

Interim report

First quarter 2024



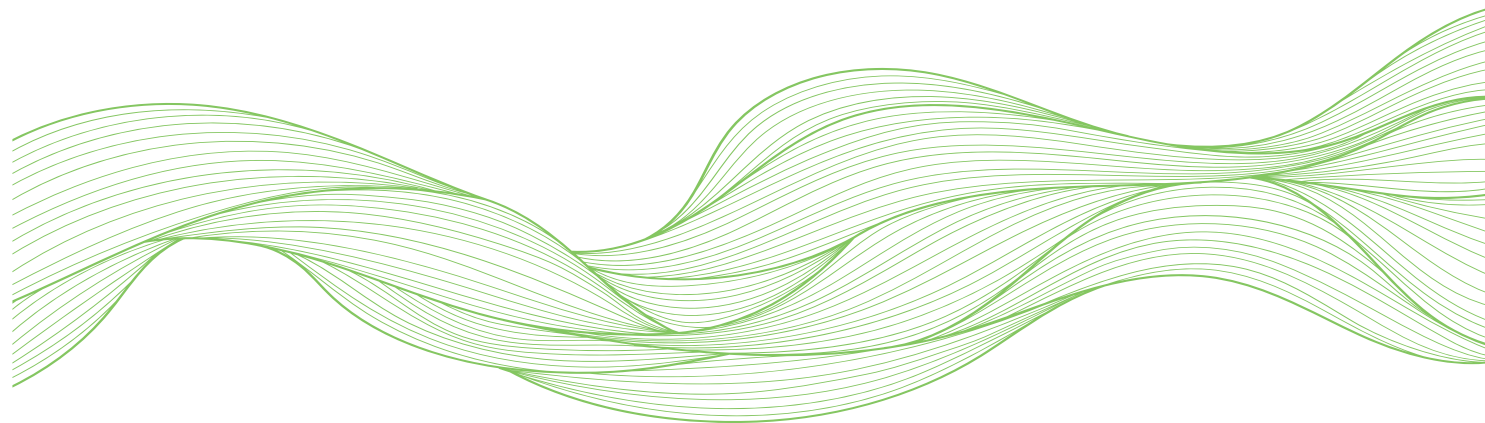
Vår Energi in brief

Vår Energi is a leading independent upstream oil and gas company on the Norwegian continental shelf (NCS). We are committed to deliver a better future through responsible value driven growth based on over 50 years of NCS operations, a robust and diversified asset portfolio with ongoing development projects, and a strong exploration track record. Our ambition is to be the safest operator on the NCS, the partner of choice, an ESG leader with a tangible plan to reduce emissions from our operations by more than 50% within 2030¹.

Vår Energi has around 1,300 employees and equity stakes in 47 producing fields. We have our headquarters outside Stavanger, Norway, with offices in Oslo, Hammerfest and Florø. To learn more, please visit varenergi.no.

Vår Energi is listed on Oslo Stock Exchange (OSE) under the ticker "VAR".

¹ Base year 2005



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Key figures first quarter 2024

Fourth quarter 2023 in brackets

Production
kboepd

299

(225)

Petroleum revenues
USD million

1 949

(1 679)

EBIT
USD million

1 054

(399)

Profit before tax
USD million

850

(460)

CFFO
USD million

1 009

(857)

Capex
USD million

694

(661)

FCF
USD million

315

(196)

NIBD/EBITDAX
x

0.7

(0.5)

First quarter 2024 highlights

Vår Energi reports record high production and strong first quarter results

Strong financial performance

- Total income in the quarter was USD 1956 million, an increase of USD 257 million from last quarter
- Achieved realised gas price of USD 67 per boe, USD 14 per boe above spot price
- Unit production cost better than guidance with USD 12 per boe in the quarter
- Solid cash flow from operations of USD 1009 million
- Vår Energi included in the Oslo Stock Exchange ESG index: OBX ESG

Continued attractive and predictable dividends

- Dividend of USD 270 million (NOK 1.192 per share) for the first quarter will be distributed 8 May
- Dividend guidance of USD 270 million for the second quarter of 2024, with a dividend distribution of approximately 30% of CFFO after tax for the full year
- Solid balance sheet following Neptune acquisition with leverage ratio of 0.7x

Good operational performance

- Production of 299 kboepd, an increase of 33% from previous quarter
- Bredablikk at plateau in first quarter
- Neptune Energy Norge acquisition closed 31 January 2024, and consolidated from 1 January 2024

Progressing towards ~400 kboepd by end-2025 and unlocking future value

- Johan Castberg and Balder X projects making progress towards completion, targeted start-up's maintained in fourth quarter 2024
- 7 of 8 sanctioned projects with start-up by end-2025 are more than 50% complete
- Discovery at Ringhorne North in the Balder Area

| KPIs (USD million unless otherwise stated) | Q1 2024 | Q4 2023 | Q1 2023 | YTD 2024 | YTD 2023 |
|--|---------|---------|---------|----------|----------|
| Actual serious injury frequency (x, 12 months rolling) | 0.1 | 0.0 | 0.0 | 0.1 | 0.0 |
| CO ₂ emissions intensity (equity share, kg/boe) | 10.0 | 11.0 | 12.3 | 10.0 | 12.0 |
| Production (kboepd) | 299 | 225 | 214 | 299 | 214 |
| Production cost (USD/boe) | 12.0 | 13.9 | 13.1 | 12.0 | 13.1 |
| Cash flow from operations before tax | 1 477 | 1 425 | 1 935 | 1 477 | 1 935 |
| Cash flow from operations (CFFO) | 1 009 | 857 | 1 358 | 1 009 | 1 358 |
| Free cash flow (FCF) | 315 | 196 | 715 | 315 | 715 |
| Dividends paid | 270 | 270 | 300 | 270 | 300 |

We are pleased to deliver a record high production of 299 thousand barrels of oil equivalent per day (kboepd) for the quarter. As one of the world's fastest growing E&Ps, our commitment to increase production to around 400 kboepd by end 2025 remains firm. Strong financial performance continues to provide attractive and predictable shareholder returns. The quarter was further characterised by good operational performance and the completion of the Neptune Energi Norge acquisition in January. We expect the two organisations to be fully integrated within the second quarter, enabling the realisation of synergies of around USD 500 million post tax over time.

Our key development projects, Johan Castberg and Balder X, continue to progress, with targeted start-up's maintained as previously communicated. Also our exploration efforts continue to generate positive results, with the discovery of Ringhorne North in the Balder Area, a potential tie-back to existing infrastructure.

The recent inclusion of Vår Energi in the Oslo Stock Exchange ESG Index is a motivating recognition and adds weight to our commitment to take a leading ESG position.*

Nick Walker, the CEO of Vår Energi

Key metrics and targets

| Income statement | Unit | Q1 2024 | Q4 2023 | Q1 2023 | YTD 2024 | YTD 2023 |
|---|-------------|---------|---------|---------|----------|----------|
| Total income | USD million | 1 956 | 1 699 | 2 094 | 1 956 | 2 094 |
| EBIT | USD million | 1 054 | 399 | 1 432 | 1 054 | 1 432 |
| Profit/(loss) before taxes | USD million | 850 | 460 | 1 276 | 850 | 1 276 |
| Net profit/(loss) | USD million | 100 | 129 | 195 | 100 | 195 |
| Earnings per share | USD | 0.04 | 0.05 | 0.08 | 0.04 | 0.08 |
| Other financial key figures | | | | | | |
| Production cost | USD/boe | 12.0 | 13.9 | 13.1 | 12.0 | 13.1 |
| Adjusted net interest-bearing debt (NIBD) | USD million | 3 901 | 2 529 | 2 372 | 3 901 | 2 372 |
| Leverage ratio (NIBD/EBITDAX) | | 0.7 | 0.5 | 0.3 | 0.7 | 0.3 |
| Dividend per share | USD | 0.11 | 0.11 | 0.12 | 0.11 | 0.12 |
| Production | | | | | | |
| Total production | kboepd | 299 | 225 | 214 | 299 | 214 |
| - Oil | kboepd | 169 | 138 | 119 | 169 | 119 |
| - Gas | kboepd | 111 | 74 | 82 | 111 | 82 |
| - NGL | kboepd | 19 | 13 | 13 | 19 | 13 |
| Sales | | | | | | |
| Crude oil | mmboe | 14.5 | 12.7 | 10.5 | 14.5 | 10.5 |
| Gas | mmboe | 9.2 | 6.1 | 6.6 | 9.2 | 6.6 |
| NGL | mmboe | 2.2 | 1.2 | 0.9 | 2.2 | 0.9 |
| Realised prices | | | | | | |
| Crude oil | USD/boe | 84.2 | 84.8 | 83.6 | 84.2 | 83.6 |
| Gas | USD/boe | 66.6 | 89.5 | 175.5 | 66.6 | 175.5 |
| NGL | USD/boe | 50.9 | 46.9 | 54.1 | 50.9 | 54.1 |

Targets and outlook

2024 guidance (USD million unless otherwise stated)

| | | |
|--|---------|-------------|
| Full Year Production | kboepd | 280-300 |
| Production cost | USD/boe | 13.5-14.5 |
| Development capex | | 2 700-2 900 |
| Exploration capex | | ~300 |
| Abandonment capex | | ~100 |
| Dividends for Q1 2024 to be distributed in May | | 270 |
| Dividend guidance for Q2 payable in Q3 2024 | | 270 |
| Q2 2024 tax payment estimate ¹ | | ~1000 |

Long-term financial and operational targets

| | | |
|---------------------------------------|--------------|---------|
| End-2025 production target | kboepd | ~400 |
| 2025-2030 production target | kboepd | 350-400 |
| End-2025 production cost ² | USD/boe | ~10 |
| Leverage through the cycle | NIBD/EBITDAX | < 1.3x |

¹ Assumed NOK/USD 10.5

² Equivalent to previous guidance of USD 8 per boe, inflation-adjusted on Rustad NCS Price Index

Acquisition of Neptune Energy's Norwegian oil and gas assets

On 31 of January Vår Energi ASA completed the acquisition of Neptune Energy Norge AS with 100% of the shares in Neptune Energy Norge transferred to Vår Energi. The combined company is the second largest independent E&P company on the Norwegian Continental Shelf (NCS) and the second largest supplier of gas from Norway to Europe. The transaction adds scale, diversification, and further longevity to Vår Energi's portfolio, which is targeting production of around 400 kboepd by end-2025.

Vår Energi's growth strategy is centered around four hub areas with ownership in a total of around 200 NCS licenses, including 47 producing fields, of which 7 are operated, following the transaction. Total combined Proved plus Probable (2P) reserves and Contingent Resources (2C)¹ are approximately 2 billion barrels of oil equivalent. The Company has an attractive early phase project portfolio and exploration opportunities supporting sustained value creation long term.

The transaction is expected to result in significant synergies of approximately USD 500 million (NPV) post tax over time, from a robust development and exploration portfolio, improved asset utilisation and commercial optimisation of gas sales. A highly competent and dedicated team of 1,300 employees will deliver on the growth strategy, supported by

strong safety performance and a clear path for decarbonisation of operations, to drive long-term competitiveness and profitability. The transaction was financed through available liquidity and credit facilities, and the net cash consideration paid upon completion net cash acquired was approximately USD 1.3 billion².

Following completion Neptune Energy Norge changed its name to Vår Energi Norge AS ("VENAS") and operates as a subsidiary of Vår Energi ASA. A joint plan for the merger of the two companies were announced in mid-March and the merger is expected to take effect around end of the second quarter of 2024.

A new organisation for the combined company has been established. The organisational go live date is 1 May 2024.

Vår Energi has decided to use 1 January 2024 for accounting purposes. A full quarter of production and financials from Vår Energi Norge is reflected in the interim first quarter report.

¹ As per Annual Statement of reserves 2023, 2P Reserves of 1 241 mmboe and 2C resources of 745 mmboe

² Based on completion 1 January 2024 for accounting purposes.



- 12 producing assets, of which 3 operated, located in Vår Energi's strategic hub areas
- 7 operated by Equinor, Vår Energi's largest NCS partner
- 2P reserves of 256 mmboe (end-2023)
- Daily production of 66 kboepd 2023, of which 58% gas
- Attractive commodity mix and strategic ownership in Snøhvit LNG - amplifying the position in the Barents Sea
- Strong hub strategy alignment
- Attractive pipeline of early phase projects, including Dugong, Fram Sør, Ofelia and Calypso

Operational review

Vår Energi's net production of oil, liquids and natural gas averaged 299 kboepd in the first quarter of 2024, an increase of 33% from previous quarter mainly due inclusion of production from Vår Energi Norge's assets and a full quarter of production from Breidablick development. Compared to the first quarter of 2023, production increased by around 40%.

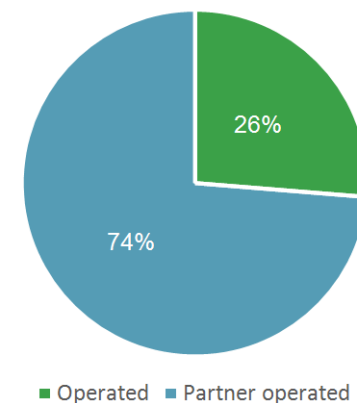
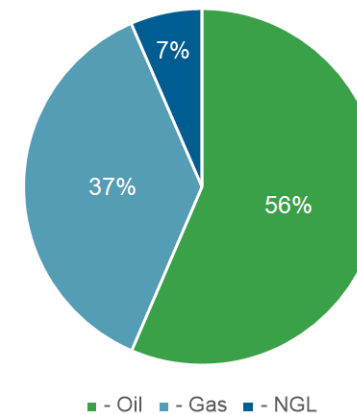
The Company's production guidance for 2024 is from 280 to 300 kboepd. A full quarter of production from Vår Energi Norge's assets are reflected in the quarterly reporting.

Total production cost was USD 12.0 per boe in the first quarter of 2024 compared to USD 13.9 per boe in the previous quarter. The decrease is mainly due to increased production.

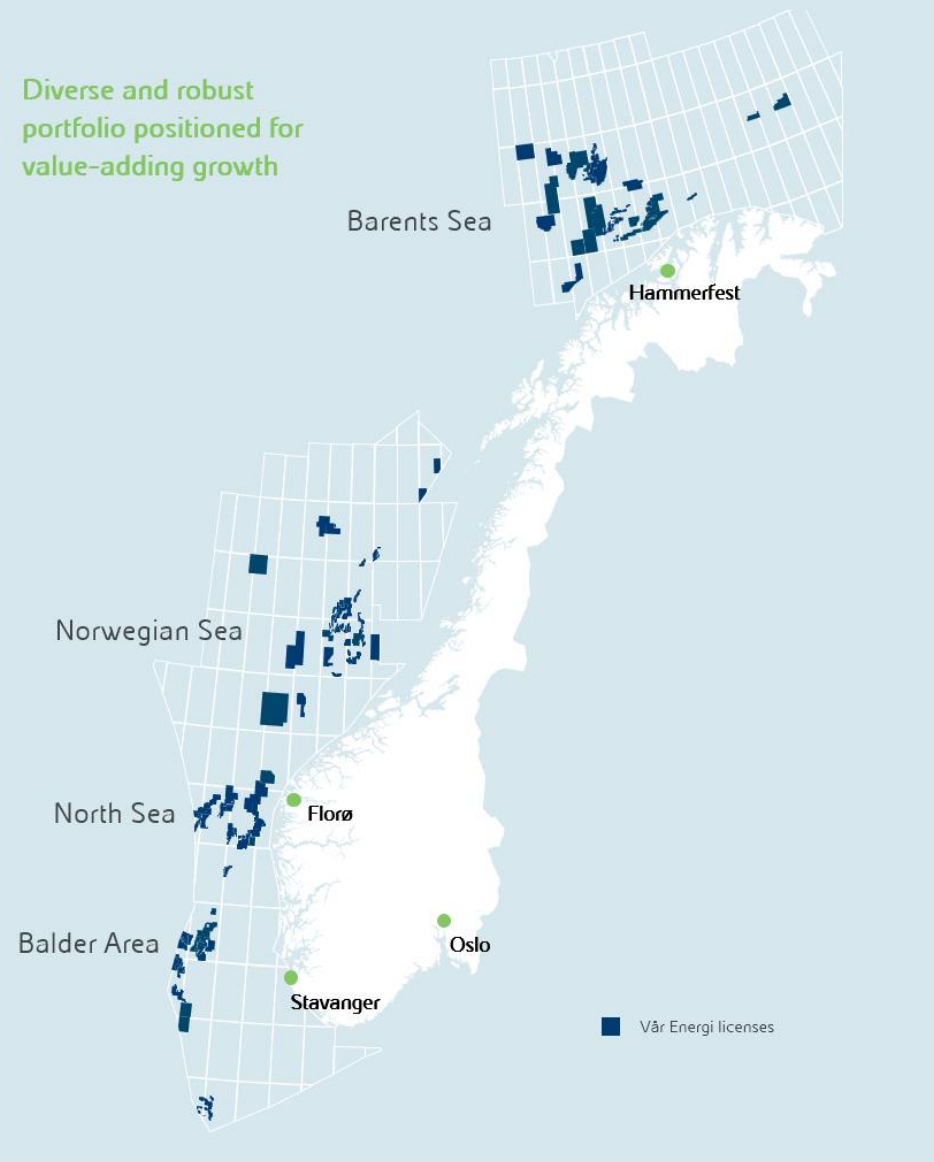
For the full year of 2024 the Company maintains the production cost guidance of USD 13.5 to 14.5 per boe.

| Production (kboepd) | Q1 2024 | Q4 2023 | Q1 2023 | YTD 2024 | YTD 2023 |
|-------------------------|------------|------------|------------|------------|------------|
| Balder Area | 54 | 43 | 28 | 54 | 28 |
| Barents Sea | 31 | 13 | 18 | 31 | 18 |
| North Sea | 109 | 74 | 83 | 109 | 83 |
| Norwegian Sea | 105 | 95 | 85 | 105 | 85 |
| Total Production | 299 | 225 | 214 | 299 | 214 |

Production split Q1 2024



Diverse and robust portfolio positioned for value-adding growth



As part of Vår Energi's hub strategy, the Company identifies strategic focus areas that provide a framework for evaluating exploration and development opportunities, maximising the use of existing infrastructure and optimising value creation throughout the asset portfolio.

Balder Area

| Production (kboepd) | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 | Q1 2023 |
|--------------------------|-----------|-----------|-----------|-----------|-----------|
| Balder/Ringhorne | 25 | 27 | 20 | 16 | 16 |
| Grane/Svalin | 9 | 8 | 11 | 12 | 13 |
| Breidablikk | 20 | 9 | - | - | - |
| Total Balder Area | 54 | 43 | 31 | 27 | 28 |

The Balder Area has a material increase in production with a full quarter production from the Breidablikk field.

A new Ringhorne well was brought on stream in February. The Balder field production efficiency was 96% in the first quarter, down from 98% in the fourth quarter of 2023.

Following the successful start-up of Breidablikk in October last year, the field produced from all 8 initial wells through the first quarter 2024, providing a material increase from the prior quarter. The forward plan is to drill 14 additional wells over the next few years. Drilling on Breidablikk re-commenced with the ninth well in March, expected to be on stream in May, ahead of plan.

Barents Sea

| Production (kboepd) | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 | Q1 2023 |
|--------------------------|-----------|-----------|-----------|-----------|-----------|
| Goliat | 14 | 13 | 17 | 18 | 18 |
| Snøhvit | 17 | - | - | - | - |
| Total Barents Sea | 31 | 13 | 17 | 18 | 18 |

Production from the Barents Sea Area increased by 18 kboepd in the quarter. The increase was driven by the inclusion of Vår Energi Norge asset Snøhvit, and recovery from an unplanned production outage on Goliat in December.

Production efficiency on Goliat was 94% in the first quarter of 2024, affected by adverse weather conditions and simultaneous operations relating to drilling activities. The production efficiency increased from 82% in the fourth quarter 2023.

Drilling operations for a new infill oil producer at Goliat commenced during the quarter and production is expected to commence in the second quarter 2024. Following completion of the infill well, the rig will drill the high impact exploration well "Venus", west of Johan Castberg.

Goliat will see a scheduled production outage of 10 days during second quarter of 2024, due to subsea maintenance activities.

Vår Energi continues to pursue the opportunities for further growth and value creation in the Barents Sea region and has contracted a drilling rig for a two-year drilling program in cooperation with Equinor, commencing in the second half of 2024.

North Sea

| Production (kboepd) | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 | Q1 2023 |
|------------------------|------------|-----------|-----------|-----------|-----------|
| Ekofisk Area | 19 | 19 | 18 | 19 | 20 |
| Snorre | 17 | 18 | 18 | 17 | 19 |
| Gjøa Area | 21 | - | - | - | - |
| Gudrun | 10 | - | - | - | - |
| Statfjord Area | 12 | 11 | 11 | 9 | 13 |
| Fram | 17 | 7 | 7 | 11 | 12 |
| Sleipner Area | 8 | 10 | 7 | 10 | 10 |
| Other | 6 | 10 | 10 | 8 | 9 |
| Total North Sea | 109 | 74 | 71 | 73 | 83 |

Production from the North Sea area increased by 36 kboepd in the quarter. The increase was mainly driven by the inclusion of Vår Energi Norge assets Gjøa, Duva, Vega, Gudrun and increased working interest in the Fram field. The Fram production increased versus the fourth quarter of 2023 is due to absence of Troll C turnaround and start-up of a new Fram infill well. The Statfjord East gas lift project started up with additional two wells in the first quarter of 2024.

Gjøa production efficiency was 91% in the first quarter of 2024, down from 94% in the previous quarter, mainly due to planned maintenance and well outages.

In the second quarter of 2024, production from the Eldfisk North subsea development is expected to start-up, and planned maintenance turnarounds, with duration of approximately one month, at Snorre A and Statfjord A will impact production.

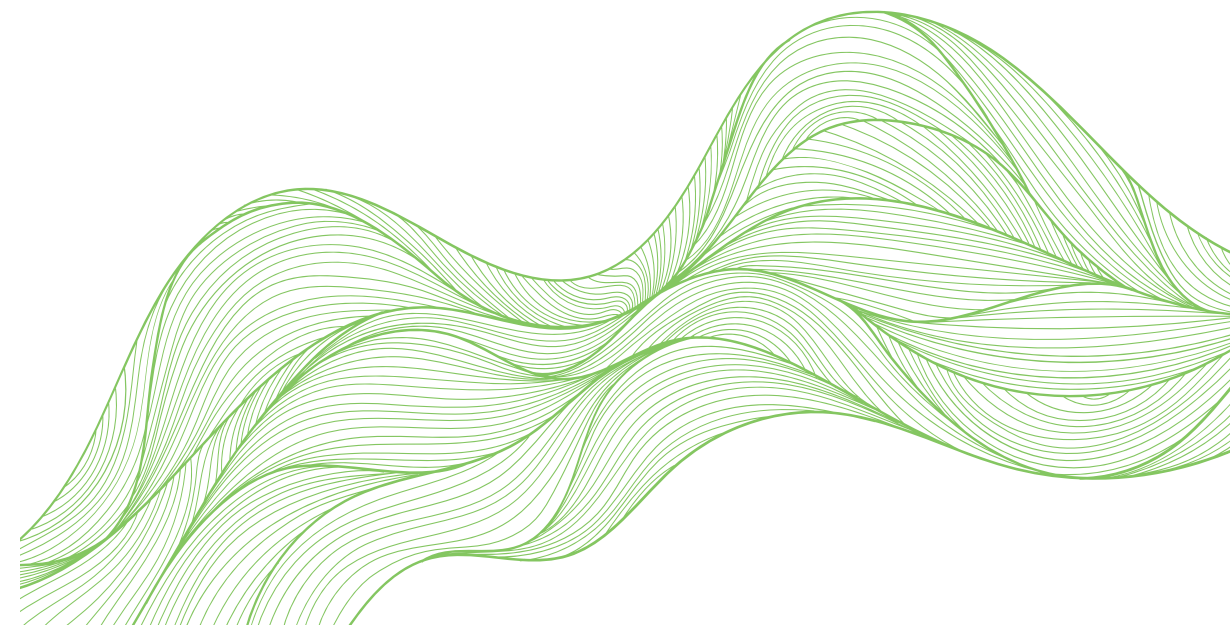
Norwegian Sea

| Production (kboepd) | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 | Q1 2023 |
|----------------------------|------------|-----------|-----------|-----------|-----------|
| Åsgard area | 35 | 37 | 34 | 37 | 36 |
| Mikkel | 11 | 11 | 12 | 13 | 14 |
| Tyrihans | 14 | 14 | 14 | 14 | 13 |
| Ormen Lange | 9 | 9 | 7 | 5 | 11 |
| Fenja | 18 | 13 | 10 | 5 | - |
| Njord Area | 8 | 3 | 4 | 3 | - |
| Norne Area | 3 | 3 | 3 | 2 | 5 |
| Other | 6 | 6 | 6 | 7 | 7 |
| Total Norwegian Sea | 105 | 95 | 90 | 84 | 85 |

Production from the Norwegian Sea increased by 10 kboepd from the previous quarter mainly related to inclusion of the Vår Energi Norge portfolio.

During the quarter there was an unplanned shutdown at Njord due to a compressor failure resulting in lower production, which is now resolved. The issue at Njord also affected production on Hyme, Bauge and Fenja.

In the second quarter of 2024 there are no planned turnarounds significantly impacting the Norwegian Sea production.



Projects and developments

Vår Energi participates in several significant development projects on the NCS which supports the Company's target of producing around 400 kboepd by end-2025. The Company's project portfolio is well advanced with larger developments of Balder X and Johan Castberg targeting first oil in the fourth quarter of 2024. Of the ten sanctioned projects in the portfolio seven projects are now more than 50% complete.

Balder X

The Balder X project is progressing with high activities on the upgrading of the FPSO¹ at the Rosenberg yard in Norway, offshore installation campaigns and drilling operations with the West Phoenix rig.

Actions taken on the FPSO over recent months to increase both construction volume and commissioning work have yielded results. The Jotun FPSO is around 95% complete, slightly behind the revised schedule and completion of the project is in sight. The key is to complete the remaining construction work in the right sequence to allow commissioning to progress.

A majority of the subsea equipment is installed and 11 wells out of 14 producers are successfully completed. Both drilling and subsea activities are progressing according to schedule.

The Balder X targeted start-up is in fourth quarter 2024, based on completion of the work and inshore sail away in August 2024. However, risk remains if weather conditions will not allow offshore installation activities in the autumn of 2024, in this scenario the worst-case start-up is end second quarter 2025.

Johan Castberg

The development is progressing according to scheduled start-up in the fourth quarter 2024. The FPSO is currently at the Stord yard in Norway, where completion and commissioning activities of the FPSO are progressing with a high activity level. Preparations for the inshore test phase prior to sail away during summer 2024, offshore installation and hook-up phase is ongoing. All subsea installations are complete, and 12 of the 15 development wells planned for start-up have been drilled and completed.

¹ Floating Production Storage and Offloading vessel



Exploration

During the first quarter, Vår Energi made a discovery in the Ringhorne North well, located in the Balder Area in PL 956, and 8 km from the Ringhorne platform. The preliminary assessment of the discovery is in the range of 13-23 mmboe gross recoverable resources.

The Vår Energi operated Cerisa well, in PL 636, was spudded at the end of the quarter and the operations are still ongoing.

The operated activity in the Balder Area that started in late 2023, with the drilling of Hubert and Magellan wells, completed in early 2024 and both wells were dry.

The Company is increasing exploration activity in 2024 from 2023, with involvement in 16 planned wells, of which eight are operated by Vår Energi. The 2024 exploration programme is targeting over 150 mmboe of net risked prospective resources and with estimated annual spend of approximately USD 300 million.



Health, safety, security and the environment (HSSE)

| Key HSSE indicators | Unit | Q1 2024 | Q4 2023 | Q3 2023 | Q2 2023 | Q1 2023 |
|---|-------------------------|---------|---------|---------|---------|---------|
| Serious incident frequency (SIF Actual) ¹ 12M rolling avg | Per mill. exp. Hours | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Serious incident frequency (SIF) ¹ 12M rolling avg | Per mill. exp. Hours | 0.5 | 0.4 | 0.5 | 0.6 | 0.5 |
| Total recordable injury frequency (TRIF) ² 12M rolling avg | Per mill. exp. Hours | 1.9 | 1.9 | 1.9 | 2.8 | 3.8 |
| Significant spill | Count | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Process safety events Tier 1 and 2 ³ | Count | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CO ₂ emissions intensity (equity share) ^{4,5} | Kg CO ₂ /boe | 10.0 | 11.0 | 12.3 | 12.6 | 12.3 |

Vår Energi's commitment to safety, and to continue the positive development on safety performance, remains strong. The company continues to implement the safety tools and improvement initiatives proven to work in 2023, in close collaboration with our partners and contractors. In the first quarter, however, the Company experienced one actual and one potential serious incident. The actual serious incident was related to the icy conditions where one person unfortunately

fractured a shoulder. The Company extracts all possible learnings from such incidents to make sure to avoid similar events in the future.

The CO₂ intensity KPI for 2024 has been changed from operational control to equity share to be more in line with the expectations in the upcoming European Sustainability Reporting Standard (ESRS).

¹ SIF: Serious incident and near-misses per million worked hours. Includes actual and potential consequence. SIF Actual: incidents that have an actual serious consequence. VENAS included from 1 January 2024.

² TRIF: Personal injuries requiring medical treatment per million worked hours. Reporting boundaries SIF & TRIF: Health and safety incident data is reported for company sites as well as contracted. VENAS included from 1 January 2024.

drilling rigs, floatels, vessels, projects and modifications, and transportation of personnel, using a risk-based approach.

³ Classified according to IOGP RP 456.

⁴ Direct Scope 1 emissions of CO₂ (kg equity based (net equity share) of company portfolio Kilograms (kg) of CO₂ per produced barrel of oil equivalent. VENAS included from 1 January 2024.

⁵ Emission numbers are preliminary until the EU ETS verification is completed by end of the first quarter 2025.





ESG and decarbonisation

Vår Energi has a clear path to more than 50% emissions reduction equity share by 2030 for scope 1¹. The three main levers to achieve this are: electrification, portfolio optimisation and energy management.

By 2030 around 70% of net production will be electrified with power from shore, up from the current level of around 35%, with Goliat, Gjøa, Ormen Lange, Gudrun and Sleipner already electrified, Njord and Snøhvit projects ongoing and Balder/Grane, Halten and Snorre full electrification being planned. The Sleipner field centre, along with the Gudrun platform, started receiving power from shore in March 2024.

Sustainability reporting throughout 2023 has given good results. Sustainalytics ranked Vår Energi 12th of 307 rated oil and gas producers. In January 2024, Vår Energi was recognised as one out of 19 companies within the industry on the Sustainalytics ESG Industry Top-Rated Companies. The CDP rating received in March for 2023 was scored B, in line with previous rating.

In March Vår Energi was included in the Oslo Stock exchange ESG index as the only Oil and Gas company. In the quarter Vår Energi signed the Oil and Gas Decarbonisation Charter (OGDC), an outcome from the COP28 action agenda to accelerate the decarbonisation of the global oil and gas sector.

The first quarter scope 1 net equity CO₂ emissions intensity was 10.0kg CO₂ per boe, versus 11.0 kg CO₂ per boe in the fourth quarter 2023.

For the first quarter of 2024 the methane emission intensity for Vår Energi is 0.02%, well below the Near Zero levels². Vår Energi became a member of Oil & Gas Methane Partnership (OGMP) in April 2024. OGMP 2.0 is the only comprehensive, measurement-based reporting framework for the industry that improves the accuracy and transparency of methane emissions reporting.

¹ Baseline year 2005

² Near zero below 0.20% as per OGCI definition

Financial review

Key figures

| Key figures (USD million) | Q1 2024 | Q4 2023 | Q1 2023 | YTD 2024 | YTD 2023 |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total income | 1 956 | 1 699 | 2 094 | 1 956 | 2 094 |
| Production costs | (382) | (306) | (252) | (382) | (252) |
| Other operating expenses | 16 | (50) | (47) | 16 | (47) |
| EBITDAX | 1 589 | 1 343 | 1 794 | 1 589 | 1 794 |
| Exploration expenses | (33) | (11) | (22) | (33) | (22) |
| EBITDA | 1 556 | 1 332 | 1 773 | 1 556 | 1 773 |
| Depreciation and amortisation | (503) | (406) | (340) | (503) | (340) |
| Impairment loss and reversals | - | (526) | - | - | - |
| Net financial income/(expenses) | (19) | (25) | (30) | (19) | (30) |
| Net exchange rate gain/(loss) | (185) | 86 | (127) | (185) | (127) |
| Profit/(loss) before taxes | 850 | 460 | 1 276 | 850 | 1 276 |
| Income tax (expense)/income | (750) | (331) | (1 081) | (750) | (1 081) |
| Profit/(loss) for the period | 100 | 129 | 195 | 100 | 195 |

Total income in the first quarter amounted to USD 1 956 million, an increase of USD 257 million compared to previous quarter mainly due to inclusion of Vår Energi Norge and higher sales volumes, partly offset by lower gas prices. Sold volumes increased by 29% to 25.9 mmboc in the quarter. Realised crude price decreased by 1% in the quarter to USD 84.2 per boc while realised gas price decreased by 26% in the quarter to USD 66.6 per boc.

Production cost in the first quarter amounted to USD 382 million, an increase of USD 75 million compared to the previous quarter mainly

driven by inclusion of Vår Energi Norge and changes in over/underlift, partly offset by reduced cost across the portfolio.

The average production cost per barrel produced decreased to USD 12.0 per boc in the quarter, compared to USD 13.9 per boc in previous quarter mainly driven by inclusion of Vår Energi Norge and higher production in the quarter.

Other operating expenses in the first quarter decreased by USD 65 million compared to the previous quarter mainly due to updated

estimate for a contingent consideration to ExxonMobil related to the Forseti structure.

Exploration expenses in the first quarter increased to USD 33 million compared to USD 11 million in prior quarter.

Depreciation and amortisation in the first quarter amounted to USD 503 million, an increase of USD 97 million compared to the previous quarter. The change is mainly related to inclusion of Vår Energi Norge.

Net exchange rate loss in the first quarter amounted to USD 185 million due to the weakening of NOK versus USD in the period.

Profit before taxes in the first quarter amounted to USD 850 million compared to USD 460 million in the prior quarter. Income tax expense in the first quarter amounted to USD 750 million, an increase of USD 419 million compared to the previous quarter. The effective tax rate for the quarter was 88%, mainly impacted by the exchange rate loss taxed at 22%.

Profit for the period amounted to USD 100 million, a decrease of USD 29 million compared to the previous quarter, mainly due to the exchange rate loss and related tax effect, partly offset by absence of impairment and inclusion of Vår Energi Norge.

Revenues and prices

| Total income (USD million) | Q1 2024 | Q4 2023 | Q1 2023 | YTD 2024 | YTD 2023 |
|-----------------------------------|----------------|----------------|----------------|-----------------|-----------------|
| Revenue from crude oil sales | 1 222 | 1 078 | 881 | 1 222 | 881 |
| Revenue from gas sales | 611 | 543 | 1 161 | 611 | 1 161 |
| Revenue from NGL sales | 110 | 58 | 47 | 110 | 47 |
| Hedge | 5 | - | - | 5 | - |
| Total Petroleum Revenues | 1 949 | 1 679 | 2 089 | 1 949 | 2 089 |
| Other Operating Income | 7 | 20 | 4 | 7 | 4 |
| Total Income | 1 956 | 1 699 | 2 094 | 1 956 | 2 094 |
| Sales volumes (mboe) | | | | | |
| Sales of crude | 14.5 | 12.7 | 10.5 | 14.5 | 10.5 |
| Sales of gas | 9.2 | 6.1 | 6.6 | 9.2 | 6.6 |
| Sales of NGL | 2.2 | 1.2 | 0.9 | 2.2 | 0.9 |
| Total Sales Volumes | 25.9 | 20.0 | 18.0 | 25.9 | 18.0 |
| Realised prices (USD/boe) | | | | | |
| Crude oil | 84.2 | 84.8 | 83.6 | 84.2 | 83.6 |
| Gas | 66.6 | 89.5 | 175.5 | 66.6 | 175.5 |
| NGL | 50.9 | 46.9 | 54.1 | 50.9 | 54.1 |
| Average realised prices | 75.4 | 83.9 | 115.9 | 75.4 | 115.9 |

Vår Energi obtained an average realised price of USD 75.4 per boe in the quarter. The realised gas price of USD 66.6 per boe was a result of fixed price contracts and flexible gas sales agreements, allowing for optimisation of indices. In the first quarter, fixed price sales represented 16% of total gas sales with an average price of USD 134 per boe. Vår Energi's realised gas price in first quarter is about USD 14 per boe above spot prices.

Vår Energi continue to execute fixed price transactions. As of 31 March 2024, the Company has entered into the following transactions:

- Approximately 16% of the gas production for the second quarter of 2024 has been sold on a fixed price basis at an average price around USD 131 per boe.
- Approximately 18% of the gas production for the third quarter of 2024 has been sold on a fixed price basis at an average price around USD 133 per boe.
- For the fourth quarter of 2024, Vår Energi has sold approximately 4% of its estimated gas production with pricing linked to the Gas Year Ahead product with a pricing period from 1 October 2023 to 30 September 2024. At the time of nomination (September 2023), it was assessed that the price for the gas year ahead product was undervalued by the market, and it was decided to limit the exposure to gas year ahead product to 4%.

At the end of the first quarter, Vår Energi has hedged approximately 100% of the post-tax crude oil production until the first quarter of 2025, with put options at a strike price of USD 50 per boe.

Consolidated statement of financial position

| USD million | 31 Mar 2024 | 31 Dec 2023 | 31 Mar 2023 |
|--|---------------|---------------|---------------|
| Goodwill | 3 282 | 1 958 | 1 900 |
| Property, plant and equipment | 16 320 | 15 237 | 14 111 |
| Other non-current assets | 620 | 435 | 468 |
| Cash and cash equivalents | 722 | 735 | 769 |
| Other current assets | 1 188 | 924 | 1 011 |
| Total assets | 22 132 | 19 289 | 18 258 |
| Equity | 1 473 | 1 768 | 1 289 |
| Interest-bearing loans and borrowings | 4 524 | 3 147 | 2 956 |
| Deferred tax liabilities | 9 890 | 8 943 | 7 975 |
| Asset retirement obligations | 3 335 | 3 295 | 3 129 |
| Taxes payable | 1 606 | 964 | 1 846 |
| Other liabilities | 1 303 | 1 172 | 1 062 |
| Total equity and liabilities | 22 132 | 19 289 | 18 258 |
| Cash and cash equivalents | 722 | 735 | 769 |
| Revolving credit facilities | 1 600 | 3 000 | 3 000 |
| Total available liquidity | 2 322 | 3 735 | 3 769 |
| Adjusted net interest-bearing debt (NIBD) | 3 901 | 2 529 | 2 372 |
| EBITDAX 4 quarters rolling | 5 347 | 5 552 | 8 149 |
| Leverage ratio (NIBD/EBITDAX) | 0.7 | 0.5 | 0.3 |

Total assets at the end of the first quarter amounted to USD 22 132 million, an increase from USD 19 289 million at the end of the previous quarter. Non-current assets were USD 20 222 million and current assets were USD 1 910 million at the end of the first quarter.

Total equity amounted to USD 1 473 million at the end of the first quarter, corresponding to an equity ratio of about 7%. Total equity amounted to USD 1 768 million in the previous quarter.

Total available liquidity amounted to USD 2 322 million at the end of the first quarter, compared to USD 3 735 million at the end of the previous quarter. Undrawn credit facilities at the end of the first quarter were USD 1 600 million and total cash and cash equivalents were USD 722 million.

Adjusted interest-bearing debt (NIBD) at end of the first quarter was USD 3 901 million, an increase of USD 1 372 million from the previous quarter mainly related to the payment of the consideration of Vår Energi Norge at the end of January.

The Company maintains a strong financial position with a leverage ratio (NIBD/EBITDAX) of 0.7x at the end of the first quarter, an increase compared to the end of the previous quarter.

Consolidated statement of cash flow

| USD million | Q1 2024 | Q4 2023 | Q1 2023 | YTD 2024 | YTD 2023 |
|--|--------------|------------|--------------|--------------|--------------|
| Cash flow from operating activities | 1 009 | 857 | 1 358 | 1 009 | 1 358 |
| Cash flow used in investing activities | (2 038) | (670) | (650) | (2 038) | (650) |
| Cash flow from financing activities | 1 034 | (71) | (348) | 1 034 | (348) |
| Effect of exchange rate fluctuation | (18) | 23 | (36) | (18) | (36) |
| Change in cash and cash equivalents | (13) | 140 | 324 | (13) | 324 |
| Cash and cash equivalents, end of period | 722 | 735 | 769 | 722 | 769 |
| Net cash flows from operating activities (CFFO) | 1 009 | 857 | 1 358 | 1 009 | 1 358 |
| CAPEX | 694 | 661 | 642 | 694 | 642 |
| Free cash flow | 315 | 196 | 715 | 315 | 715 |
| Capex coverage (CFFO)/Capex | 1.5 | 1.3 | 2.1 | 1.5 | 2.1 |

Cash flow from operating activities (CFFO) was USD 1 009 million in the first quarter, an increase of USD 152 million from the previous quarter. This was mainly due to increased revenue and one tax instalment paid in the first quarter.

Net cash used in investing activities was USD 2 038 million in the quarter, whereof USD 1 331 million (restated as at 1 January 2024) was related to the acquisition of Neptune Energy Norge AS and USD 644 million was related to PP&E expenditures. Investments in the Balder Area and at Johan Castberg represented around 62% of these expenditures.

Net cash inflow from financing activities amounted to USD 1 034 million in the quarter. Cash inflow in the first quarter consisted of drawdowns on the working capital revolving credit facility offset by interest and dividend paid.

Free cash flow (FCF) was USD 315 million in the quarter, compared to USD 196 million in the previous quarter. The increase is mainly driven by higher cash flow from operations in the first quarter.

The capex coverage was 1.5 in the first quarter, up from 1.3 in the previous quarter.

Outlook

Vår Energi has an ambition to deliver value-driven growth to support attractive and resilient long-term dividend distributions.

The Company's production guidance for 2024 is 280-300 kboepd.

For 2024, the Company expects development capex between USD 2 700 and 2 900 million, around USD 300 million in exploration capex and around USD 100 million in abandonment capex.

Production cost is expected to be between USD 13.5 and 14.5 per boe.

Vår Energi's material cash flow generation and investment grade balance sheet support attractive and resilient dividend distributions. For the second quarter of 2024, Vår Energi plans to pay a dividend of USD 270 million.

Vår Energi's policy is to distribute 20-30% of cash flow from operations after tax in shareholder returns. For 2024, the Company expects a total dividend of approximately 30% of CFFO after tax.

To ensure continuous access to capital at competitive cost, retaining investment grade credit ratings is a priority for Vår Energi. As such, the Company targets a NIBD/EBITDAX of below 1.3x through the cycle.

Transactions with related parties

For details on transactions with related parties, see note 24 in the Financial Statements.

Subsequent events

See note 26 in the Financial Statements.

Risks and uncertainties

Vår Energi is exposed to a variety of risks associated with its oil and gas operations on the Norwegian Continental Shelf (NCS). Factors such as exploration, reserve and resource estimates, as well as projections for capital and operating costs, are subject to inherent uncertainties.

Additionally, the production performance of operated and partner operated oil and gas fields exhibit variability over time and is also affected by planned and unplanned maintenance and turnaround activities.

A high activity level on the NCS and ripple-effect after the Covid-19 pandemic compounds resource availability challenges. These external factors may influence the planned progress and costs of Vår Energi's ongoing development projects, which encompass advanced engineering work, extensive procurement activities, and complex construction endeavors.

To reduce inflation, central banks worldwide have implemented tight monetary policies, impacting economic growth. This, in turn, has implications for market and financial risks, encompassing fluctuations in

commodity prices, exchange rates, interest rates, and capital requirements.

Increasing geopolitical tensions have introduced an elevated level of uncertainty into the energy landscape, affecting supply chains and contributing to global economic volatility. Sudden geopolitical developments can influence energy markets, potentially impacting regulatory environments, trade agreements, and geopolitical stability in regions critical to Vår Energi's operations. These uncertainties may impact the predictability of market conditions, affecting both short-term decision-making and long-term strategic planning.

Climate change mitigation is impacting our operations and business with the introduction of new regulations and taxes on CO2 emissions aiming to impact the demand for regular fossil fuels. Additionally, the cost of capital may increase as investors modify their behavior in response to these transformative trends. The company is managing the climate related transition risks by making its business strategies more resilient.

The Company's operational, financial, strategic, compliance risks and the mitigation of these risks are described in the annual report for 2023, available on www.varenergi.no.

Alternative performance measures (APMs)

In this interim report, in order to enhance the understanding of the Group's performance and liquidity, Vår Energi presents certain alternative performance measures ("APMs") as defined by the European Securities and Markets Authority ("ESMA") in the ESMA Guidelines on Alternative Performance Measures 2015/1057.

Vår Energi presents the APMs: Capex, Capex Coverage, EBITDAX, EBITDAX Margin, Free Cash Flow, NIBD, Adjusted NIBD, NIBD/EBITDAX Ratio, Adjusted NIBD/EBITDAX Ratio, TIBD/EBITDAX Ratio and Adjusted TIBD/EBITDAX Ratio.

The APMs are not measurements of performance under IFRS ("GAAP") and should not be considered to be an alternative to: (a) operating revenues or operating profit (as determined in accordance with GAAP), as a measure of Vår Energi's operating performance; or (b) any other measures of performance under GAAP. The APM presented herein may not be indicative of Vår Energi's historical operating results, nor is such measure meant to be predictive of the Group's future results.

Vår Energi believes that the APMs described herein are commonly reported by companies in the markets in which it competes and are widely used in comparing and analysing performance across companies within its industry.

The APMs used by Vår Energi are set out below (presented in alphabetical order):

- "Capex" is defined by Vår Energi as expenditures on property, plant and equipment (PP&E) and expenditures on exploration and evaluation assets as presented in the cash flow statements within cash flow from investing activities.
- "Capex Coverage" is defined by Vår Energi as cash flow from operating activities as presented in the cash flow statements ("CFFO"), as a ratio to Capex.
- "EBITDAX" is defined by Vår Energi as profit/(loss) for the period before income tax (expense)/income, net financial items, net exchange rate gain/(loss), depreciation and amortisation, impairments and exploration expenses.
- "EBITDAX margin" is defined by Vår Energi as EBITDAX and EBITDA as a percentage of total income, respectively.

- "Free cash flow" ("FCF") is defined by Vår Energi as CFFO less CAPEX.
- "Net interest-bearing debt" or "NIBD" is defined by Vår Energi as interest-bearing loans and borrowings and lease liabilities ("Total interest-bearing debt" or "TIBD") less cash and cash equivalents.
- "Adjusted net interest-bearing debt" or "Adjusted NIBD" is defined by Vår Energi as TIBD excluding lease liabilities ("Adjusted total interest-bearing debt" or "Adjusted TIBD") less cash and cash equivalents.
- "NIBD/EBITDAX" is defined by Vår Energi as NIBD as a ratio of EBITDAX.
- "Adjusted NIBD/EBITDAX" is defined by Vår Energi as Adjusted NIBD as a ratio of EBITDAX.
- "TIBD/EBITDAX" is defined by Vår Energi as interest-bearing loans and borrowings and lease liabilities as a ratio of EBITDAX.
- "Adjusted TIBD/EBITDAX" is defined by Vår Energi as interest-bearing loans and borrowings (but excluding lease liabilities) as a ratio of EBITDAX.

Financial statements with note disclosures

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Unaudited consolidated statement of comprehensive income

| USD 1000, except earnings per share data | Note | Q1 2024 | Q4 2023 | Q1 2023 | YTD 2024 | YTD 2023 |
|---|-----------|------------------|--------------------|------------------|------------------|------------------|
| Petroleum revenues | 3 | 1 948 804 | 1 678 963 | 2 089 383 | 1 948 804 | 2 089 383 |
| Other operating income | | 6 824 | 19 868 | 4 492 | 6 824 | 4 492 |
| Total income | | 1 955 628 | 1 698 831 | 2 093 875 | 1 955 628 | 2 093 875 |
| Production costs | 4 | (381 787) | (306 304) | (252 268) | (381 787) | (252 268) |
| Exploration expenses | 6, 9 | (33 228) | (11 130) | (21 668) | (33 228) | (21 668) |
| Depreciation and amortisation | 10, 11 | (502 575) | (405 954) | (340 323) | (502 575) | (340 323) |
| Impairment loss and reversals | 9, 10, 12 | - | (526 427) | - | - | - |
| Other operating expenses | 5 | 15 638 | (49 810) | (47 180) | 15 638 | (47 180) |
| Total operating expenses | | (901 952) | (1 299 625) | (661 439) | (901 952) | (661 439) |
| Operating profit/(loss) | | 1 053 676 | 399 206 | 1 432 435 | 1 053 676 | 1 432 435 |
| Net financial income/(expenses) | 7 | (18 702) | (25 330) | (29 598) | (18 702) | (29 598) |
| Net exchange rate gain/(loss) | 7 | (184 979) | 85 769 | (126 784) | (184 979) | (126 784) |
| Profit/(loss) before taxes | | 849 994 | 459 645 | 1 276 053 | 849 994 | 1 276 053 |
| Income tax (expense)/income | 8 | (749 903) | (331 001) | (1 081 093) | (749 903) | (1 081 093) |
| Profit/(loss) for the period | | 100 091 | 128 644 | 194 961 | 100 091 | 194 961 |
| Attributable to: | | | | | | |
| Holders of ordinary shares | | 84 491 | 128 644 | 194 961 | 84 491 | 194 961 |
| Dividends on hybrid capital | 18 | 15 600 | - | - | 15 600 | - |
| Profit / (loss) for the period | | 100 091 | 128 644 | 194 961 | 100 091 | 194 961 |
| Other comprehensive income (items that may be reclassified subsequently to the income statement) | | | | | | |
| Currency translation differences | | (98 055) | 76 396 | (86 418) | (98 055) | (86 418) |
| Net gain/(loss) on options used for hedging | | (4 638) | 5 797 | (104) | (4 638) | (104) |
| Other comprehensive income for the period, net of tax | | (102 693) | 82 193 | (86 523) | (102 693) | (86 523) |
| Total comprehensive income | | (2 602) | 210 837 | 108 438 | (2 602) | 108 438 |
| Earnings per share | | | | | | |
| EPS Basic | 17 | 0.04 | 0.05 | 0.08 | 0.04 | 0.08 |
| EPS Diluted | 17 | 0.04 | 0.05 | 0.08 | 0.04 | 0.08 |

Unaudited consolidated balance sheet statement

| USD 1000 | Note | 31 Mar 2024 | 31 Dec 2023 | 31 Mar 2023 |
|--|--------|-------------------|-------------------|-------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Intangible assets | | | | |
| Goodwill | 9 | 3 282 078 | 1 958 478 | 1 900 025 |
| Capitalised exploration wells | 9 | 291 352 | 276 504 | 243 811 |
| Other intangible assets | 9 | 259 185 | 83 060 | 80 644 |
| Tangible fixed assets | | | | |
| Property, plant and equipment | 10 | 16 320 353 | 15 237 078 | 14 110 732 |
| Right of use assets | 11 | 55 363 | 73 812 | 142 298 |
| Financial assets | | | | |
| Investment in shares | | 1 446 | 739 | 718 |
| Other non-current assets | 2 | 12 715 | 745 | 302 |
| Total non-current assets | | 20 222 493 | 17 630 416 | 16 478 529 |
| Current assets | | | | |
| Inventories | | 248 097 | 251 503 | 262 734 |
| Trade receivables | 13, 24 | 527 026 | 362 895 | 490 430 |
| Other current receivables and financial assets | 14 | 412 842 | 309 472 | 257 478 |
| Cash and cash equivalents | 16 | 721 622 | 734 914 | 768 843 |
| Total current assets | | 1 909 588 | 1 658 783 | 1 779 485 |
| TOTAL ASSETS | | 22 132 081 | 19 289 199 | 18 258 014 |

Unaudited consolidated balance sheet statement - continued

| USD 1000 | Note | 31 Mar 2024 | 31 Dec 2023 | 31 Mar 2023 |
|---------------------------------------|------|-------------------|-------------------|-------------------|
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| Share capital | 17 | 45 972 | 45 972 | 45 972 |
| Share premium | | 488 181 | 758 181 | 1 568 181 |
| Hybrid capital | 18 | 799 461 | 799 461 | - |
| Other equity | | 139 673 | 164 414 | (324 870) |
| Total equity | | 1 473 286 | 1 768 026 | 1 289 282 |
| Non-current liabilities | | | | |
| Interest-bearing loans and borrowings | 19 | 4 524 485 | 3 146 582 | 2 456 366 |
| Deferred tax liabilities | 8 | 9 890 470 | 8 943 019 | 7 975 099 |
| Asset retirement obligations | 20 | 3 255 193 | 3 207 667 | 3 070 552 |
| Pension liabilities | 2 | 22 836 | - | - |
| Lease liabilities, non-current | 23 | 53 556 | 17 663 | 86 151 |
| Other non-current liabilities | | 116 402 | 82 149 | 153 289 |
| Total non-current liabilities | | 17 862 942 | 15 397 080 | 13 741 457 |
| Current liabilities | | | | |
| Asset retirement obligations, current | 20 | 79 348 | 87 385 | 58 400 |
| Accounts payables | 24 | 419 348 | 328 951 | 257 638 |
| Taxes payable | 8 | 1 606 460 | 964 414 | 1 845 929 |
| Interest-bearing loans, current | 19 | - | - | 500 000 |
| Lease liabilities, current | 23 | 44 639 | 99 265 | 98 684 |
| Other current liabilities | 21 | 646 058 | 644 079 | 466 625 |
| Total current liabilities | | 2 795 853 | 2 124 093 | 3 227 275 |
| Total liabilities | | 20 658 795 | 17 521 173 | 16 968 732 |
| TOTAL EQUITY AND LIABILITIES | | 22 132 081 | 19 289 199 | 18 258 014 |

Sandnes, 22 April 2024
Signed Electronically

Thorhild Widvey
Chair

Liv Monica Bargem Stubholt
Deputy Chair

Francesco Gattei
Director

Guido Brusco
Director

Clara Andreoletti
Director

Marica Calabrese
Director

Fabio Ignazio Romeo
Director

Ove Gusevik
Director

Martha Skjæveland
Director,
employee elected representative

Hege Susanne Blåsternes
Director,
employee elected representative

Bjørn Nysted
Director,
employee elected representative

Jan Inge Nesheim
Director,
employee elected representative

Nicholas John Robert Walker
Chief Executive Officer

Unaudited consolidated statement of changes in equity

| USD 1000 | Note | Share capital | Share premium | Hybrid Capital | Other equity | | | Total equity |
|--|------|---------------|------------------|----------------|----------------|-------------------------|-----------------|------------------|
| | | | | | Other equity | Translation differences | Hedge reserve | |
| Balance at 1 January 2023 | | 45 972 | 1 868 181 | | 9 943 | (425 881) | (16 644) | 1 481 571 |
| Profit/(loss) for the period | | - | - | - | 194 961 | - | - | 194 961 |
| Other comprehensive income/(loss) | | - | - | - | - | (86 418) | (104) | (86 523) |
| Total comprehensive income/(loss) | | - | - | - | 194 961 | (86 418) | (104) | 108 438 |
| Dividends paid | | - | (300 000) | - | - | - | - | (300 000) |
| Share-based payment | | - | - | - | 1 023 | - | - | 1 023 |
| Other | | - | - | - | (1 749) | - | - | (1 749) |
| Balance at 31 March 2023 | | 45 972 | 1 568 181 | | 204 177 | (512 299) | (16 749) | 1 289 283 |
| Balance at 31 March 2023 | | 45 972 | 1 568 181 | | 204 177 | (512 299) | (16 749) | 1 289 283 |
| Profit/(loss) for the period | | - | - | - | 415 268 | - | - | 415 268 |
| Other comprehensive income/(loss) | | - | - | - | - | 68 815 | 2 062 | 70 876 |
| Total comprehensive income/(loss) | | - | - | - | 415 268 | 68 815 | 2 062 | 486 144 |
| Dividends paid | | - | (810 000) | - | - | - | - | (810 000) |
| Share-based payments | | - | - | - | 3 192 | - | - | 3 192 |
| Hybrid bond issue | | - | - | 799 461 | - | - | - | 799 461 |
| Other | | - | - | - | (52) | - | - | (52) |
| Balance at 31 December 2023 | | 45 972 | 758 181 | 799 461 | 622 585 | (443 484) | (14 687) | 1 768 027 |
| Profit/(loss) for the period | | - | - | 15 600 | 84 491 | - | - | 100 091 |
| Other comprehensive income/(loss) | | - | - | - | - | (98 055) | (4 639) | (102 693) |
| Total comprehensive income/(loss) | | - | - | - | 84 491 | (98 055) | (4 639) | (2 602) |
| Dividends paid | | - | (270 000) | (15 600) | - | - | - | (285 600) |
| Share-based payments | | - | - | - | (6 538) | - | - | (6 538) |
| Other | | - | - | - | (11 381) | - | 11 381 | - |
| Balance at 31 March 2024 | | 45 972 | 488 181 | 799 461 | 689 156 | (541 539) | (7 944) | 1 473 286 |

Unaudited consolidated statement of cash flows

| USD 1000 | Notes | Q1 2024 | Q4 2023 | Q1 2023 | YTD 2024 | YTD 2023 |
|---|--------|--------------------|------------------|------------------|--------------------|------------------|
| Profit/(loss) before income taxes | | 849 994 | 459 645 | 1 276 054 | 849 994 | 1 276 054 |
| Adjustments to reconcile profit before tax to net cash flows: | | | | | | |
| - Depreciation and amortisation | 10, 11 | 502 575 | 405 954 | 340 323 | 502 575 | 340 323 |
| - Impairment loss and reversals | 9, 10 | - | 526 427 | - | - | - |
| - (Gain) / loss on sale and retirement of assets | 5 | 91 | (24 531) | 8 273 | 91 | 8 273 |
| - Expensed capitalised dry wells | 6, 9 | 18 414 | 4 177 | 17 073 | 18 414 | 17 073 |
| - Accretion expenses (asset retirement obligation) | 7, 20 | 28 389 | 26 266 | 24 377 | 28 389 | 24 377 |
| - Unrealised (gain)/loss on foreign currency transactions and balances | 7 | 186 126 | (94 933) | 174 557 | 186 126 | 174 557 |
| - Realised foreign exchange (gain)/loss related to financing activities | | 1 536 | (2 023) | - | 1 536 | - |
| - Other non-cash items and reclassifications | | (58 603) | 50 536 | (24 935) | (58 603) | (24 935) |
| Working capital adjustments: | | | | | | |
| - Changes in inventories, accounts payable and receivable | | 48 166 | 84 276 | 186 543 | 48 166 | 186 543 |
| - Changes in other current balance sheet items | 14, 21 | (99 472) | (10 509) | (67 410) | (99 472) | (67 410) |
| Income tax received/(paid) | 8 | (468 085) | (568 147) | (577 326) | (468 085) | (577 326) |
| Net cash flow from operating activities | | 1 009 131 | 857 138 | 1 357 529 | 1 009 131 | 1 357 529 |
| Cash flow from investing activities | | | | | | |
| Expenditures on exploration and evaluation assets | 9 | (50 275) | (16 284) | (43 010) | (50 275) | (43 010) |
| Expenditures on property, plant and equipment | 10 | (643 695) | (644 770) | (599 420) | (643 695) | (599 420) |
| Payment for decommissioning of oil and gas fields | 20 | (13 831) | (22 584) | (7 129) | (13 831) | (7 129) |
| Proceeds from sale of assets (sales price) | | - | 13 602 | - | - | - |
| Net cash used on business combination | 2 | (1 330 662) | - | - | (1 330 662) | - |
| Net cash used in investing activities | | (2 038 463) | (670 036) | (649 559) | (2 038 463) | (649 559) |

Unaudited consolidated statement of cash flows - continued

| USD 1000 | Note | Q1 2024 | Q4 2023 | Q1 2023 | YTD 2024 | YTD 2023 |
|--|------|------------------|-----------------|------------------|------------------|------------------|
| Cash flows from financing activities | | | | | | |
| Dividends paid | | (270 000) | (270 000) | (300 000) | (270 000) | (300 000) |
| Dividends distributed to hybrid owners | | (15 600) | - | - | (15 600) | - |
| Net proceeds from hybrid bond issue | | - | 808 170 | - | - | - |
| Net proceeds/(payments) of revolving credit facilities | 19 | 1 400 000 | (500 000) | - | 1 400 000 | - |
| Payment of principal portion of lease liability | 23 | (24 509) | (23 690) | (23 488) | (24 509) | (23 488) |
| Interest paid | | (55 601) | (85 317) | (24 101) | (55 601) | (24 101) |
| Net cash from financing activities | | 1 034 290 | (70 837) | (347 589) | 1 034 290 | (347 589) |
| Net change in cash and cash equivalents | | | | | | |
| | | 4 958 | 116 265 | 360 381 | 4 958 | 360 381 |
| Cash and cash equivalents, beginning of period | | 734 914 | 595 306 | 444 607 | 734 914 | 444 607 |
| Effect of exchange rate fluctuation on cash | | (18 250) | 23 342 | (36 145) | (18 250) | (36 145) |
| Cash and cash equivalents, end of period | | 721 622 | 734 913 | 768 843 | 721 622 | 768 843 |

Notes

(All figures in USD 1000 unless otherwise stated)

The interim condensed consolidated financial statements for the period ended 31 March 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting. Thus the interim financial statements do not include all information required by IFRSs and should be read in conjunction with the 2023 annual financial statements. 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. These interim financial statements have not been subject to review or audit by independent auditors.

The acquisition of Neptune Energy Norge AS ("Neptune Norway") was completed on 31 January 2024. Following completion Neptune Energy Norge changed its name to Vår Energi Norge AS ("VENAS") and operates as a subsidiary of Vår Energi ASA. Vår Energi has decided to use 1 January 2024 as the transaction date for accounting purposes, and the transaction is thus reflected in the statement of financial position and income statement for the first quarter of 2024 in this report. See note 2 for more information regarding the acquisition.

These interim financial statements were authorised for issue by the Company Board of Directors on 22 April 2024.

Note 1 Summary of IFRS accounting principles

The accounting principles adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended 31 December 2023. Vår Energi has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Vår Energi has through the Neptune business combination added commodity hedges for both Brent oil put- and call options, as well as Gas TTF and Gas NBP put- and call options. The accounting principles outlined in the Annual Report for 2023 in note 2 for Derivative financial instruments are valid for the current portfolio of commodity hedges.

Note 2 Business combination

On 31 January 2024, Vår Energi completed the acquisition of Neptune Energy Norway AS (renamed Vår Energi Norge AS at completion of the transaction). The transaction was announced on 23 June 2023.

Vår Energi paid a cash consideration of USD 2.1 billion, and the transaction was financed through available liquidity and credit facilities. The acquired assets, all located on the NCS, are complementary to Vår Energi's current portfolio and highly cash generative with low production cost and limited near-term investments. The transaction also strengthens Vår Energi's position in all existing hub areas and combine two strong organisations with extensive NCS experience.

The acquisition date for accounting purposes is 1 January 2024. The acquisition is regarded as a business combination and has been accounted for in accordance with IFRS 3. A purchase price allocation (PPA) has been performed as of 1 January 2024 to allocate the consideration to fair value of the assets and liabilities in Neptune Energy Norway AS.

| USD 1000 | 31 Jan 2024 |
|-----------------------------|-------------|
| Value of cash consideration | 2 106 764 |

Each identifiable asset and liability are measured at fair value on the acquisition date based on guidance in IFRS13. The standard defines fair value as the price that would be received when selling an asset or paid transfer a liability in an orderly transaction between market participants at the measurement date. This definition emphasises that fair value is a market-based measurement and not an entity-specific measurement. When measuring fair value Vår Energi has applied the assumptions that market participants would use under current market conditions (including assumptions regarding risk) when valuing the specific asset or liability.

Acquired property, plant and equipment has been valued using the income approach. Trade receivables have been recognised at full contractual amounts due as they relate to large and credit-worthy customers, and there have been no significant uncollectible amounts in Neptune Energy Norway AS historically.

Note 2 Business combination - continued

For accounting purposes, the recognised amounts of assets and liabilities assumed as at the date of the acquisition were as follows:

| USD 1000 | 01 Jan 2024 |
|--|------------------|
| Goodwill | 1 463 922 |
| Other intangible assets | 192 499 |
| Property, plant and equipment | 1 975 424 |
| Right of use assets | 10 545 |
| Other non-current assets | 8 184 |
| Inventories | 19 538 |
| Trade receivables | 174 205 |
| Other current receivables and financial assets | 189 637 |
| Cash and cash equivalents | 776 102 |
| Total assets | 4 810 056 |
| Deferred tax liabilities | 1 304 198 |
| Asset retirement obligation | 368 251 |
| Pension liabilities | 23 590 |
| Lease liabilities, non-current | 6 997 |
| Other non-current liabilities | 32 888 |
| Accounts payable | 81 675 |
| Taxes payable | 705 916 |
| Lease liabilities, current | 3 548 |
| Other current liabilities | 176 229 |
| Total liabilities | 2 703 292 |
| Net assets and liabilities recognised | 2 106 764 |
| Fair value of consideration paid on acquisition | 2 106 764 |

The goodwill of USD 1 460 million arises principally because of the following factors:

1. The ability to capture synergies that can be realised from managing a larger portfolio of both acquired and existing fields on the Norwegian Continental Shelf, including workforce ("residual goodwill").
2. The requirement to recognise deferred tax assets and liabilities for the difference between the assigned fair values and the tax bases of assets acquired and liabilities assumed in a business combination. Licenses under development and licenses in production can only be sold in a market after tax, based on a decision made by the Norwegian Ministry of Finance pursuant to the Petroleum Taxation Act Section 10. The assessment of fair value of such licenses is therefore based on cash flows after tax. Nevertheless, in accordance with IAS 12 para 15 and 19, a provision is made for deferred tax corresponding to the tax rate multiplied by the difference between the acquisition cost and the tax base. The offsetting entry to this deferred tax is goodwill. Hence, goodwill arises as a technical effect of deferred tax ("technical goodwill").

None of the goodwill recognised will be deductible for tax purposes.

| USD 1000 | 01 Jan 2024 |
|--|------------------|
| Goodwill related to synergies - residual goodwill | 160 519 |
| Goodwill as a result of deferred tax - technical goodwill | 1 303 403 |
| Net goodwill from the acquisition of Neptune Norway | 1 463 922 |

Vår Energi Norge AS contributed with USD 198 million of operating profit during the first quarter 2024.

The purchase price allocation above is preliminary and based on currently available information about fair values as of the acquisition date. If new information becomes available within 12 months from the acquisition date, the group may change the fair value assessment in the PPA, in accordance with guidance in IFRS 3.

Note 3 Income

| Petroleum revenues (USD 1000) | Q1 2024 | Q4 2023 | Q1 2023 | YTD 2024 | YTD 2023 |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Revenue from crude oil sales | 1 221 893 | 1 078 193 | 881 069 | 1 221 893 | 881 069 |
| Revenue from gas sales | 611 459 | 542 581 | 1 160 970 | 611 459 | 1 160 970 |
| Revenue from NGL sales | 110 392 | 58 189 | 47 344 | 110 392 | 47 344 |
| Gains from hedging | 5 061 | - | - | 5 061 | - |
| Total petroleum revenues | 1 948 804 | 1 678 963 | 2 089 383 | 1 948 804 | 2 089 383 |
| Sales of crude (boe 1000) | 14 505 | 12 712 | 10 542 | 14 505 | 10 542 |
| Sales of gas (boe 1000) | 9 179 | 6 065 | 6 615 | 9 179 | 6 615 |
| Sales of NGL (boe 1000) | 2 167 | 1 241 | 875 | 2 167 | 875 |
| Other operating income (USD 1000) | Q1 2024 | Q4 2023 | Q1 2023 | YTD 2024 | YTD 2023 |
| Gain/(loss) from sale of assets | 1 731 | 15 325 | - | 1 731 | - |
| Partner share of lease cost | 3 145 | 2 715 | 2 757 | 3 145 | 2 757 |
| Other operating income | 1 948 | 1 828 | 1 735 | 1 948 | 1 735 |
| Total other operating income | 6 824 | 19 868 | 4 492 | 6 824 | 4 492 |

Note 4 Production Costs

| USD 1000 | Note | Q1 2024 | Q4 2023 | Q1 2023 | YTD 2024 | YTD 2023 |
|---|------|----------------|----------------|----------------|----------------|----------------|
| Cost of operations | | 205 977 | 205 696 | 157 348 | 205 977 | 157 348 |
| Transportation and processing | | 66 518 | 40 728 | 48 276 | 66 518 | 48 276 |
| Environmental taxes | | 37 549 | 31 895 | 30 278 | 37 549 | 30 278 |
| Insurance premium | | 15 477 | 8 911 | 16 175 | 15 477 | 16 175 |
| Production cost based on produced volumes | | 325 521 | 287 230 | 252 078 | 325 521 | 252 078 |
| Back-up cost shuttle tankers | | 960 | 5 510 | 746 | 960 | 746 |
| Changes in over/(underlift) | | 45 063 | 4 568 | (9 902) | 45 063 | (9 902) |
| Premium expense for crude put options | 15 | 10 244 | 8 996 | 9 347 | 10 244 | 9 347 |
| Production cost based on sold volumes | | 381 787 | 306 304 | 252 268 | 381 787 | 252 268 |
| Total produced volumes (boe 1000) | | 27 183 | 20 691 | 19 298 | 27 183 | 19 298 |
| Production cost per boe produced (USD/boe) | | 12.0 | 13.9 | 13.1 | 12.0 | 13.1 |

Note 5 Other operating expenses

| USD 1000 | Note | Q1 2024 | Q4 2023 | Q1 2023 | YTD 2024 | YTD 2023 |
|--|------|-----------------|---------------|---------------|-----------------|---------------|
| R&D expenses | | 7 276 | 4 611 | 16 046 | 7 276 | 16 046 |
| Pre-production costs | | 11 874 | 9 679 | 10 821 | 11 874 | 10 821 |
| Guarantee fee decommissioning obligation | | 5 294 | 3 583 | 5 068 | 5 294 | 5 068 |
| Administration expenses | | 10 483 | 7 958 | 6 964 | 10 483 | 6 964 |
| Integration cost | | 8 263 | 11 644 | - | 8 263 | - |
| Value adjustment contingent considerations | 22 | (58 976) | - | - | (58 976) | - |
| Other expenses | | 149 | 12 336 | 8 280 | 149 | 8 280 |
| Total other operating expenses | | (15 638) | 49 810 | 47 180 | (15 638) | 47 180 |

Value adjustment of the contingent consideration to ExxonMobil related to the Forseti structure decreased by USD 59 million during first quarter due to change in estimate. For additional information, please refer to note 22

Note 6 Exploration expenses

| USD 1000 | Note | Q1 2024 | Q4 2023 | Q1 2023 | YTD 2024 | YTD 2023 |
|-----------------------------------|------|---------------|---------------|---------------|---------------|---------------|
| Seismic | | 6 586 | 5 115 | (409) | 6 586 | (409) |
| Area fee | | 2 979 | 989 | 2 299 | 2 979 | 2 299 |
| Dry well expenses | 9 | 18 416 | 4 177 | 17 073 | 18 416 | 17 073 |
| Other exploration expenses | | 5 246 | 849 | 2 705 | 5 246 | 2 705 |
| Total exploration expenses | | 33 228 | 11 130 | 21 668 | 33 228 | 21 668 |

Dry well expenses in 2024 are mainly related to the exploration wells targeting the Hubert and Magellan prospects in PL 917.

Note 7 Financial items

| USD 1000 | Note | Q1 2024 | Q4 2023 | Q1 2023 | YTD 2024 | YTD 2023 |
|--|------|------------------|-----------------|------------------|------------------|------------------|
| Interest income | | 10 664 | 3 890 | 2 362 | 10 664 | 2 362 |
| Interests on debts and borrowings | 19 | (77 537) | (65 036) | (57 401) | (77 537) | (57 401) |
| Interest on lease debt | | (1 298) | (1 310) | (1 803) | (1 298) | (1 803) |
| Capitalised interest cost, development projects | | 79 852 | 66 194 | 57 476 | 79 852 | 57 476 |
| Amortisation of fees and expenses | | (2 231) | (2 176) | (3 705) | (2 231) | (3 705) |
| Accretion expenses (asset retirement obligation) | 20 | (28 389) | (26 266) | (24 377) | (28 389) | (24 377) |
| Other financial expenses | | (581) | (1 034) | (2 150) | (581) | (2 150) |
| Change in fair value of hedges (ineffectiveness) | | 817 | 408 | - | 817 | - |
| Net financial income/(expenses) | | (18 702) | (25 330) | (29 598) | (18 702) | (29 598) |
| Unrealised exchange rate gain/(loss) | | (186 126) | 94 933 | (174 557) | (186 126) | (174 557) |
| Realised exchange rate gain/(loss) | | 1 147 | (9 163) | 47 773 | 1 147 | 47 773 |
| Net exchange rate gain/(loss) | | (184 979) | 85 769 | (126 784) | (184 979) | (126 784) |
| Net financial items | | (203 682) | 60 439 | (156 382) | (203 682) | (156 382) |

Vår Energi's functional currency is NOK, whilst interest bearing loans and bonds are in USD and EUR. The weakening of NOK during the first quarter of 2024 caused unrealised exchange loss of USD 186 million.

Note 8 Income taxes

| USD 1000 | | Q1 2024 | Q4 2023 | Q1 2023 | YTD 2024 | YTD 2023 |
|--|----------|----------------|-----------------|------------------|----------------|------------------|
| Current period tax payable/(receivable) | | 502 651 | 407 721 | 745 640 | 502 651 | 745 640 |
| Prior period adjustment to current tax | | (3) | (7 847) | 1 | (3) | 1 |
| Current tax expense/(income) | | 502 647 | 399 874 | 745 641 | 502 647 | 745 641 |
| Deferred tax expense/(income) | | 247 256 | (68 873) | 335 452 | 247 256 | 335 452 |
| Tax expense/(income) in profit and loss | | 749 903 | 331 001 | 1 081 093 | 749 903 | 1 081 093 |
| Effective tax rate in % | | 88% | 72% | 85% | 88% | 85% |
| Tax expense/(income) in put option used for hedging | | (1 308) | 1 880 | (351) | (1 395) | (351) |
| Tax expense/(income) in other comprehensive income | | 748 595 | 332 881 | 1 080 742 | 748 508 | 1 080 742 |
| | | | | | | |
| Reconciliation of tax expense | Tax rate | Q1 2024 | Q4 2023 | Q1 2023 | YTD 2024 | YTD 2023 |
| Marginal (78%) tax rate on profit/loss before tax | 78% | 663 029 | 358 542 | 995 372 | 663 029 | 995 372 |
| Tax effect of uplift | 71,8% | (5 452) | (6 584) | (10 479) | (5 452) | (10 479) |
| Tax effects of items taxed at other than marginal (78%) tax rate ¹ | 56% | 143 677 | 843 | 90 634 | 143 677 | 90 634 |
| Tax effects of acquisition, sale and swap of licenses ² | | - | (10 955) | - | - | - |
| Other permanent differences, prior period adjustments and change in estimates of uncertain tax positions | 78% | (51 351) | (10 844) | 5 565 | (51 351) | 5 565 |
| Tax expense/(income) | | 749 903 | 331 001 | 1 081 093 | 749 903 | 1 081 093 |

¹The effects of items taxed at other than marginal (78%) tax rate are mainly impacted by interest and fluctuation in currency exchange rate on the company's external borrowings.

²Working interest in Brage field sold in the fourth quarter 2023.

Note 8 Income taxes - continued

| Deferred tax asset/(liability) | Note | Q1 2024 | Q4 2023 | Q1 2023 | YTD 2024 | YTD 2023 |
|---|------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Deferred tax asset/(liability) at beginning of period | | (8 943 019) | (8 599 059) | (8 127 971) | (8 943 019) | (8 127 971) |
| Current period deferred tax income/(expense) | | (247 256) | 68 873 | (335 452) | (247 256) | (335 452) |
| Deferred taxes related to business combinations ³ | 2 | (1 304 198) | - | - | (1 304 198) | - |
| Deferred taxes related to acquisition, sale and swap of licenses ² | | - | (23 449) | - | - | - |
| Deferred taxes recognised directly in OCI or equity | | 1 308 | (1 880) | 351 | 1 395 | 351 |
| Currency translation effects | | 602 694 | (387 503) | 487 973 | 602 608 | 487 973 |
| Net deferred tax asset/(liability) as of closing balance | | (9 890 470) | (8 943 019) | (7 975 099) | (9 890 470) | (7 975 099) |

| Tax payable | | Q1 2024 | Q4 2023 | Q1 2023 | YTD 2024 | YTD 2023 |
|--|---|--------------------|------------------|--------------------|--------------------|--------------------|
| Tax payable at beginning of period | | (964 414) | (1 092 568) | (1 778 222) | (964 414) | (1 778 222) |
| Current period payable taxes | | (502 651) | (407 721) | (745 640) | (502 651) | (745 640) |
| Payable taxes related to business combinations ³ | 2 | (705 916) | - | - | (705 916) | - |
| Net tax payments | | 468 085 | 568 147 | 577 326 | 468 085 | 577 326 |
| Prior period adjustments and change in estimate of uncertain tax positions | | 3 | 7 847 | (1) | 3 | (1) |
| Currency translation effects | | 98 433 | (40 119) | 100 607 | 98 433 | 100 607 |
| Net tax payable as of closing balance | | (1 606 460) | (964 414) | (1 845 929) | (1 606 460) | (1 845 929) |

²Working interest in Brage field sold in Q4 2023.

³Acquisition of Neptune Energy Norge.

Note 9 Intangible assets

| USD 1000 | Goodwill | Other intangible assets | Capitalised exploration wells | Total |
|---|--------------------|-------------------------|-------------------------------|--------------------|
| Cost as at 1 January 2023 | 4 481 939 | 93 515 | 225 287 | 4 800 740 |
| Additions | - | - | 113 107 | 113 107 |
| Additions through business combination | - | - | - | - |
| Reclassification | - | (7 292) | (14 381) | (21 674) |
| Disposals/expensed exploration wells | 1 463 | (0) | (40 928) | (39 465) |
| Currency translation effects | (138 774) | (3 162) | (6 580) | (148 516) |
| Cost as at 31 December 2023 | 4 344 628 | 83 060 | 276 504 | 4 704 193 |
| Depreciation and impairment as at 1 January 2023 | (2 462 426) | - | - | (2 462 426) |
| Depreciation | - | - | - | - |
| Currency translation effects | 76 276 | - | - | 76 276 |
| Depreciation and impairment as at 31 December 2023 | (2 386 150) | - | - | (2 386 150) |
| Net book value as at 31 December 2023 | 1 958 478 | 83 060 | 276 504 | 2 318 042 |

| USD 1000 | Note | Goodwill | Other intangible assets | Capitalised exploration wells | Total |
|---|------|--------------------|-------------------------|-------------------------------|--------------------|
| Cost as at 1 January 2024 | | 4 344 628 | 83 060 | 276 504 | 4 704 193 |
| Additions | | - | 16 | 50 275 | 50 291 |
| Additions through business combination | 2 | 1 463 922 | 192 499 | (0) | 1 656 421 |
| Reclassification | | - | - | - | - |
| Disposals/expensed exploration wells | 6 | - | (91) | (18 416) | (18 507) |
| Currency translation effects | | (279 213) | (16 038) | (17 013) | (312 264) |
| Cost as at 31 March 2024 | | 5 529 337 | 259 446 | 291 351 | 6 080 134 |
| Depreciation and impairment as at 1 January 2024 | | (2 386 150) | - | - | (2 386 150) |
| Depreciation | | - | (268) | - | (268) |
| Currency translation effects | | 138 891 | 7 | - | 138 898 |
| Depreciation and impairment as at 31 March 2024 | | (2 247 259) | (261) | - | (2 247 520) |
| Net book value as at 31 March 2024 | | 3 282 078 | 259 185 | 291 351 | 3 832 613 |

Other intangible assets include exploration potentials acquired through business combinations and measured according to the successful efforts method.

Note 10 Tangible assets

| USD 1000 | Note | Wells and production facilities | Facilities under construction | Other property, plant and equipment | Total |
|---|------|---------------------------------|-------------------------------|-------------------------------------|--------------------|
| Cost as at 1 January 2023 | | 14 110 298 | 6 307 507 | 53 587 | 20 471 393 |
| Additions | | 1 024 517 | 1 719 764 | 33 480 | 2 777 761 |
| Estimate change asset retirement cost | 20 | 177 485 | - | - | 177 485 |
| Additions through business combinations | | - | - | - | - |
| Reclassification | | 1 549 298 | (1 456 151) | - | 93 147 |
| Disposals | | (82 332) | (24 591) | - | (106 923) |
| Currency translation effects | | (289 075) | (236 291) | (134) | (525 500) |
| Cost as at 31 December 2023 | | 16 490 192 | 6 310 238 | 86 934 | 22 887 364 |
| Depreciation and impairment as at 1 January 2023 | | (5 887 887) | - | (21 268) | (5 909 156) |
| Depreciation | | (1 385 470) | - | (15 974) | (1 401 444) |
| Impairment reversal / (loss) | 12 | (326 127) | (200 300) | - | (526 427) |
| Disposals | | 75 621 | - | - | 75 621 |
| Currency translation effects | | 119 191 | (8 049) | (23) | 111 119 |
| Depreciation and impairment as at 31 December 2023 | | (7 404 673) | (208 349) | (37 265) | (7 650 287) |
| Net book value as at 31 December 2023 | | 9 085 519 | 6 101 889 | 49 669 | 15 237 078 |

| USD 1000 | Note | Wells and production facilities | Facilities under construction | Other property, plant and equipment | Total |
|---|------|---------------------------------|-------------------------------|-------------------------------------|--------------------|
| Cost as at 1 January 2024 | | 16 490 192 | 6 310 238 | 86 934 | 22 887 364 |
| Additions | | 169 669 | 543 453 | 9 996 | 723 118 |
| Estimate change asset retirement cost | 20 | (132 235) | - | - | (132 235) |
| Additions through business combinations | 2 | 1 973 397 | - | 2 027 | 1 975 424 |
| Reclassification | | 84 574 | (65 753) | - | 18 821 |
| Disposals | | - | - | - | - |
| Currency translation effects | | (1 078 094) | (380 604) | (5 337) | (1 464 034) |
| Cost as at 31 March 2024 | | 17 507 504 | 6 407 334 | 93 620 | 24 008 457 |
| Depreciation and impairment as at 1 January 2024 | | (7 404 673) | (208 349) | (37 265) | (7 650 287) |
| Depreciation | | (491 718) | - | (4 672) | (496 390) |
| Impairment reversal / (loss) | 12 | - | - | - | - |
| Disposals | | - | - | - | - |
| Currency translation effects | | 444 150 | 12 131 | 2 291 | 458 573 |
| Depreciation and impairment as at 31 March 2024 | | (7 452 241) | (196 217) | (39 646) | (7 688 104) |
| Net book value as at 31 March 2024 | | 10 055 263 | 6 211 116 | 53 974 | 16 320 353 |

Capitalised interests for facilities under construction were USD 67 909 thousand in fourth quarter 2024 and USD 79 439 thousand in first quarter 2024.

Rate used for capitalisation of interests was 7.65% in fourth quarter 2024 and 7.1% in first quarter 2024.

Note 11 Right of use assets

| USD 1000 | Note | Offices | Rigs, helicopters and supply vessels | Warehouse | Total |
|---|------|-----------------|---|-----------------|------------------|
| Cost as at 1 January 2023 | | 66 732 | 205 300 | 15 155 | 287 188 |
| Reclassification | | - | (71 474) | - | (71 474) |
| Currency translation effects | | (2 721) | (8 303) | (618) | (11 642) |
| Cost as at 31 December 2023 | | 64 011 | 125 523 | 14 537 | 204 072 |
| Depreciation and impairment as at 1 January 2023 | | (17 683) | (86 186) | (7 896) | (111 765) |
| Depreciation | | (4 692) | (13 514) | (2 949) | (21 155) |
| Currency translation effects | | 728 | 1 412 | 520 | 2 660 |
| Depreciation and impairment as at 31 December 2023 | | (21 648) | (98 288) | (10 325) | (130 260) |
| Net book value as at 31 December 2023 | | 42 363 | 27 236 | 4 213 | 73 812 |
| Cost as at 1 January 2024 | | 64 011 | 125 523 | 14 537 | 204 072 |
| Additions through business combinations | 2 | 3 350 | 1 575 | 5 620 | 10 545 |
| Reclassification | | - | (18 821) | - | (18 821) |
| Currency translation effects | | (3 921) | (6 903) | (1 173) | (11 997) |
| Cost as at 31 March 2024 | | 63 440 | 101 374 | 18 984 | 183 799 |
| Depreciation and impairment as at 1 January 2024 | | (21 647) | (98 288) | (10 325) | (130 260) |
| Depreciation | | (1 467) | (3 842) | (606) | (5 915) |
| Currency translation effects | | 1 299 | 5 823 | 617 | 7 739 |
| Depreciation and impairment as at 31 March 2024 | | (21 815) | (96 307) | (10 314) | (128 436) |
| Net book value as at 31 March 2024 | | 41 625 | 5 067 | 8 670 | 55 363 |

Note 12 Impairment**Impairment testing**

Impairment tests of individual cash-generating units (CGUs) are performed quarterly when impairment triggers are identified. Due to the significant goodwill on the balance sheet, a full impairment testing of fixed assets and related intangible assets were performed as of 31 March 2024.

No impairments nor reversals of historical impairments were identified per 31 March 2024.

Key assumptions applied for impairment testing purposes as of 31 March 2024 are based on Vår Energi's macroeconomic assumptions. Below is an overview of the key assumptions applied:

Prices

The oil and gas prices are based on the forward curve for the next three-year period and from the fourth year the oil and gas prices are based on the company's long-term price assumptions. Vår Energi's long term oil price assumption is 75 USD/bbl (real 2024) and long-term gas price assumption is 61 USD/boe (real 2024).

The nominal oil prices (USD/bbl) applied in the impairment tests are as follows:

| Year | 31 Mar 2023 | 31 Dec 2023 | 31 Mar 2024 |
|------|-------------|-------------|-------------|
| 2024 | 73.7 | 76.3 | 83.2 |
| 2025 | 74.6 | 75.2 | 78.1 |
| 2026 | 77.2 | 77.4 | 77.8 |

The nominal gas prices (USD/boe) applied in the impairment tests are as follows:

| Year | 31 Mar 2023 | 31 Dec 2023 | 31 Mar 2024 |
|------|-------------|-------------|-------------|
| 2024 | 84.8 | 63.0 | 52.1 |
| 2025 | 67.1 | 65.5 | 59.1 |
| 2026 | 62.8 | 62.9 | 61.2 |

Note 12 Impairment - continued

Oil and gas reserves

Future cash flows are calculated based on expected production profiles and estimated proven, probable and risked possible reserves. The increase in production profiles per 31 March 2024 is due to inclusion of Vår Energi AS.

| Year mmbøe | 31 Mar 2023 | 31 Dec 2023 | 31 Mar 2024 |
|-------------|-------------|-------------|-------------|
| 2024 - 2026 | 351 | 328 | 380 |
| 2027 - 2031 | 353 | 366 | 446 |
| 2032 - 2036 | 163 | 170 | 210 |
| 2037 - 2041 | 83 | 85 | 113 |
| 2042 - 2054 | 62 | 61 | 89 |

Future expenditure

Future capex, opex and abandonment cost are calculated based on the expected production profiles and the best estimate of the related cost.

Discount rate

The post tax nominal discount rate used is 8.0 percent, unchanged vs. 31 December 2023.

| Currency rates | 2024 | 2025 | 2026 | 2027 onwards |
|----------------|------|------|------|--------------|
| NOK/USD | 10.6 | 10.0 | 9.4 | 9.0 |
| NOK/Euro | 11.5 | 11.0 | 10.3 | 9.7 |

Inflation

Inflation for 2024 is assumed to be 4%. The long-term inflation rate beyond 2024 is assumed to be 2.0%, in-line with assumptions per 31 December 2023.

Sensitivity analysis

The table below shows how the impairment or reversal of impairment of assets and technical goodwill would be affected by changes in the various assumptions, given that the remaining assumptions are constant.

| Assumption USD 1000 | Change | Change in impairment after | |
|---------------------|--------------|----------------------------|------------------------|
| | | Increase in assumption | Decrease in assumption |
| Oil and gas prices | +/- 25% | (915 000) | 3 131 000 |
| Production profile | +/- 5% | (438 000) | 533 000 |
| Discount rate | +/- 1% point | 179 000 | (148 000) |

The sensitivities are created for illustration purposes, based on a simplified method and assumes no changes in other input factors. Significant reductions are likely to result in changes in business plans, cut-offs as well as other factors used when estimating an asset's recoverable amount. Changes in such input factors would likely significantly reduce the actual impairment amount compared to the illustrative sensitivity above. The impact of the sensitivities is mainly related to the Balder Area.

Climate related risks

The climate related risk assessment is generally described in the company's sustainability reporting and in the annual report. Financial reporting and impairment testing includes a step up of CO₂ tax/fees from current levels to approximately NOK 2 240 per ton in 2030 (real 2023)..

Note 13 Trade receivables

| USD 1000 | Note | 31 Mar 2024 | 31 Dec 2023 | 31 Mar 2023 |
|--------------------------------------|------|----------------|----------------|----------------|
| Trade receivables - related parties | 24 | 607 607 | 516 429 | 289 877 |
| Trade receivables - external parties | | 223 337 | 137 221 | 265 786 |
| Sale of trade receivables | | (303 917) | (290 756) | (65 233) |
| Total trade receivables | | 527 026 | 362 895 | 490 430 |

Vår Energi has Credit Discount Agreements with several banks. Under the arrangements the ownership, including credit risk, of invoices for oil and gas sales are transferred to the respective banks, and the receivables to which the payments relate are derecognised from Vår Energi's balance sheet. Payments to the banks are made when Vår Energi receives payments from the customers.

Trade receivables are presented net of payments received from the banks for the sold invoices, as Vår Energi has retained the right to receive payments from the customers and obligation to pay these cash flows to the banks without material delay, but only to the extent Vår Energi collects the payments from the customers.

Note 14 Other current receivables and financial assets

| USD 1000 | Note | 31 Mar 2024 | 31 Dec 2023 | 31 Mar 2023 |
|---|------|----------------|----------------|----------------|
| Net underlift of hydrocarbons | | 158 169 | 125 747 | 106 756 |
| Net receivables from joint operations | | 109 703 | 102 038 | 97 235 |
| Prepaid expenses | | 96 512 | 53 437 | 43 003 |
| Commodity derivatives - financial assets | 15 | 22 803 | 10 974 | 14 847 |
| Other | | 25 655 | 17 276 | (4 362) |
| Total other current receivables and financial assets | | 412 842 | 309 472 | 257 478 |

Note 15 Financial instruments**Derivative financial instruments**

Vår Energi uses derivative financial instruments to manage exposures in fluctuations in interest rates and commodity prices.

In May 2023 interest rate swaps were entered into for the same amount as the EUR 600 000 thousand Senior Note. Under the swaps, the company receives a fixed amount equal to the coupon payment for the EUR senior notes and pay a floating rate to the swap providers. The interest rate swaps will be accounted for as a fair value hedge. Interest swaps are reflected at fair value with fair value changes to be accounted for as other financial income/expenses. Bond debt are booked at nominal value initially. The fair value is adjusted to reflect changes in interest level with fair value changes accounted for as other financial income/expenses. Inefficiencies in hedging are measured and booked against fair value of bond debt and accounted for as other financial income/expenses (note 6).

As of 31 March 2024, Vår Energi had the following volumes of commodity derivatives in place and with the following strike prices:

| Hedging instruments | Volume (no of options outstanding at balance sheet date) in thousands (bbl) | Exercise price (USD per bbl) |
|---|---|------------------------------|
| Brent crude long put options, exercisable in 2024 | 13 360 | 50 |
| Brent crude short call options, exercisable in 2024 | (180) | 100 |
| Brent crude long call options, exercisable in 2024 | 180 | 110 |
| Brent crude long put options, exercisable in 2025 | 5 400 | 50 |

| Hedging instruments | Volume (no of options outstanding at balance sheet date) in thousands (MWH) | Exercise price (EUR per MWH) |
|---|---|------------------------------|
| Gas TTF long put options, exercisable in 2024 | 1 545 | 35 |
| Gas TTF short call options, exercisable in 2024 | (1 545) | 100 |
| Gas TTF long put options, exercisable in 2025 | 90 | 25 |
| Gas TTF short call options, exercisable in 2025 | (90) | 100 |

| Hedging instruments | Volume (no of options outstanding at balance sheet date) in thousands (therms) | Exercise price (p/therm) |
|---|--|--------------------------|
| Gas NBP long put options, exercisable in 2024 | 25 000 | 0.8 |
| Gas NBP short call options, exercisable in 2024 | (25 000) | 2.9 |

Note 15 Financial instruments - continued

Brent crude put options - financial assets

| USD 1000 | Q1 2024 | 2023 | Q1 2023 |
|---|---------------|---------------|---------------|
| The beginning of the period | 10 974 | 14 805 | 14 805 |
| Additions through business combinations | 25 229 | - | - |
| New derivatives | 7 680 | 29 804 | 9 474 |
| Change in fair value | (20 380) | (33 635) | (9 432) |
| The end of the period | 23 503 | 10 974 | 14 847 |

As of 31 March 2024, the fair value of outstanding commodity derivatives assets are USD 23,503 thousand, whereof USD 700 thousand is presented as Other non-current assets.

Unrealised gains and losses are recognised in OCI. Note that the cost price (time value agreed at the inception of the contracts) for the options is paid at the time of realisation (time of exercise or expiration) and that this deferred payment is presented as current liabilities in the balance sheet, see below table.

Brent crude put options - deferred premiums

| USD 1000 | Note | Q1 2024 | 2023 | Q1 2023 |
|---|------|-----------------|-----------------|-----------------|
| The beginning of the period | | (29 804) | (36 143) | (36 143) |
| Additions through business combinations | | (2 627) | - | - |
| Settlement | 4 | 10 244 | 36 229 | 9 347 |
| New Brent crude put options | | (7 680) | (29 804) | (9 474) |
| FX-effect | | (105) | (86) | (49) |
| The end of the period | | (29 972) | (29 804) | (36 319) |

The full intrinsic value ("in the money value") of the options at the time of expiry, if any, is presented in petroleum revenues. The premiums paid for the put options are accounted for as cost of hedging and recycled from OCI to the income statement in the period in which the hedged revenues are realised and presented as production costs.

Commodity Derivatives - financial liabilities

| USD 1000 | Note | Q1 2024 | 2023 | Q1 2023 |
|---|------|----------------|----------|----------|
| Additions through business combinations | | (8 010) | - | - |
| Change in fair value | | 4 294 | - | - |
| The end of the period | | (3 716) | - | - |

As of 31 March 2024, the fair value of outstanding commodity derivatives liabilities are USD (3,716) thousand, whereof USD (532) thousand is presented as Other non-current liabilities. Unrealised gains and losses are recognised in OCI.

Change in Hedge Reserve

| USD 1000 | Q1 2024 | 2023 | Q1 2023 |
|---|---------------|---------------|---------------|
| The beginning of the period | 18 830 | 21 338 | 21 338 |
| Additions through business combinations | (14 592) | - | - |
| Realised cost of hedge | (10 139) | (36 143) | (9 298) |
| Change in fair value | 16 086 | 33 635 | 9 432 |
| The end of the period | 10 185 | 18 830 | 21 472 |

After tax balance as of 31 March 2024 is USD 7 944 thousand.

Reconciliation of liabilities arising from financing activities

The table below shows a reconciliation between the opening and the closing balances in the statement of financial position for liabilities arising from financing activities.

| USD 1000 | 31 Dec 2023 | Cash flows | Non-cash changes | | | 31 Mar 2024 |
|-------------------------------------|------------------|------------------|----------------------------|-----------------|-----------------|------------------|
| | | | Amortisation/ Accretion | Currency | Fair Value Adj. | |
| Long-term interest-bearing debt | - | 1 400 000 | - | - | - | 1 400 000 |
| Bond USD Senior Notes | 2 500 000 | - | - | - | - | 2 500 000 |
| Bond EUR Senior Notes | 682 939 | - | - | (14 038) | (10 595) | 658 306 |
| Subord. EUR Fixed Rate Sec. (23/83) | 808 382 | - | 171 | (193) | - | 808 360 |
| Prepaid loan expenses | (45 278) | - | 2 231 | 327 | - | (42 720) |
| Totals | 3 946 043 | 1 400 000 | 2 402 | (13 904) | (10 595) | 5 323 946 |

Note 16 Cash and cash equivalents

| USD 1000 | 31 Mar 2024 | 31 Dec 2023 | 31 Mar 2023 |
|--|----------------|----------------|----------------|
| Bank deposits, unrestricted | 699 703 | 724 726 | 763 811 |
| Bank deposit, restricted, employee taxes | 21 918 | 10 188 | 5 032 |
| Total bank deposits | 721 622 | 734 914 | 768 843 |

Note 17 Share capital and shareholders

As of 31 March 2024, the total share capital of the company is USD 45 972 thousand or NOK 399 425 thousand. The share capital is divided into 2 496 406 246 ordinary shares and 4 Class B shares. Each share has a nominal value of NOK 0.16. The ordinary shares represent NOK 399 424 999.36 of the total share capital, while the Class B shares represent NOK 0.64 of the total share capital.

All shares rank pari passu and have equal rights in all respect, including with respect to voting rights and dividends and other distributions, except from the class B shares. 4 members to the board, will be elected by the general meeting with a simple majority among the votes cast for Class B shares. Such number to be reduced if the holder of the Class B shares holds less shares of the company.

Earnings per share are calculated by dividing the net result attributable to shareholders of by the number of shares. Vår Energi ASA's share saving program gives employees the opportunity to buy shares in Vår Energi ASA through monthly salary deductions. If the shares are retained for two full calendar years with continuous employment after the end of the saving year, the employees will be awarded a bonus share for each share they have purchased. This will be settled by Vår Energi ASA buying shares in the market. The award is treated as equity settled. The dilutive effect of equity settled shares under the share saving program is immaterial to the EPS calculation.

| USD 1000 | Q1 2024 | Q4 2023 | Q1 2023 |
|---|-------------|-------------|-------------|
| Profit attributable to ordinary equity holders | 100 091 | 128 644 | 194 961 |
| EPS adjustment for dividends on hybrid capital | (8 064) | (8 218) | - |
| Number of shares after the listing on Oslo Stock Exchange (in thousand) | 2 496 406 | 2 496 406 | 2 496 406 |
| Earnings per share in USD | 0.04 | 0.05 | 0.08 |

Note 18 Hybrid capital

Vår Energi ASA issued EUR 750 million of subordinated fixed rate reset securities due on the 15th of November 2083. This is broadening the Company's funding sources and investor base and is reinforcing the balance sheet with a new layer of capital. Vår Energi has the right to defer coupon payments and ultimately decide not to pay at maturity. Deferred coupon payments become payable, however, if the Company decides to pay dividends to the shareholders.

| | |
|-------------------------------|---|
| Maturity | 2083 |
| Type | Subordinated |
| Financial classification | Equity (99 %) |
| Carrying Amount | EUR 744 million |
| Notional Amount | EUR 750 million |
| Issued | 15 Nov 2023 |
| Maturing | 15 Nov 2083 |
| Quoted in | Luxembourg |
| First redemption at par | 15 Nov 2028 |
| Coupon until first reset date | 7.862% fixed rate until 15 Feb 2029 |
| Margin Step-ups | +0.25% points from 15 Feb 2034 and +0.75% points after 15 Feb 2049 |
| Deferral of interest payment | Optional |

| USD 1000 | Equity | Debt | Total |
|------------------------------------|----------------|--------------|----------------|
| Balance as of 31 Dec 2023 | 799 461 | 8 921 | 808 382 |
| Profit/loss to Hybrid owners | 15 600 | - | 15 600 |
| Accretion | - | (22) | (22) |
| Interest classified as dividend | (15 600) | - | (15 600) |
| Balance as of 31 March 2024 | 799 461 | 8 899 | 808 360 |

Note 19 Financial liabilities and borrowings

Interest-bearing loans and borrowings

| USD 1000 | Coupon/int. Rate | Maturity | 31 Mar 2024 | 31 Dec 2023 | 31 Mar 2023 |
|---|------------------|----------|------------------|------------------|------------------|
| Bond USD Senior Notes (22/27) | 5.00% | May 2027 | 500 000 | 500 000 | 500 000 |
| Bond USD Senior Notes (22/28) | 7.50% | Jan 2028 | 1 000 000 | 1 000 000 | 1 000 000 |
| Bond USD Senior Notes (22/32) | 8.00% | Nov 2032 | 1 000 000 | 1 000 000 | 1 000 000 |
| Bond EUR Senior Notes (23/29) | 5.50% | May 2029 | 658 305 | 682 938 | - |
| Subord. EUR Fixed Rate Sec. (23/83) | 7.86% | Nov 2083 | 8 899 | 8 921 | - |
| Bridge credit facility | 1.25%+SOFR+CAS | Nov 2023 | - | - | 500 000 |
| RCF Working capital facility | 1.08%+SOFR+CAS | Nov 2026 | 1 400 000 | - | - |
| RCF Liquidity facility | 1.13%+SOFR+CAS | Nov 2026 | - | - | - |
| Prepaid loan expenses | | | (42 720) | (45 278) | (43 634) |
| Total interest-bearing loans and borrowings | | | 4 524 485 | 3 146 582 | 2 956 366 |
| Of which current and non-current: | | | | | |
| Interest-bearing loans, current | | | - | - | 500 000 |
| Interest-bearing loans and borrowings | | | 4 524 485 | 3 146 582 | 2 456 366 |
| Credit facilities - Utilised and unused amount | | | | | |
| USD 1000 | | | 31 Mar 2024 | 31 Dec 2023 | 31 Mar 2023 |
| Drawn amount credit facility | | | 1 400 000 | - | 500 000 |
| Undrawn amount credit facilities | | | 1 600 000 | 3 000 000 | 3 000 000 |

Vår Energi ASA has three senior USD notes outstanding in addition to one tranche of EUR denominated senior notes. The senior notes are registered on the Luxembourg Stock Exchange ("LuxSE") and coupon payments are made semi-annually for the USD notes and annually for the EUR notes. The senior notes have no financial covenants. The fair value of the bonds as of 31 March 2024 was USD 3 273.6 million.

In November 2023, Vår Energi ASA issued EUR 750 million Subordinated Fixed Rate Reset Securities due in 2083. The liability is reflected as interest bearing debt. For more details on the EUR Fixed Rate Reset Security, see note 18.

An interest rate swap was entered into in May 2023 for the same amount as the EUR Senior Note. Under the swap, the company receive a fixed amount equal to the coupon payment for the EUR senior notes and pay a floating rate to the swap providers.

Vår Energi's senior unsecured facilities per 31 March 2024 consist of the working capital credit facility of USD 1.5 billion and the liquidity facility of USD 1.5 billion. Both credit facilities expire on 1 November 2026 and all amounts outstanding fall due at maturity. The facilities have covenants covering leverage (net interest-bearing debt to 12 months rolling EBITDAX not to exceed 3.5) and interest coverage (EBITDA to 12 months rolling interest expenses shall exceed 5) which will be tested at the end of each calendar quarter. The interest rate payable for each of the facilities is determined by timing and the company's credit rating taking the aggregate of the Secured Overnight Financing Rate (SOFR) and the Credit Adjustment Spread (CAS) and adding the applicable margin for the present period as shown in the table.

Note 20 Asset retirement obligations

| USD 1000 | Note | Q1 2024 | 2023 | Q1 2023 |
|---|------|--------------------|--------------------|--------------------|
| Beginning of period | | 3 295 052 | 3 216 138 | 3 216 138 |
| Additions through business combinations | 2 | 368 251 | - | - |
| Change in estimate | 10 | 33 298 | 183 849 | (10 230) |
| Change in discount rate | 10 | (165 533) | (6 364) | 96 045 |
| Accretion discount | 7 | 28 389 | 98 765 | 24 376 |
| Payment for decommissioning of oil and gas fields | | (13 831) | (40 688) | (7 129) |
| Disposals | | - | (54 630) | - |
| Currency translation effects | | (211 085) | (102 018) | (190 248) |
| Total asset retirement obligations | | 3 334 541 | 3 295 052 | 3 128 952 |
| Short-term | | 79 348 | 87 385 | 58 400 |
| Long-term | | 3 255 193 | 3 207 667 | 3 070 552 |
| Breakdown by decommissioning period | | 31 Mar 2024 | 31 Dec 2023 | 31 Mar 2023 |
| 2022-2030 | | 422 050 | 431 819 | 324 222 |
| 2031-2040 | | 1 771 912 | 1 689 489 | 1 672 250 |
| 2041-2057 | | 1 140 579 | 1 173 744 | 1 132 480 |

The estimate is based on executing a concept for abandonment in accordance with the Petroleum Activities Act and international regulations and guidelines. The calculations assume an inflation rate of 4% in 2024 and 2% in future years and discount rates between 3.4% - 3.8% per 31 March 2024. The assumptions for inflation rates were unchanged while the discount rates were increased from 3.2% - 3.5% per 31 December 2023. The discount rates are based on risk-free interest without addition of credit margin.

First quarter 2024 payment for decommissioning of oil and gas fields (abex) is mainly related to Statfjord area.

Vår Energi has a retirement obligation as a shipper in Gassled booked to other non-current liabilities in the balance sheet statement. Vår Energi has accrued USD 78 488 thousand for this purpose per 31 March 2024.

Note 21 Other current liabilities

| USD 1000 | Note | 31 Mar 2024 | 31 Dec 2023 | 31 Mar 2023 |
|--|-------|----------------|----------------|----------------|
| Net overlift from hydrocarbons | | 103 001 | 67 561 | 41 446 |
| Net payables to joint operations | | 348 455 | 375 871 | 298 945 |
| Employees, accrued public charges and other payables | | 139 003 | 84 407 | 89 915 |
| Contingent Consideration, current | 5, 22 | 22 200 | 79 137 | - |
| Commodity derivatives | 15 | 33 155 | 29 804 | 36 319 |
| Change in market value/fair value of SWAP | 15 | 243 | 7 299 | 0 |
| Total other current liabilities | | 646 058 | 644 079 | 466 625 |

Contingent consideration to ExxonMobil decreased by USD 57 million during first quarter due to updated estimate.

The liability for oil put options relates to cost of oil put options that under the purchase agreement is due for payment at the time of settlement of the option (exercise/expiry) and is not a measure of fair value.

Note 22 Commitments, provisions and contingent consideration

The company has significant contractual commitments for capital and operating expenditures from its participation in operated and partner operated exploration, development and production projects. The current main development projects are Johan Castberg and Balder Future.

As part of the purchase agreement between Point Resources AS and ExxonMobil in 2017, Point Resources AS agreed to pay a contingent consideration related to possible development of the Forseti structure. A maximum payment in 2024 of USD 80 million has conservatively been carried as a liability since 2020. This liability has been reduced to USD 21 million reflecting the updated evaluation (ref note 5).

The guarantee referenced in Note 5 of the Statutory Accounts 2023 for Vår Energi Norge AS has been removed, as the senior notes were repaid on 3 April 2024.

During the normal course of its business, the company will be involved in disputes, including tax disputes. The company has made accruals for probable liabilities related to litigation and claims based on management's best judgment and in line with IAS37 and IAS12. Please refer to the Vår Energi ASA Annual Report for information regarding Bredablikk Unit apportionment (note 28), and Climate Case II (note 34).

Note 23 Lease agreements

| USD 1000 | Note | Q1 2024 | Q1 2023 | 2023 |
|--|------|----------------|----------------|----------------|
| Opening Balance lease debt | | 116 928 | 212 646 | 212 646 |
| Additions through business combinations | 2 | 10 545 | - | - |
| Payments of lease debt | | (25 399) | (24 852) | (98 809) |
| Interest expense on lease debt | | 1 315 | 1 802 | 6 195 |
| Currency exchange differences | | (5 194) | (4 761) | (3 104) |
| Total lease debt | | 98 195 | 184 835 | 116 928 |
| Breakdown of the lease debt to short-term and long-term liabilities | | 31 Mar 2024 | 31 Mar 2023 | 31 Dec 2023 |
| Short-term | | 44 639 | 98 684 | 99 265 |
| Long-term | | 53 556 | 86 151 | 17 663 |
| Total lease debt | | 98 195 | 184 835 | 116 928 |
| Lease debt split by activities | | 31 Mar 2024 | 31 Mar 2023 | 31 Dec 2023 |
| Offices | | 49 036 | 51 674 | 50 194 |
| Rigs, helicopters and supply vessels | | 41 574 | 126 777 | 62 479 |
| Warehouse | | 7 585 | 6 384 | 4 255 |
| Total | | 98 195 | 184 835 | 116 928 |

Vår Energi has entered into lease agreements for supply vessels, helicopter and warehouses supporting operation at Balder, Gjøa and Goliat, where the most significant are for the supply vessels operating at Goliat. The group also has leases for offices in Sandnes, Florø, Oslo and Hammerfest, with the most significant contract being the main office building in Vestre Svanholmen 1, Sandnes.

There were no new lease agreements during first quarter 2024. See note 11 for the Right of use assets.

Note 24 Related party transactions

Vår Energi has a number of transactions with other wholly owned or controlled companies by the shareholders. The related party transactions reported are with entities owned or controlled by the majority ultimate shareholder of Vår Energi, Eni SpA. Revenues are mainly related to sale of oil, gas and NGL while the expenditures are mainly related to technical services, seconded personnel, insurance, guarantees and rental cost.

Current assets

| USD 1000 | 31 Mar 2024 | 31 Dec 2023 | 31 Mar 2023 |
|--------------------------------|----------------|----------------|----------------|
| Trade receivables | | | |
| Eni Trade & Biofuels SpA | 476 599 | 422 807 | 192 102 |
| Eni SpA | 123 721 | 74 606 | 80 327 |
| Eni Global Energy Markets | 6 468 | 18 107 | 16 940 |
| Other | 819 | 909 | 507 |
| Total trade receivables | 607 607 | 516 429 | 289 877 |

All receivables are due within 1 year.

Current liabilities

| USD 1000 | 31 Mar 2024 | 31 Dec 2023 | 31 Mar 2023 |
|-------------------------------|---------------|---------------|---------------|
| Account payables | | | |
| Eni International BV | 4 268 | 17 740 | 4 753 |
| Eni Global Energy Markets | - | - | 16 254 |
| Eni SpA | 7 537 | 11 654 | 7 940 |
| Other | 8 548 | 7 950 | 1 472 |
| Total account payables | 20 353 | 37 344 | 30 419 |

Sales revenue

| USD 1000 | Q1 2024 | Q4 2023 | Q1 2023 | FY 2024 | FY 2023 |
|----------------------------|------------------|------------------|------------------|------------------|------------------|
| Eni Trade & Biofuels SpA | 1 173 452 | 1 128 766 | 894 213 | 1 162 590 | 894 213 |
| Eni SpA | 194 406 | 209 750 | 270 572 | 194 406 | 270 572 |
| Eni Global Energy Markets | 22 210 | 45 295 | 69 464 | 22 210 | 69 464 |
| Total sales revenue | 1 390 068 | 1 383 811 | 1 234 249 | 1 379 206 | 1 234 249 |

Operating and capital expenditures

| USD 1000 | Q1 2024 | Q4 2023 | Q1 2023 | FY 2024 | FY 2023 |
|---|---------------|--------------|---------------|---------------|---------------|
| Eni Trade & Biofuels SpA | 5 425 | 1 438 | 4 373 | 5 425 | 4 373 |
| Eni International BV | 5 292 | 3 611 | 5 058 | 5 292 | 5 058 |
| Eni SpA | 6 059 | 494 | 4 908 | 6 059 | 4 908 |
| Other | 456 | 303 | 352 | 456 | 352 |
| Total operating and capital expenditures | 17 232 | 5 846 | 14 691 | 17 232 | 14 691 |

Note 25 License ownerships

Vår Energi has the following new licenses since 31 December 2023.

| Licenses | W1% | Operator |
|----------|-----|------------------|
| PL932B | 20% | Aker BP |
| PL1194 | 30% | OMV |
| PL1203 | 30% | Vår Energi |
| PL1211 | 50% | Vår Energi Norge |
| PL1213S | 40% | Vår Energi Norge |
| PL1214 | 25% | Equinor |
| PL1215 | 30% | Aker BP |
| PL1217 | 20% | INPEX |
| PL1218 | 20% | Aker BP |
| PL1219 | 50% | Vår Energi Norge |
| PL1224 | 50% | Vår Energi |
| PL1227 | 23% | Equinor |
| PL1231 | 30% | OMV |
| PL1236 | 30% | Equinor |
| PL1237 | 40% | Vår Energi |
| PL1238 | 20% | Equinor |
| PL1239 | 30% | Equinor |
| PL1241 | 50% | Vår Energi |
| PL1242 | 20% | Aker BP |
| PL1243 | 20% | Aker BP |

Vår Energi has the following new licenses added through business combination.

| Licenses/Fields | W1% | Operator |
|-----------------------------------|-----|------------------|
| Additions | | |
| PL025 | 25% | Equinor |
| PL064 | 15% | Equinor |
| PL077 | 12% | Equinor |
| PL078 | 12% | Equinor |
| PL090 | 15% | Equinor |
| PL090B | 15% | Equinor |
| PL090C | 15% | Wintershall DEA |
| PL090E | 15% | Equinor |
| PL090G | 15% | Equinor |
| PL090HS | 15% | Equinor |
| PL090I | 15% | Equinor |
| PL090JS | 15% | Equinor |
| PL097 | 12% | Equinor |
| PL099 | 12% | Equinor |
| PL100 | 6% | Equinor |
| PL107 | 23% | Equinor |
| PL107B | 23% | Equinor |
| PL107C | 23% | Equinor |
| PL107D | 23% | Equinor |
| PL110 | 12% | Equinor |
| PL110B | 12% | Equinor |
| PL132 | 23% | Equinor |
| PL153 | 30% | Vår Energi Norge |
| PL153B | 30% | Vår Energi Norge |
| PL153C | 30% | Vår Energi Norge |
| PL187 | 25% | Equinor |
| PL348 | 13% | Equinor |
| PL348B | 13% | Equinor |
| PL448 | 12% | Equinor |
| PL586 | 30% | Vår Energi Norge |
| PL636 | 30% | Vår Energi Norge |
| PL636B | 30% | Vår Energi Norge |
| PL636C | 30% | Vår Energi Norge |
| PL817 | 30% | OMV |
| PL817B | 30% | OMV |
| PL882 | 45% | Vår Energi Norge |
| PL882B | 45% | Vår Energi Norge |
| PL925 | 10% | Equinor |
| PL929 | 40% | Vår Energi Norge |
| PL938 | 30% | Vår Energi Norge |
| PL958 | 30% | OKEA |
| PL1105S | 50% | Vår Energi Norge |
| PL1107 | 40% | Vår Energi Norge |
| PL1110 | 30% | Aker BP |
| PL1112 | 20% | Norske Shell |
| PL1179 | 15% | Equinor |
| PL1180 | 40% | Vår Energi Norge |
| Business Arrangements Area | | |
| EXL007 | 30% | Sval Energi |
| Njord Unit | 23% | Equinor |
| Snøhvit Unit | 12% | Equinor |
| Fram H-Nord Unit | 11% | Equinor |
| Vega Unit | 3% | Wintershall Dea |

Note 26 Subsequent events

Vår Energi has elected to sell part of its gas on a fixed price/forward basis. Per 31 March 2023, Vår Energi has sold approximately 16% of the gas production for the second quarter 2024 on a fixed price basis at an average price around 131 USD per boe. For the third quarter of 2024, Vår Energi has sold approximately 18% of its estimated gas production on a fixed price basis at an average price around 133 USD per boe.

On 17 April 2024, Vår Energi announced an oil discovery in production license PL 956 with estimated recoverable resources of between 13 and 23 million barrels of oil. Vår Energi, as the operator with 50% share in the license, considers the discovery a potential commercial candidate to be tied into nearby existing infrastructure in the Balder area.

Industry terms

| Term | Definition/description |
|--------|---|
| boepd | Barrels of oil equivalent per day |
| boe | Barrels of oil equivalent |
| bbl | Barrels |
| CFFO | Cash flow from operations |
| E&P | Exploration and Production |
| FID | Final investment decision |
| FPSO | Floating, production, storage and offloading vessel |
| HAP | High activity period |
| HSEQ | Health, Safety, Environment and Quality |
| HSSE | Health, Safety, Security and Environment |
| IG | Investment grade |
| kboepd | Thousands of barrels of oil equivalent per day |
| mmbbls | Millions of barrels |
| mmboe | Millions of barrels of oil equivalents |
| mmscf | Millions of standard cubic feet |
| MoF | Ministry of Finance |
| MPE | Ministry of Energy |
| NCS | Norwegian Continental Shelf |

| Term | Definition/description |
|-----------------|---|
| NGL | Natural gas liquids |
| NPD | Norwegian Petroleum Directorate |
| OSE | Oslo Stock Exchange |
| PDO | Plan for Development and Operation |
| PIO | Plan for Installation and Operations |
| PRM | Permanent reservoir monitoring |
| PRMS | Petroleum Resources Management System |
| scf | Standard cubic feet |
| sm ³ | Standard cubic meters |
| SPT | Special petroleum tax |
| SPS | Subsea production system |
| SURF | Subsea umbilicals, riser and flowlines |
| 1P reserves | The quantities of petroleum which can be estimated with reasonable certainty to be commercially recoverable, also referred to as "proved reserves". |
| 2C resources | The quantities of petroleum estimated to be potentially recoverable from known accumulations, also referred to as "contingent resources". |
| 2P reserves | Proved plus probable reserves consisting of 1P reserves plus those additional reserves, which are less likely to be recovered than 1P reserves. |

Disclaimer

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