



Kistos Energy (Norway) AS  
Strandveien 50  
1366 Lysaker  
Norway

[kistosplc.com](http://kistosplc.com)

# KISTOS ENERGY (NORWAY) AS

## INTERIM REPORT 2024

### **Disclaimer**

*The information given in this report is meant to be correct, reliable and adequate, and is compiled by Kistos Energy (Norway) AS (KENAS). You may use the information for your own purpose. However, if the information is found to be incomplete, inaccurate or even wrong, KENAS is not responsible and does not cover any costs or loss occurred related to the given information. The information contained in this report may include results of analyses from a quantitative model that may represent potential future events that may or may not be realised and is not a complete analysis of every material fact relating to the Company or its business.*

*This report may contain projections and forward-looking statements. The words ‘believe’, ‘expect’, ‘could’, ‘may’, ‘anticipate’, ‘intend’ and ‘plan’ and similar expressions identify forward-looking statements. All statements other than statements of historical facts included in the report, including, without limitation, those regarding the financial information, the Company’s financial position, potential business strategy, potential plans and potential objectives, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance, achievements and value to be materially different from any future results, performance, achievements or values expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future. No warranty or representation is given by the Company as to the reasonableness of these assumptions. Further, certain forward-looking statements are based upon assumptions of future events that may not prove to be accurate.*

*The contents of this report are not to be construed as financial, legal, business, investment, tax or other professional advice. Each recipient should consult with its own financial, legal, business, investment and tax adviser as to financial, legal, business, investment and tax advice.*

*This report is governed by Norwegian law. Any dispute arising in respect of this report is subject to the exclusive jurisdiction of Norwegian courts with Oslo District Court as exclusive legal venue.*

### **General Information and Accounting Principles**

The interim financial statements for the six months period ending June 30, 2024, have been prepared in accordance with NGAAP. The same accounting principles and methods of calculation have been applied as in the Annual Financial Statements for 2023. The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s Annual Financial Statements for 2023.

The interim financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the financial position, results of operations and cash flows for the dates and interim periods presented. Interim period results are not necessarily indicative of results of operations or cash flows for an annual period. In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these interim financial statements, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended December 31, 2023.

For further detailed information on accounting principles, please refer to the Financial Statements for 2023.

The annual and interim accounts have been prepared in Norwegian kroner and rounded to the nearest thousand kroner unless otherwise stated. As a result of rounding adjustments, it is possible that amounts and percentages do not add up to the total.

These interim financial statements have not been subject to review or audit by independent auditors.

## **Activity Update**

Production in 1H-2024 has been steady and impacted only by planned maintenance on major equipment. The Operator conducted a compressor overhaul on train A and a similar service is planned for train B this autumn.

The guidance on the Balder Future development project provided by the operator in September 2023, estimated total capex of NOK 42.4 billion and first oil during Q4-2024. On 21<sup>st</sup> August 2024, the Operator announced a further delay to Balder Future, with the FPSO production start now expected in Q2-2025. A corresponding cost increase of 4.3 billion NOK (gross) was announced, bringing the total project cost to NOK 46.7 billion (gross). The cost increase is mainly related to the refurbishment of the Jotun FPSO.

## **Financial Review**

Total revenue in the first six months of 2024 was NOK 481 million (H1-2023: NOK 233 million). Revenue is mainly related to oil sales from the Balder and Ringhorne Øst fields, with 554 kboe lifted in the period (H1-2023: 280 kboe). The average preliminary oil price before final adjustments was USD 81.79/bbl in the first six months of 2024 (H1-2023: USD 75.90/bbl).

Total operating expenses amounted to NOK 438 million in the first six months (H1-2023; NOK 336 million), mainly driven by field opex and ordinary depreciation. Unit operating costs were lower than a year earlier, despite being adversely affected by increased pre-operational cost related to Jotun FPSO, increased diesel costs, and also various timing effects.

The reported operating profit for the first six months was NOK 43 million (H1-2023 loss of NOK 102.6 million). The pre-tax loss for the first half of 2024 was NOK 288 million (H1-2023

loss of NOK 419 million), mainly due to interest costs and a foreign exchange loss on long term debt.

The Balder Future project accounts for approximately 75% of the 2024 forecasted capex of USD 130 million, with the remainder relating to the Ringhorne drilling campaign and general operating investments.

On June 30, 2024, total assets amounted to NOK 7 632 million (H1-2023: NOK 6 318 million), of which current assets represented NOK 1 235 million (H1-2023: NOK 1 195 million). Investments in fixed assets year-to-date amount to NOK 775 million.

As of 30<sup>th</sup> June 2024, the Company had available cash of NOK 133 million. The capital structure made up of injected equity of USD 136 million, the hybrid capital of USD 45 million, and two senior secured bond loans of USD 117 million (KENO01, originally issued in November 2021) and USD 128 million (KENO02, originally issued in March 2023). The Company's interest-bearing debt was NOK 2 958 million at the end of the period, up from NOK 2 387 million at the end of 2023 due to drawdowns under the intercompany RCF, revaluation effects, payment of interest in-kind, and amortizations (see note 7).

Companies subject to the Petroleum Tax Act will get the tax value of losses incurred in the special tax basis refunded on an annual basis in the year after the fiscal year. By the end of H1-2024, the Company has recorded a net tax receivable of NOK 1 310 million, of which NOK 901 million relates to FY2023 (excluding interest). The tax receivable will be paid to KENAS during December 2024. Accumulated corporate tax losses carried forward amounted to NOK 2 123 million (mainly offshore).

The book value of equity was NOK 52 million at the end of the period, corresponding to an equity ratio of 0.7% (H1-2023: NOK 413 million / 6.5%). Fair value adjustments related to the hybrid bonds have reduced the book value of equity by in total NOK 180 million since inception (H1-2023: NOK 25 million).

The Company's going concern evaluation is foremost dependent upon its parent company (Kistos plc) being able to provide financial support via the intercompany Revolving Credit Facility (USD 100 million). Cash flow from operations, combined with the total available liquidity, including the parent company's financial support, is expected to be sufficient to finance the Company's commitments in 2024 and complete the Balder Future project.

## Operational Review

| <b>Key figures</b>                  | <b>1H 2024</b> | <b>1H 2023</b> | <b>2023</b>    |
|-------------------------------------|----------------|----------------|----------------|
| <i>Production (boe, KENAS net)</i>  |                |                |                |
| Balder Unit                         | 488 152        | 312 205        | 767 190        |
| Ringhorne East Unit                 | 19 591         | 0              | 22 518         |
| <b>Total Production (KENAS net)</b> | <b>507 743</b> | <b>312 205</b> | <b>789 709</b> |

The Company's net production from the Balder and Ringhorne fields in the first six months was 508 kbbls, with production efficiency in the Balder JV of 92%. Production efficiency has been impacted by the planned overhaul of high-pressure compressor A at Balder FPU in May and June.

A high activity period offshore, utilizing a flotel for increased persons on board (POB) commenced in mid-July at the Ringhorne platform. A significant amount of the planned work will be surface protection work, including refurbishment of passive fire protection areas. The

drilling rig is also undergoing re-certification of vital parts including the five years maintenance interval of the top drive, which was sent to shore in July according to plan.

The Company is committed to the Offshore Norge targets for CO<sub>2</sub> emission reductions on the NCS. Electrification has the potential to reduce gross CO<sub>2</sub> emissions by ~150 000 – 200 000 tonnes per year from the Balder field and joint industry studies are ongoing to evaluate concepts and the feasibility of electrification of the greater Balder area. The planned subsea tie-back of Balder legacy wells to the Jotun FPSO in 2030, allowing removal of the Balder FPU from the field, is expected to reduce the CO<sub>2</sub> emissions of the Balder area by another ~100 000 tonnes per year.

The Balder Future project involves the drilling of fourteen new production wells plus one new water injector on the Balder field in the North Sea plus the refurbishment of the Jotun FPSO to become the new Balder area hub. Supported by KENAS, the Operator's (Vår Energi ASA) goal is to extract approximately 150 million barrels of oil equivalent from the area. The project also provides future expansion capacity, to be utilised in the first instance by the Balder Phase V project, where drilling is due to commence in 2025.

The Jotun FPSO continues to undergo extensive refurbishment at the Rosenberg Worley yard in Stavanger. The target production start has been moved from Q4 2024 to Q2 2025 (see further information in note 10). A key consideration for the Operator has been to limit the carryover work into the offshore installation and start-up phase as much as possible. Together with the project suppliers, the Operator has made efforts to complete the final work on the Jotun FPSO at the Rosenberg yard to enable field installation before the winter weather period. However, despite recent progress, there is remaining onshore completion and commissioning work required prior to sail-away.

The subsea systems including flowlines, umbilicals, and risers are installed. All templates, multi-flow bases, flowlines and buoyancy elements for risers are in place. During Q2 2024, the risers were pre-laid, which will allow faster hook up when the FPSO vessel arrives. Dewatering of the gas export line and gas lift lines along with flushing of lines and umbilical testing have all been conducted.

The Balder Future project experienced continued performance improvement of its drilling campaign (using the West Phoenix semi-submersible drilling rig) in 2024. The last three production wells were successfully completed in June, and the water injector was finalized in July, with the drilling rig demobilising in August.

## **Responsibility Statement**

We confirm, to the best of our knowledge, that the interim financial statements for the period from January 1 to June 30, 2024, have been prepared in accordance with NGAAP and give a true and fair view of the assets, liabilities and financial position and result of Kistos Energy (Norway) AS. The notes are an integral part of the interim financial statements.

We also confirm, to the best of our knowledge, that the operational and financial review includes a fair presentation of important events that have occurred during the first six months of the financial year and their impact on the financial statements and the company's position, and a description of the principal risks and uncertainties for the remaining six months of the financial year.

Lysaker, September 26, 2024  
(Signed electronically)

The Board of Directors and CEO of Kistos Energy (Norway) AS

Andrew Austin/Chairman of the Board  
Sverre Skogen /CEO/Board Member

## Interim Financial Statements (Unaudited)

### Statements of Income 1H-2024

| (NOK 1 000)                                      | Note | Unaudited       |                 | Audited         |
|--|------|-----------------|-----------------|-----------------|
|  |      | YTD 30.06.24    | YTD 30.06.23    | 2023            |
| Sale of crude oil                                |      | 480 633         | 218 100         | 636 058         |
| Other revenue                                    |      | 685             | 15 283          | 13 760          |
| <b>Total operating revenue</b>                   |      | <b>481 318</b>  | <b>233 383</b>  | <b>649 818</b>  |
| Production cost                                  |      | -164 180        | -144 904        | -289 257        |
| Exploration costs                                |      | -600            | -122            | -17 152         |
| Changes in inventory and over-/underlift         |      | -39 706         | 23 604          | 61 629          |
| Decommissioning cost                             | 6    | -15 560         | -8 066          | -24 328         |
| Ordinary depreciation                            | 1, 2 | -189 475        | -87 520         | -300 327        |
| Impairment                                       |      | -               | -               | -17 500         |
| Employee benefit expenses                        |      | -17 365         | -49 014         | -77 611         |
| Other operating and administrative expenses      |      | -11 064         | -70 009         | -67 579         |
| <b>Total operating expense</b>                   |      | <b>-437 951</b> | <b>-336 031</b> | <b>-732 125</b> |
| <b>Profit / (loss) from operating activities</b> |      | <b>43 368</b>   | <b>-102 648</b> | <b>-82 307</b>  |
| Interest income                                  |      | 24 603          | 9 065           | 33 283          |
| Interest expenses                                |      | -135 639        | -76 496         | -261 350        |
| Net foreign exchange gain/ (loss)                |      | -109 683        | -185 750        | -59 851         |
| Net other financial income / (expenses)          |      | -110 532        | -62 919         | -135 962        |
| <b>Net financial items</b>                       | 8    | <b>-331 251</b> | <b>-316 100</b> | <b>-423 881</b> |
| <b>Profit / (loss) before income tax</b>         |      | <b>-287 883</b> | <b>-418 748</b> | <b>-506 187</b> |
| Income tax                                       | 9    | 9 339           | 114 402         | 106 516         |
| <b>Net profit / (loss)</b>                       |      | <b>-278 545</b> | <b>-304 346</b> | <b>-399 672</b> |
| <b>Allocation of net profit / (loss):</b>        |      |                 |                 |                 |
| Uncovered loss                                   |      | -278 545        | -304 346        | -399 672        |

## Statements of Financial Position 1H-2024

|  |      | Unaudited        |                  | Audited          |
|--|------|------------------|------------------|------------------|
| (NOK 1 000)                            | Note | 30.06.2024       | 30.06.2023       | 31.12.2023       |
| <b>ASSETS</b>                          |      |                  |                  |                  |
| <b>FIXED ASSETS</b>                    |      |                  |                  |                  |
| <b>Intangible fixed assets</b>         |      |                  |                  |                  |
| Capitalized exploration wells          |      | 58 510           | 65 582           | 58 469           |
| Other intangible assets                |      | 792              | 12 969           | 2 312            |
| <b>Total intangible fixed assets</b>   | 1    | <b>59 301</b>    | <b>78 551</b>    | <b>60 781</b>    |
| <b>Tangible fixed assets</b>           |      |                  |                  |                  |
| Production facilities                  |      | 5 921 383        | 4 524 918        | 5 334 746        |
| Other property, plant and equipment    |      | 249              | 314              | 296              |
| <b>Total tangible fixed assets</b>     | 2    | <b>5 921 632</b> | <b>4 525 232</b> | <b>5 335 042</b> |
| <b>Financial fixed assets</b>          |      |                  |                  |                  |
| Other financial assets                 |      | 7 475            | 5 301            | 6 229            |
| Long term tax receivable               | 9    | 409 015          | 513 233          |                  |
| <b>Total financial fixed assets</b>    |      | <b>416 490</b>   | <b>518 534</b>   | <b>6 229</b>     |
| <b>TOTAL FIXED ASSETS</b>              |      | <b>6 397 424</b> | <b>5 122 317</b> | <b>5 402 051</b> |
| <b>Current assets</b>                  |      |                  |                  |                  |
| Inventory and underlift                |      | 49 161           | 36 965           | 78 557           |
| Trade and other receivables            | 3    | 65 654           | 128 330          | 114 351          |
| Tax receivable                         | 3, 9 | 901 120          | 837 720          | 903 152          |
| Other current assets                   |      | 86 229           | 105 639          | 92 222           |
| Cash and cash equivalents              |      | 132 569          | 86 640           | 164 274          |
| <b>TOTAL CURRENT ASSETS</b>            |      | <b>1 234 733</b> | <b>1 195 294</b> | <b>1 352 556</b> |
| <b>TOTAL ASSETS</b>                    |      | <b>7 632 157</b> | <b>6 317 611</b> | <b>6 754 607</b> |
| <b>EQUITY AND LIABILITIES</b>          |      |                  |                  |                  |
| <b>EQUITY</b>                          |      |                  |                  |                  |
| <b>Paid-in capital</b>                 |      |                  |                  |                  |
| Share capital                          |      | 11 917           | 11 917           | 11 917           |
| Share premium                          |      | 1 179 748        | 1 179 748        | 1 179 748        |
| <b>Total paid-in capital</b>           |      | <b>1 191 665</b> | <b>1 191 665</b> | <b>1 191 665</b> |
| Retained earnings/(uncovered loss)     |      | -1 139 723       | -778 665         | -861 178         |
| <b>TOTAL EQUITY</b>                    | 4    | <b>51 942</b>    | <b>413 000</b>   | <b>330 487</b>   |
| <b>Non-current liabilities</b>         |      |                  |                  |                  |
| Deferred tax liability                 | 9    | 3 167 315        | 2 367 457        | 2 769 671        |
| Interest bearing loans and borrowings  | 7    | 2 542 861        | 2 337 082        | 2 387 442        |
| Other long term liabilities            |      | 7 475            | 172 309          | 238 150          |
| Asset retirement obligation            | 6    | 860 851          | 559 667          | 846 538          |
| <b>TOTAL NON CURRENT LIABILITIES</b>   |      | <b>6 578 502</b> | <b>5 436 515</b> | <b>6 241 801</b> |
| <b>Current liabilities</b>             |      |                  |                  |                  |
| Trade payables                         | 5    | 37 849           | 85 729           | 31 134           |
| Short term interest bearing debt       | 4    | 414 595          | 155 390          | -                |
| Short term non-interest bearing debt   | 7    | 322 066          |                  |                  |
| Public duties payable                  |      | 2 275            | 18 111           | 2 848            |
| Other current liabilities and overlift | 5    | 224 928          | 208 866          | 148 337          |
| <b>TOTAL CURRENT LIABILITIES</b>       |      | <b>1 001 713</b> | <b>468 096</b>   | <b>182 319</b>   |
| <b>TOTAL LIABILITIES</b>               |      | <b>7 580 215</b> | <b>5 904 611</b> | <b>6 424 120</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>    |      | <b>7 632 157</b> | <b>6 317 611</b> | <b>6 754 607</b> |

## Statements of Equity 1H-2024

| (NOK 1 000)                             | Share capital | Other paid-in capital | Total paid-in capital | Retained earnings | Total equity |
|---|---------------|-----------------------|-----------------------|-------------------|--------------|
| <b>Equity at December 31, 2023</b>      | 11 917        | 1 179 748             | 1 191 665             | -861 178          | 330 487      |
| <b>Equity at 1 January 2024</b>         | 11 917        | 1 179 748             | 1 191 665             | -861 178          | 330 487      |
| Net profit / loss (-) for the year 2024 | -             | -                     | -                     | -278 545          | -278 545     |
| <b>Equity at June 30, 2024</b>          | 11 917        | 1 179 748             | 1 191 665             | -1 139 722        | 51 942       |

## Statements of Cash Flows 1H-2024

| (NOK 1 000)  | Note | 6 months ended<br>30.06.24 | 6 months ended<br>30.06.23 | 31.12.2023        |
|--|------|----------------------------|----------------------------|-------------------|
| <b>Cash flows from operating activities</b>                    |      |                            |                            |                   |
| Profit / loss (-) before income tax                            |      | -287 883                   | -418 746                   | -506 187          |
| <u>Adjustments:</u>  |      |                            |                            |                   |
| Income tax received  |      |                            |                            | 837 406           |
| Depreciation, depletion and amortization                       |      | 189 475                    | 87 520                     | 300 327           |
| Impairment   | 2    |                            |                            | -17 500           |
| Forgiven receivable against Mime Petroleum S.a r.l             |      |                            | 10 304                     | 10 304            |
| Expensed exploration costs previously capitalized              |      |                            |                            | 8 043             |
| Interest and fees on borrowings, paid in cash                  | 7    | 30 322                     | 12 583                     | 228 032           |
| Interest and fees on borrowings, paid in kind                  | 7    | 39 971                     | 16 931                     |                   |
| Accretion expense  | 6, 7 | 110 355                    | 50 727                     | 164 093           |
| Fx on long term debt   | 7, 8 | 114 352                    | 208 701                    | 68 428            |
| Change in trade and other receivables                          |      | 91 008                     | -90 405                    | -90 976           |
| Change in trade and other payables                             |      | 76 185                     | 107 651                    | -599              |
| <b>Net cash flows from / used in (-) operating activities</b>  |      | <b>363 784</b>             | <b>-14 733</b>             | <b>1 001 370</b>  |
| <b>Cash flows from investing activities</b>                    |      |                            |                            |                   |
| Investment in oil and gas assets                               | 2    | -774 498                   | -702 987                   | -1 451 648        |
| Investment in exploration and evaluation assets                | 1    | -41                        | 655                        | -275              |
| Other investments  |      | -758                       | -9 872                     | -1 429            |
| Investment in furniture, fixtures and office machines          |      | -47                        |                            | -104              |
| <b>Net cash flows from / used in (-) investing activities</b>  |      | <b>-775 343</b>            | <b>-712 204</b>            | <b>-1 453 456</b> |
| <b>Cash flows from financing activities</b>                    |      |                            |                            |                   |
| Proceeds from borrowings                                       | 7    | 410 000                    | 624 755                    | 469 755           |
| Interest and fees on borrowings                                | 7    | -30 146                    | -53 159                    | -95 376           |
| <b>Net cash flows from / used in (-) financing activities</b>  |      | <b>379 854</b>             | <b>571 596</b>             | <b>374 379</b>    |
| <b>Net increase/ decrease (-) in cash and cash equivalents</b> |      |                            |                            |                   |
|  |      | <b>-31 705</b>             | <b>-155 341</b>            | <b>-77 707</b>    |
| Cash and cash equivalents at the beginning of period           |      | 164 274                    | 241 981                    | 241 981           |
| <b>Cash and cash equivalents at the end of the period</b>      |      | <b>132 569</b>             | <b>86 640</b>              | <b>164 274</b>    |



# Notes to the Interim Financial Statements

## Note 1 – Intangible assets

| (NOK 1 000)   | Capitalized exploration costs | Licensing of seismic | Software     | Total          |
|---|-------------------------------|----------------------|--------------|----------------|
| <b>2024</b>   |                               |                      |              |                |
| Cost at January 1, 2024   | 58 469                        | 14 651               | 1 102        | 74 222         |
| Additions   | 41                            | -                    | -            | 41             |
| Expensed  | -                             | -                    | -            | -              |
| <b>Cost at June 30, 2024</b>  | <b>58 509</b>                 | <b>14 651</b>        | <b>1 102</b> | <b>74 262</b>  |
| Accumulated depreciation and impairment at January 1, 2024          | -                             | -12 941              | -499         | -13 440        |
| Depreciation for the year   | -                             | -1 465               | -55          | -1 520         |
| <b>Accumulated depreciation and impairment at June 30, 2024</b>     | <b>-</b>                      | <b>-14 406</b>       | <b>-554</b>  | <b>-14 961</b> |
| <b>Carrying amount at June 30, 2024</b>                             | <b>58 509</b>                 | <b>245</b>           | <b>548</b>   | <b>59 301</b>  |
| <b>2023</b>   |                               |                      |              |                |
| Cost at January 1, 2023   | 66 237                        | 14 651               | 1 102        | 81 990         |
| Additions   | -                             | -                    | -            | -              |
| Disposals   | -7 768                        | -                    | -            | -7 768         |
| <b>Cost at December 31, 2023</b>                                    | <b>58 469</b>                 | <b>14 651</b>        | <b>1 102</b> | <b>74 222</b>  |
| Accumulated depreciation and impairment at January 1, 2023          | -                             | -10 011              | -389         | -10 400        |
| Depreciation for the year   | -                             | -2 930               | -110         | -3 040         |
| <b>Accumulated depreciation and impairment at December 31, 2023</b> | <b>-</b>                      | <b>-12 941</b>       | <b>-499</b>  | <b>-13 440</b> |
| <b>Carrying amount at December 31, 2023</b>                         | <b>58 469</b>                 | <b>1 710</b>         | <b>603</b>   | <b>60 781</b>  |

Capitalized exploration costs relate to drilling and testing of the King-Prince prospects in the western part of Balder Unit.

## Note 2 – Property, plant and equipment

| (NOK 1 000)   | Oil and gas assets | Furniture, fixtures and office machines | Total             |
|---|--------------------|---|-------------------|
| <b>2024</b>   |                    |   |                   |
| Cost at January 1, 2024   | 6 859 610          | 1 310                                   | 6 860 920         |
| Additions   | 774 498            | 47                                      | 774 545           |
| Asset removal obligation - change in estimate                       | -                  | -                                       | -                 |
| <b>Cost at June 30, 2024</b>  | <b>7 634 108</b>   | <b>1 357</b>                            | <b>7 635 465</b>  |
| Accumulated depreciation and impairment at January 1, 2024          | -1 524 864         | -1 014                                  | -1 525 878        |
| Depreciation for the year   | -187 861           | -94                                     | -187 955          |
| <b>Accumulated depreciation and impairment at June 30, 2024</b>     | <b>-1 712 724</b>  | <b>-1 108</b>                           | <b>-1 713 833</b> |
| <b>Carrying amount at June 30, 2024</b>                             | <b>5 921 383</b>   | <b>249</b>                              | <b>5 921 632</b>  |
| <b>2023</b>   |                    |   |                   |
| Cost at January 1, 2023   | 5 163 503          | 1 206                                   | 5 164 709         |
| Additions   | 1 451 648          | 104                                     | 1 451 752         |
| Asset removal obligation - change in estimate                       | 244 459            | -                                       | 244 459           |
| <b>Cost at December 31, 2023</b>                                    | <b>6 859 610</b>   | <b>1 310</b>                            | <b>6 860 920</b>  |
| Accumulated depreciation and impairment at January 1, 2022          | -1 227 760         | -832                                    | -1 228 592        |
| Depreciation for the year   | -297 104           | -182                                    | -297 286          |
| Impairment loss   | -                  | -                                       | -                 |
| <b>Accumulated depreciation and impairment at December 31, 2023</b> | <b>-1 524 864</b>  | <b>-1 014</b>                           | <b>-1 525 878</b> |
| <b>Carrying amount at December 31, 2023</b>                         | <b>5 334 746</b>   | <b>296</b>                              | <b>5 335 042</b>  |

Capitalized costs mainly relate to the Balder Future project.

### Note 3 – Trade and other receivables

| (NOK 1 000)                                 | 30 June 2024   | 30 June 2023   | 31 December 2023 |
|---|----------------|----------------|------------------|
| Trade receivables                           | 70             | 52 638         | 78 976           |
| Working capital, receivables, joint venture | 41             | 1 598          | 20 952           |
| Working capital, prepayments, joint venture | 23 987         | 32 564         |                  |
| Overcall, joint ventures                    | 10 187         | 24 932         | 6 796            |
| Prepayments                                 | 4 203          | 5 709          | 7 061            |
| Other short term receivables                | 27 165         | 10 890         | 566              |
| <b>Total trade and other receivables</b>    | <b>65 654</b>  | <b>128 330</b> | <b>114 351</b>   |
| <b>Short term tax receivable</b>            | <b>901 120</b> | <b>837 720</b> | <b>903 152</b>   |

The trade receivables consist of receivables from companies with embedded low credit risk. No allowances for doubtful debts have been made, and no loss has been recognized during the year.

Other short-term receivables relate to refundable VAT and an accrual for interest compensation on the tax receivable for FY2023, per June 30, 2024, estimated to be NOK 20.1 million (30 June 2023; receivable insurance settlement related to Balder, fully settled during 2023),

Trade receivables are non-interest bearing.

The short-term tax receivable represents the tax value of the estimated special tax loss for FY2023 at NOK 901 million, payable to the Company in December 2024. The tax value of the estimated special tax loss YTD is reported as a long-term receivable as this will be received by the Company in December 2025.

### Note 4 – Equity, share capital and shareholder information

|   | Ordinary shares | Total no. shares | Share capital |
|---|-----------------|------------------|---------------|
| Shares/share capital at January 1, 2024       | 1 191 672 453   | 1 191 672 453    | 11 916 725    |
| Shares/share capital capital at June 30, 2024 | 1 191 672 453   | 1 191 672 453    | 11 916 725    |

#### Shareholders as of June 30, 2024

|            |               |               |            |
|------------|---------------|---------------|------------|
| Kistos plc | 1 191 672 453 | 1 191 672 453 | 11 916 725 |
|------------|---------------|---------------|------------|

All shares have a nominal value of NOK 0.01/share. The Company does not own any treasury shares. Each share gives one vote in the Company's general meeting. There are no rights which may result in the issuing of new shares. The transfer of shares is not subject to approval by the Company.

## Note 5 – Trade and other payables

| (NOK 1 000)                                     | 30 June 2024   | 30 June 2023   | 31 December 2023 |
|---|----------------|----------------|------------------|
| Trade creditors                                 | 3 528          | 46 897         | 1 796            |
| Working capital, trade creditors, joint venture | 34 321         | 38 832         | 29 338           |
| <b>Trade payables</b>                           | <b>37 849</b>  | <b>85 729</b>  | <b>31 134</b>    |
| Working capital, accruals, joint venture        | 112 509        | 96 511         | 114 072          |
| Other short term payables                       |                | 3 673          |                  |
| Crude prepayments                               | 6 316          |                |                  |
| Overlift, joint ventures                        | 28 512         | 14 634         | 18 202           |
| Other accrued expenses                          | 77 591         | 94 047         | 16 063           |
| <b>Other current liabilities</b>                | <b>224 928</b> | <b>208 865</b> | <b>148 337</b>   |

Trade payables are non-interest bearing and normally settled within 30 days. All other payments are scheduled to be settled as they fall due.

Crude prepayments are related to the financing and lifting agreement (a produced quantity or PQ arrangement) with an international oil major commenced in January 2024. Under this arrangement, the offtaker lifts KENAS' share of crude oil when KENAS has built up sufficient entitlement to fill an offload tanker, whereas an agreed Price Quantity volume is prepaid on a monthly basis.

Other accrued expenses on June 30, 2023, are mainly related to accruals for interest costs.

The short-term interest-bearing debt relates to drawdowns under the intercompany RCF-agreement with Kistos plc (the immediate parent company). The RCF has an ultimate maturity in November 2027, but the balance of NOK 415 million held on June 30, 2024, is expected to be settled before year end (balance at June 30, 2023, settled in December 2023). The drawdowns under the RCF-agreement carry 5.5% interest.

| (NOK 1 000)                                   | 30 June 2024   | 30 June 2023   | 31 December 2023 |
|---|----------------|----------------|------------------|
| Drawdown under the RCF agreement              | 410 000        | 155 000        | -                |
| Incurred, not paid interest                   | 4 595          | 390            | -                |
| <b>Total short term interest bearing debt</b> | <b>414 595</b> | <b>155 390</b> | <b>-</b>         |

## Note 6 – Asset Retirement Obligations

| (NOK 1 000)                                    | 30 June 2024   | 30 June 2023   | 31 December 2023 |
|--|----------------|----------------|------------------|
| Total obligation at January 1                  | 846 538        | 573 408        | 573 408          |
| Effect of changes in underlying estimates      | 0              | -19 836        | 46 593           |
| Effect of changes in the discount rate         | 0              | 0              | 222 195          |
| Accretion expense                              | 14 312         | 14 160         | 28 670           |
| Effect of incurred decommissioning expenditure | 0              | -8 066         | -24 328          |
| <b>Total obligation at June 30/December 31</b> | <b>860 851</b> | <b>559 666</b> | <b>846 538</b>   |

An inflation rate of 2% and a nominal discount rate of 3.41% are applied when calculating the net present value of the abandonment retirement obligations.

Decommissioning expenses in the period amounted to NOK 15.6 million and relates to slot recovery and P&A activities not included in the estimated asset retirement obligation on January 1, 2024.

## Note 7 – Interest bearing debt and borrowings and other long-term liabilities

| (NOK 1 000)                                  | 30 June 2024     | 30 June 2023     | 31 December 2023 |
|--|------------------|------------------|------------------|
| Long term interest bearing debt - KENO01     | 1 243 550        | 1 130 979        | 1 188 229        |
| Long term interest bearing debt - KENO02     | 1 363 584        | 1 309 506        | 1 269 383        |
| Capitalized loan fees                        | -64 273          | -103 402         | -70 171          |
| <b>Total long term interest bearing debt</b> | <b>2 542 861</b> | <b>2 337 082</b> | <b>2 387 442</b> |
| Pension liability                            | 7 475            | 5 301            | 6 229            |
| Hybrid bonds, liability part                 |                  | 167 008          | 231 922          |
| <b>Other long term liabilities</b>           | <b>7 475</b>     | <b>172 309</b>   | <b>238 151</b>   |
| Hybrid bonds, liability part                 | 322 066          |                  |                  |
| <b>Short term non-interest bearing debt</b>  | <b>322 066</b>   | -                | -                |

As of June 30, 2024, the long-term interest-bearing debt consists of two senior secured bond loans, KENO01 and KENO02, both listed at Nordic ABM.

KENO01 has a coupon rate of 10.25%, payable annually in kind by issuance of new KENO01 bonds (ISIN NO0011142036). The KENO01 bonds mature in November 2027.

KENO02 has a coupon rate of 9.75%, payable quarterly, partly in cash (4.50%) and partly in kind (5.25%) by issuance of new KENO02 bonds (ISIN NO 0012867318). The KENO02 bonds mature in September 2026.

The 45 MUSD hybrid bonds (ISIN NO0012867326) are non-interest bearing and were recognized at fair value at the transaction date (March 2023). Thus, the discounted liability component of the hybrid bonds was recognized as long term debt, and the difference between nominal and fair value was classified as an equity component. If an offload and sales threshold related to the Jotun FPSO are met by December 31, 2024, all the outstanding hybrid bonds will be redeemed on January 31, 2025, at a price equal to 100 % of the nominal amount. Thus, the liability part of the hybrid bonds has been reclassified from other long-term liabilities to short-term non-interest-bearing debt at June 30, 2024.

Start-up of Jotun FPSO in the fourth quarter of 2024 remained the target at June 30, 2024. However, on August 21, 2024, the operator made a decision to postpone sail-away and delayed start-up of the Jotun FPSO into 2025. Thus, the offload and sales thresholds starting December 31, 2024, will not be met, and certain amounts of the hybrid bonds will be cancelled for nil consideration. In a situation where no crude oil has been lifted and sold from Jotun FPSO by May 31, 2025, all the outstanding hybrid bonds are cancelled for nil consideration. In this case, the bondholders in ISIN NO0012867326 are eligible to be allocated and receive certain warrants issued and delivered by Kistos Holdings plc, the ultimate parent of KENAS, pursuant to the Warrant Third Party Rights Agreement, as further described in the April 2023 Summons.

According to the relevant financial covenants in the KENO02 agreement, the Company shall maintain a minimum liquidity of USD 10 million until the Balder Future first oil date (after which there is no minimum liquidity requirement).

Kistos plc has issued a parent company guarantee (PCG) in the amount of 100 MUSD to secure the Bonds. The guaranteed amount under the PCG is adjusted down by the amount outstanding under the RCF. In the event that KENAS utilises its option to carry out a tap issue of KENO02, the amount of the PCG shall increase correspondingly.

| (NOK 1 000)  | LT interest bearing debt |                  |                  |                   | Total external debt |                  |
|--|--------------------------|------------------|------------------|-------------------|---------------------|------------------|
|  | KENO01                   | KENO02           | 30.06.2024       | Hybrid liability* | 30.06.2024          | 31.12.2023       |
| Total interest bearing debt at start of the year                                     | 1 147 525                | 1 239 917        | <b>2 387 442</b> | 231 922           | <b>2 619 364</b>    | 2 143 786        |
| New loans with cash effect   |                          |                  |                  |                   |                     | 1 290 240        |
| Derecognition/new loans without cash effect  |                          |                  |                  |                   |                     | -330 684         |
| Interest paid in kind through issuance of new bonds (new loan wo. cash effect)       |                          | 35 170           | <b>35 170</b>    |                   | <b>35 170</b>       | 173 943          |
| Down payments loans  |                          |                  |                  |                   |                     | -820 485         |
| Capitalized loan costs (with cash effect)  |                          |                  |                  |                   |                     | -41 287          |
| Amortizations (no cash effect)   | 4 279                    | 1 619            | <b>5 898</b>     | 90 144            | <b>96 042</b>       | 135 423          |
| Effects of changes in foreign currency rate through profit and loss (no cash effect) | 55 321                   | 59 031           | <b>114 352</b>   |                   | <b>114 352</b>      | 68 428           |
| <b>Total long term debt at June 30/December 31</b>                                   | <b>1 207 125</b>         | <b>1 335 737</b> | <b>2 542 861</b> | <b>322 066</b>    | <b>2 864 927</b>    | <b>2 619 363</b> |

## Note 8 – Financial items

| (NOK 1 000)                             | 6 months ended<br>30 June 2024 | 6 months ended<br>30 June 2023 | 2023            |
|---|--------------------------------|--------------------------------|-----------------|
| Interest income                         | 24 603                         | 9 065                          | 34 250          |
| <b>Total financial income</b>           | <b>24 603</b>                  | <b>9 065</b>                   | <b>34 250</b>   |
| Interest expenses                       | -134 208                       | -76 886                        | -261 350        |
| Amortised loan costs                    | -96 042                        | -36 567                        | -135 423        |
| Accretion expenses                      | -14 312                        | -14 160                        | -28 670         |
| Net other financial income / (expenses) | -1 608                         | -10 343                        | 27 164          |
| <b>Total financial expense</b>          | <b>-246 172</b>                | <b>-137 956</b>                | <b>-398 279</b> |
| Realised foreign exchange gain/(loss)   | -3 523                         | -100 751                       | -95 570         |
| Net unrealised exchange gain / (loss)   | -106 160                       | -86 459                        | 35 719          |
| <b>Net financial items</b>              | <b>-331 251</b>                | <b>-316 101</b>                | <b>-423 881</b> |

Interest income relates to interest on bank deposits and accrued interest on the FY2023 tax receivable.

Interest expenses in the 6 months ending June 30, 2024, mainly relate to paid and accrued interest on KENO01 and KENO02 bonds.

Interest on KENO01 is payable in kind by issuance of new KENO01 bonds at the interest payment date (December 15). The interest on the KENO02 bonds is payable quarterly, partly in cash and partly in kind by issuance of new KENO02 bonds on the interest payment date.

The subordinated hybrid bonds are non-interest bearing.

The net unrealized exchange loss mainly relates to revaluation of the long-term debt in USD offset by unrealized currency gains on cash deposits in other currencies than NOK.

## Note 9 – Tax

| Income taxes recognised in the income statement                          |                                 |                                 |                 |
|--|---------------------------------|---------------------------------|-----------------|
| (NOK 1 000)  | 6 months ending<br>30 June 2024 | 6 months ending<br>30 June 2023 | 2023            |
| Current tax payable /(income tax credit)                                 |                                 |                                 |                 |
| Current tax payable previous years                                       | 2 032                           | 314                             | 314             |
| Change in deferred tax   | -11 371                         | -115 364                        | -106 830        |
| <b>Total tax payable (receivable) recognised in the income statement</b> | <b>-9 339</b>                   | <b>-115 050</b>                 | <b>-106 516</b> |

| Reconciliation of income tax                               |                                 |                                 |                 |
|--|---------------------------------|---------------------------------|-----------------|
| (NOK 1 000)  | 6 months ending<br>30 June 2024 | 6 months ending<br>30 June 2023 | 2023            |
| <b>Profit / loss (-) before income tax</b>                 | <b>-287 883</b>                 | <b>-418 746</b>                 | <b>-506 187</b> |
| Expected income tax at nominal tax rate (22%)              | -63 334                         | -92 124                         | -111 361        |
| Expected petroleum tax (56%/56,004%)                       | -161 226                        | -234 514                        | -283 485        |
| <u>Tax effect of:</u>                                      |                                 |                                 |                 |
| Permanent differences                                      | 70 527                          | 65 830                          | 97 596          |
| Financial items  | 122 947                         | 146 286                         | 177 045         |
| Uplift   |                                 |                                 |                 |
| Other changes  | 21 748                          | 8 032                           | 22 249          |
| Onshore items  |                                 | -8 559                          | -8 559          |
| <b>Total income tax recognised in the income statement</b> | <b>-9 339</b>                   | <b>-115 050</b>                 | <b>-106 516</b> |

| Specification of tax effects on temporary differences, tax losses and uplift carried forward |                                    |                                 |                                 |                   |
|--|------------------------------------|---------------------------------|---------------------------------|-------------------|
| (NOK 1 000)  | Change through<br>Income Statement | 6 months ending<br>30 June 2024 | 6 months ending<br>30 June 2023 | 2023              |
| Fixed assets   | -492 171                           | -4 218 408                      | -3 075 876                      | -3 726 237        |
| Asset retirement obligations   | 11 164                             | 671 498                         | 436 562                         | 660 334           |
| Other items  | -30 313                            | -70 000                         | -36 237                         | -39 686           |
| Tax loss offshore receivable   | 406 983                            | 1 310 135                       | 1 344 523                       | 903 152           |
| Tax loss offshore receivable, adj  | 0                                  | 12 926                          |                                 | 12 926            |
| Tax losses carried forward, offshore (22%)   | 113 676                            | 436 669                         | 308 093                         | 322 993           |
| Tax losses carried forward, offshore (56%)   |                                    |                                 | 6 431                           | -                 |
| <b>Total deferred tax assets / (liabilities)</b>   | <b>9 339</b>                       | <b>-1 857 180</b>               | <b>-1 016 504</b>               | <b>-1 866 518</b> |
| Effect of offshore tax loss receivable   |                                    | -1 310 135                      | -1 350 954                      | -903 152          |
| Recognized directly in equity  |                                    |                                 |                                 |                   |
| <b>Total deferred tax assets / (liabilities) recognized</b>                                  | <b>9 339</b>                       | <b>-3 167 314</b>               | <b>-2 367 457</b>               | <b>-2 769 671</b> |

## Note 10 – Subsequent events

### Updated schedule for the Balder X project

On February 13, 2024, and August 21, 2024, Vår Energi ASA, the Operator of the Balder X project provided schedule updates for the project.

The target production start has been moved to the second quarter 2025. A key consideration for the Operator has been to limit the carryover work into the offshore installation and start-up phase as much as possible. Together with the project suppliers the Operator has made efforts to complete the final work on the Jotun FPSO at the Rosenberg yard to enable field installation before the winter weather period. However, despite recent good progress, some onshore completion and commissioning work required prior to sail-away remains. Thus, achieving first oil by end of the fourth quarter 2024 is no longer possible.

With all development wells completed and all subsea production systems installed, the plan is to complete the FPSO vessel fully onshore, enabling first oil within the second quarter next year. As part of the decision not to sail, the cost basis for the project has been updated reflecting a sail-away in the spring of 2025.

The financial support from the parent company Kistos plc, through the Revolving Credit Facility agreement (USD 100 million) is necessary to ensure sufficient liquidity to meet the increase in project capex in 2024 and 2025.

Based on the information received from the Operator, the Company will perform a detailed impairment test as per December 31, 2024. At year end the Company will have obtained a more detailed understanding in relation to key assumptions in the impairment test (such as WACC, reserves, resources, sanctioning of new projects and project economics, macro variables, etc.).

When Kistos plc acquired Mime Petroleum AS back in May 2023, a postponement of the target production start date was envisaged. Thus, in the deal structuring with the bond holders, the USD 45 million Hybrid Bonds was structured so that if 500,000 bbls (gross) is not lifted from the Jotun FPSO before May 31, 2025, then all outstanding bonds under the Hybrid Bonds agreement (ISIN NO0012867326) will be cancelled for nil consideration. In this case, the bondholders that hold Hybrid Bonds immediately prior to cancellation are eligible to be allocated and receive certain warrants issued and delivered by the ultimate parent company Kistos Holdings plc.

Per June 30, 2024, a fair value of the Hybrid Bonds equal to NOK 322 million are recorded as non-interest-bearing short-term debt in the company's accounts. Any debt forgiveness will be recorded according to the terms in the Hybrid Bond agreement, starting January 2025. It is likely that the effect of the delayed start-up of Balder Future described above will be significantly less than the positive effects of the Hybrid Bond not being paid in full.