Yemen AS	USD	-	751	-	-
DNO Norge AS	USD	-	-	7	2
Current intercompany receivables/liabilities		**-**	**751**	**38,297**	**9,074**

Intercompany transactions

		Intercompany income		Intercompany expenses	
USD thousand	**Currency**	**2024**	**2023**	**2024**	**2023**
DNO ASA	USD	4,206	2,619	(1,710)	(5,543)
Total intercompany sales/expenses		**4,206**	**2,619**	**(1,710)**	**(5,543)**

Intercompany loans are interest bearing. The intercompany interest rate used by the parent company DNO ASA and its subsidiaries is based on country specific weighted average cost of capital.

*The short-term intercompany with parent company DNO ASA includes this years' group contribution of USD 24.1 million.
** The short-term intercompany with DNO Mena AS is a group contribution of USD 5.3 million.

Note 16

Company Working Interest reserves (unaudited)

Estimation uncertainty: Reserves and resources estimates
The company's reserves and contingent resources are estimated and classified by the company in accordance with the rules and guidelines of the Society of Petroleum Engineers (SPE) and are in conformity with requirements from the Oslo Stock Exchange for the reporting of reserves and resources. All estimates of reserves and resources involve uncertainty.

Important factors that could cause actual results to differ from the estimates include, but are not limited to: technical, geological and geotechnical conditions; economic and market conditions; oil and gas prices; changes in government regulations; political development; interest rates; and currency exchange rates. Specific parameters of uncertainty related to the field/reservoir include but are not limited to: reservoir pressure and porosity; recovery factors; water cut development; production decline rates; gas/oil ratios; and oil properties.

Changes in commodity prices and costs may impact economic cut-off and remaining reserves, which may change the timing of assumed decommissioning activities. Future changes to estimated reserves can also have a material effect on depreciation, impairment of oil and gas fields and operating results. The Company may also not be able to commercially develop its contingent resources that are used in impairment assessments or acquisition accounting where the fair value approach is applied.

Development of proven (1P) and proven and probable (2P)

MMboe	1P	2P	3P
As of 31 December 2024	**190.9**	**245.3**	**316.0**
Production	-12.7	-12.7	-12.7
Acquisitions	-	-	-
Divestments	-	-	-
Extensions and discoveries	-	-	-
New developments	-	-	-
Revision of previous estimates	-3.2	11.9	-5.3
As of 31 December 2023	**175.1**	**244.5**	**298.0**
Production	-21.6	-21.6	-21.6
Acquisitions	-	-	-
Divestments	-	-	-
Extensions and discoveries	-	-	-
New developments	-	-	-
Revision of previous estimates	-10.7	1.9	-18.5
As of 31 December 2024	**142.8**	**224.9**	**257.9**

Net Entitlement (NE) reserves by segment

MMboe	1P	2P	3P
As of 31 December 2023	60.9	74.0	82.7
As of 31 December 2024	**50.3**	**69.4**	**75.0**

The reserves and contingent resources are according to the Annual Statement of Reserves and Resources (ASRR) dated 2 April 2025.

International petroleum consultants DeGolyer and MacNaughton (D&M) carried out an independent assessment of the Tawke license (containing the Tawke and Peshkabir fields) and the Baeshiqa license (containing the Baeshiqa and Zartik structures) in Kurdistan.

Net reserves in the company's licenses governed by PSCs in Kurdistan are based on the participation interest. Net Entitlement (NE) reserves are net to the company after royalty. Net reserves reflect the Company's share before government take while NE reserves reflect the Company's share after government take. Net reserves reflect pre-tax shares while NE reserves reflect post-tax shares. NE reserves are based on economic evaluation of the license agreements, incorporating projections of future production, costs and oil and gas prices. NE reserves may therefore fluctuate over time, even if there are no changes in the underlying gross and net volumes.

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To the General Meeting in DNO Iraq AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of DNO Iraq AS (the Company), which comprise the balance sheet as at 31 December 2024, the income statement and cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors' report. The purpose is to consider if there is material inconsistency between the information in the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or otherwise the information in the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 23 June 2025
ERNST & YOUNG AS

The auditor's report is signed electronically

Jon-Michael Grefsrød
State Authorised Public Accountant (Norway)

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The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Grefsrød, Jon-michael
Statsautorisert revisor
On behalf of: Ernst & Young AS
Serial number: no_bankid:9578-5992-4-3016511
IP: 147.161.xxx.xxx
2025-06-23 11:25:42 UTC

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