

## Concedo AS

# Profit and loss account 2022

Figures are given in the Norwegian currency NOK	Note	2022	2021
Sales revenue		0	0
Other operating revenues	2	0	63 652 526
<b>Total operating revenues</b>		<b>0</b>	<b>63 652 526</b>
Depreciation on fixed and intangible assets	3	-259 952	-296 373
Exploration expenses	4,5,6	-58 084 380	-197 417 562
<b>Total operating expenses</b>		<b>-58 344 331</b>	<b>-197 713 935</b>
<b>Operating profit/loss</b>		<b>-58 344 331</b>	<b>-134 061 409</b>
Other interest received		1 264 475	177 868
Other financial income		853 317	6 986 016
<b>Total financial income</b>		<b>2 117 793</b>	<b>7 163 884</b>
Other interest paid		-8 482 643	-8 292 034
Other financial expenses		-1 060 911	-6 810 005
<b>Total financial expenses</b>		<b>-9 543 554</b>	<b>-15 102 039</b>
<b>Net financial items</b>		<b>-7 425 761</b>	<b>-7 938 156</b>
<b>Pre-tax profit/loss on ordinary activities</b>		<b>-65 770 093</b>	<b>-141 999 565</b>
Tax cost on profit on ordinary activities	7	47 187 472	156 041 309
<b>Ordinary profit/loss</b>		<b>-18 582 621</b>	<b>14 041 744</b>
<b>Income/loss for the year</b>		<b>-18 582 621</b>	<b>14 041 744</b>
<b>Allocations</b>			
Other reserves	11	-18 582 621	14 041 744
<b>Total</b>		<b>-18 582 621</b>	<b>14 041 744</b>

## Concedo AS

# Balance Sheet as of 31 December 2022

Figures are given in the Norwegian currency NOK

ASSETS	Note	2022	2021
<b>Fixed assets</b>			
<b>Intangible assets</b>			
Deferred tax assets	7	0	0
Capitalised exploration expenses and licences	3,16,17,18	192 866 457	195 411 192
<b>Total intangible assets</b>		<b>192 866 457</b>	<b>195 411 192</b>
<b>Tangible fixed assets</b>			
Furniture, fixtures & machinery	3	157 044	416 996
<b>Total tangible fixed assets</b>		<b>157 044</b>	<b>416 996</b>
<b>Total fixed assets</b>		<b>193 023 501</b>	<b>195 828 188</b>
<b>Current assets</b>			
<b>Receivables</b>			
Trade debtors		0	0
Other receivables	8	80 797 885	227 064 613
<b>Total receivables</b>		<b>80 797 885</b>	<b>227 064 613</b>
Bank deposits, cash-in-hand etc.	9	39 520 933	42 415 465
<b>Total bank deposits, cash-in-hand etc.</b>		<b>39 520 933</b>	<b>42 415 465</b>
<b>Total current assets</b>		<b>120 318 818</b>	<b>269 480 078</b>
<b>Total assets</b>		<b>313 342 319</b>	<b>465 308 266</b>

# Concedo AS

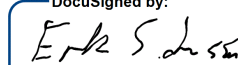
## Balance Sheet as of 31 December 2022

Figures are given in the Norwegian currency NOK

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	2022	2021
<b>EQUITY</b>			
<b>Paid-in capital</b>			
Share capital	10,11	3 076 662	2 448 455
Treasury shares	11	-158 379	-158 379
Share premium	11	35 754 139	5 915 107
Other paid in capital	11	3 372 785	3 821 300
<b>Total paid-in capital</b>		<b>42 045 207</b>	<b>12 026 483</b>
<b>Retained earnings</b>			
Other reserves	11	75 429 015	94 011 636
<b>Total retained earnings</b>		<b>75 429 015</b>	<b>94 011 636</b>
<b>Total Equity</b>		<b>117 474 222</b>	<b>106 038 118</b>
<b>Long-term liabilities</b>			
<b>Provisions for liabilities and charges</b>			
Deferred tax	7	144 968 631	125 407 131
<b>Total provisions for liabilities and charges</b>		<b>144 968 631</b>	<b>125 407 131</b>
<b>Total long-term liabilities</b>		<b>144 968 631</b>	<b>125 407 131</b>
<b>Current liabilities</b>			
Owed to credit institutions	12,13	40 249 987	188 519 987
Trade creditors		890 591	740 051
Unpaid government charges etc.		2 084 729	2 255 654
Other current liabilities	14	7 674 158	42 347 324
<b>Total current liabilities</b>		<b>50 899 466</b>	<b>233 863 016</b>
<b>Total liabilities</b>		<b>195 868 097</b>	<b>359 270 147</b>
<b>Total Equity and Liabilities</b>		<b>313 342 319</b>	<b>465 308 266</b>

Asker, 29 March 2023

DocuSigned by:



Erik Sverre Jenssen

Chairman of the Board

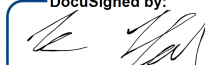
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Sandra Crane

Director

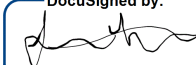
DocuSigned by:



Leif Christian Kvaal

Director


DocuSigned by:



Jonas Rydell

Director

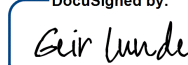
DocuSigned by:



Nirav Dagi

Director

DocuSigned by:



Geir Lunde

CEO

## Concedo AS

# Cash Flow Statement 2022

OPERATING ACTIVITIES	Note	2022	2021
Pre-tax result		-65 770 093	-141 999 565
<b>Adjustments for reconciling current year's result with cash flow from operating activities:</b>			
Gain from sale of licence interests		-	-63 652 526
Depreciation, amortisation and write-downs	3	259 952	296 373
Capitalised exploration costs expensed		-	10 353 506
Other items having no cash effect – subscription rights		-	-
Tax reimbursement received in period	7	201 304 916	119 421 120
<b>Change in working capital (except for cash and cash equivalents):</b>			
(Increase) reduction in trade debtors and other receivables		11 710 784	-1 183 649
Increase (reduction) in trade creditors and other current debts		-34 693 550	15 300 718
<b>Cash flow from operating activities</b>		<b>112 812 009</b>	<b>-61 464 023</b>
<b>INVESTMENT ACTIVITIES</b>			
Investments in fixed assets	3	-	-336 536
Capitalised exploration expenses	3	-	-68 706 667
Net reduction of capitalised exploration licenses due to reduced licence costs	3	2 544 735	-
Sale of assets		-	67 096 648
<b>Cash flow spent on investment activities</b>		<b>2 544 735</b>	<b>-1 946 555</b>
<b>FINANCING ACTIVITIES</b>			
Share issue	11	30 018 724	810 552
New interest-bearing short-term debt	12	40 230 000	180 800 000
Repayments short-term debt	12	-188 500 000	-125 105 567
<b>Cash flow spent on financing activities</b>		<b>-118 251 276</b>	<b>56 504 985</b>
Net increase (reduction) in cash and cash equivalents		-2 894 532	-6 905 593
Cash and cash equivalents at beginning of year		42 415 465	49 321 058
<b>Cash and cash equivalents at end of year</b>		<b>39 520 933</b>	<b>42 415 465</b>

## Concedo AS

### Note 1 Accounting Principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway.

#### Main principles for valuing and classifying assets and liabilities

Assets intended for permanent ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. Classification of current and long-term liabilities is based on the same criteria.

Fixed assets are carried at historical cost net of accumulated depreciation. Fixed assets that have a limited economic life are depreciated according to a reasonable schedule. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Current assets are valued at the lower of historical cost and fair value.

Other long-term and current liabilities are valued at their nominal value.

#### Interests in oil and gas licenses

Ownership in oil and gas licenses are recognised by including Concedo's share of assets, liabilities, income and expense in the license on a line by line basis (gross method).

#### Accounting for exploration costs

The company follows the «successful efforts» method of accounting for exploration costs in oil and gas operations. Costs for acquiring mineral interests in oil and gas areas and for drilling exploration wells, are capitalised pending determinations of whether recoverable reserves have been found. Costs for drilling exploration wells where no recoverable reserves are found, geological and geophysical costs and other exploration costs, are expensed.

Exploration wells that have shown reserves, but where classification as proven reserves depends on whether substantial investments are justified, may remain capitalised for more than one year. Capitalised exploration wells and acquisition costs are reviewed continuously for impairment.

#### Receivables

Trade receivables and other receivables are recognised at their nominal value less provision for expected loss.

#### Bank deposits, cash in hand, etc.

Bank deposits, cash in hand and cash equivalents include cash in hand, bank deposits and other means of payment having maturity of less than three months from the date of purchase.

#### Revenue

Revenue is recognised when it is earned, i.e. when both the risk and control have been transferred to the customer.

#### Expenses

Expenses are generally entered in the same period as the corresponding income.

#### Leasing agreements

Significant lease contracts that are classified as financial leases are recognised as assets and depreciated using the straight- line method based on the estimated useful life. Operational leases are expensed as incurred.

#### Pensions

The company is required to maintain an occupational pension scheme in accordance with the Norwegian Act relating to mandatory pensions ("Lov om obligatorisk tjenestepensjon"). The company's pension scheme satisfies the requirements in that Act.

Contribution plans are accounted for according to the matching principle. The year's contribution to the pension scheme is expensed.

#### Share-based remuneration

The fair value of the services the company has received from the employees in return for the awarded subscription rights is entered as an expense. The total sum expensed over the earning period is calculated on the fair value of the subscription rights awarded.

At each balance sheet date, the company re-estimates the number of subscription rights likely to be exercised. The company enters the effect of any change in the original estimates in the P/L account with a corresponding adjustment of equity capital. After deduction of attributable transaction costs, payments received when rights are exercised are credited to share capital (nominal value) and the share premium account when subscription rights are exercised.

#### Taxes

Tax expenses are matched with book income before tax.

Tax expenses consist of payable tax (tax on the year's direct taxable income), change in net deferred tax and anticipated reimbursements related to exploration costs.

Deferred tax and deferred tax benefits in the same tax regime are presented net in the balance sheet. Deferred tax benefit is recognised in the balance sheet provided that the future use is rendered probable.

#### Cash flow analysis

The cash flow analysis is prepared using the indirect method.

### Note 2 Other operating revenue

Other operating revenue	2022	2021
Gain sale licenses	-	63 652 526
Other operating revenue	-	63 652 526

Gain sale licenses in 2021 is related to sale of 5% in the Dugong discovery (PL 882), effective from January 2021. In addition to the gain, a carry of total NOK 23.8 millions has been invoiced to the buyer, Neptune Energy Norge AS. The carry was calculated as 10% of the total well costs related to drilling the Dugong Tail Well.

**Note 3 Tangible/ Intangible assets**

	Furniture & Fixtures	Plant & Machinery	License interests, exploration wells	Total
Cost at 1 January	4 743 421	77 725	195 411 192	200 232 338
Additions in licenses (net reduction due to reduced costs in one license.	-	-	-2 544 735	-2 544 735
Expensed dry wells, previously capitalised			-	-
Disposals			-	-
<b>Cost 31 December</b>	<b>4 743 421</b>	<b>77 725</b>	<b>192 866 457</b>	<b>197 687 603</b>
Acc. depreciation at 1 January	4 326 425	77 725		4 404 150
Current year's depreciation	259 952	-		259 952
<b>Acc. Depreciation 31 December</b>	<b>4 586 377</b>	<b>77 725</b>		<b>4 664 102</b>
<b>Book value as of 31 December</b>	<b>157 044</b>	<b>-</b>	<b>192 866 457</b>	<b>193 023 501</b>

The PL 815 Goddo exploration well will be written down in 2023, c.f. Note 23 Subsequent events.

**Note 4 Payroll costs, number of employees, benefits etc.**

Company payments to and pension costs for employees are presented in the following table:

Payroll costs	2022	2021
Salaries	21 222 265	22 474 602
Employers payroll tax	3 336 493	3 713 901
Pension costs	1 939 591	1 961 137
Other benefits	144 420	100 613
Total	26 642 768	28 250 253
Number of man-years employed during the financial year	14	15

Employers payroll tax comprises of tax on payroll and exchange of subscription rights as part of the incentive scheme.

Concedo AS has adopted a contribution-based pension scheme, which has an individual choice of investment. The scheme covers a total of 14 employees.

Remuneration paid to directors and management	Salary	Pension costs	Other remuneration
Geir Lunde (CEO)	1 790 714	96 469	38 921
Olav Fjell (Chairman) - from 01.01.22 to 23.05.22			200 000
Erik Sverre Jenssen (Chairman) - from 23.05.22 to 31.12.22			125 000
Leif Christian Kvaal (Director)			50 000
Nirav Dagli (Director)			100 000
Jonas Rydell (Director)			100 000
Sandra Crane (Director)			100 000

The CEO has a severance pay contract under which he, if he leaves at the company's request, is entitled to salary for 6 months after his period of notice expires. Consultancy services of NOK 125 000 excl. VAT were purchased from Fjellvit AS, a company owned by the former Chairman of the Board.

**Guidelines and adherence to the guidelines in 2022**

In 2022, the company's remuneration policy has been in accordance with the guidelines described in the Annual Report for 2021.

**Guidelines for 2023**

The Board has established guidelines for 2023 for salaries and other remuneration to the Chief Executive Officer and other senior executives. The guidelines will be reviewed at the company's annual general meeting in 2023.

Senior executives receive a basic salary, adjusted annually. The company's senior executives participate in the general arrangements applicable to all the company's employees as regards pension plans and other payments in kind, such as subsidized fitness centre fees. No incentive and bonus scheme has been established for 2022.

**Share-based remuneration**

The employee incentive system was terminated in 2019 and no subscription rights granted for 2022.

Number of subscription rights	2022	2021
Outstanding as of 1 January	97 177	227 021
Awarded during year	0	0
Forfeited during year		
Cancelled during the year		
Exercised during year	-1 603	-64 060
Expired during year	-95 574	-65 784
<b>Outstanding as of 31 December</b>	<b>0</b>	<b>97 177</b>

1 603 subscription rights were exercised in 2022, but will be registered in 2023.

**Auditor**

Remuneration for Deloitte AS is as follows (excl. VAT):	2022	2021
Statutory audit	219 240	317 850
Audit-related services	114 063	24 500
Certification services	84 000	0

**Note 5 Exploration costs**

Exploration costs in the profit and loss statement consist of the following:

	2022	2021
Payroll costs, ref note 4	26 642 768	28 250 253
Seismic, drilling and general licence expenses	17 094 050	152 624 841
Other operating costs linked with exploration	14 347 561	16 542 469
<b>Total</b>	<b>58 084 380</b>	<b>197 417 562</b>

Exploration expenses and other eligible expenses for tax refunds amount to NOK 55 453 761 in 2022 (2021: NOK 255 773 087 ).

**Note 6 Leasing agreements**

Annual rental for non-capitalised assets amounts to NOK 1 341 277 (2021: 1 420 390), which relates to rent for the office premises in Asker.

The tenancy was renewed in 2021 for five years starting 01.11.2021.

**Note 7 Income tax**

Income tax for the current year is calculated as follows:

	2022	2021
Change in deferred tax	19 561 500	45 263 605
Tax value of petroleum costs and tax losses (See Note 12)	-66 748 972	-201 304 914
<b>Tax on ordinary income</b>	<b>-47 187 472</b>	<b>-156 041 309</b>

Reconciling nominal and actual tax rates:

	2022	2021
Pre-tax profit/loss	-65 770 093	-141 999 565
Anticipated income tax at nominal rate (22%/22%)	-14 469 420	-31 239 904
Anticipated income tax at special surtax rate (56.004%/56%)	-36 833 883	-79 519 756
Tax effect of following items:		
Non-deductible expenses	50 576	2 776 539
Non taxable income, 78.004%	0	-52 335 385
Tax effect of interest on loss for carrying forward (22%/56%)	-187 149	-159 457
Change in tax rate	7 802	0
Effect of surtax (56.004%/56%)	4 244 602	4 436 655
<b>Income tax</b>	<b>-47 187 472</b>	<b>-156 041 309</b>
Effective tax rate	71,7 %	109,9 %

Specification of tax effect of temporary differences and loss for carrying forward:

	2022		2021	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Exploration expenses and license costs	0	150 190 445	0	152 218 561
Provisions for liabilities	75 864	0	75 860	0
Loss to be carried forward	5 145 950	0	26 735 570	0
<b>Total</b>	<b>5 221 814</b>	<b>150 190 445</b>	<b>26 811 430</b>	<b>152 218 561</b>
Of which netted	-5 221 814	-5 221 814	-26 811 430	-26 811 430
Net deferred tax asset/ liability	0	144 968 631	0	125 407 131

Profit from oil and gas operations on the Norwegian shelf is taxed in accordance with the Norwegian Petroleum Tax Act.

A special 56.004% (2021: 56%) surtax is levied in addition to the ordinary 22% (2021 22%) corporate tax. The taxpayer may claim payment from the government for the tax value of direct and indirect expenses (with the exception of financing expenses) for petroleum activities, provided that the sum does not exceed the year's loss on, respectively, ordinary income in the shelf tax district and the basis for surtax.

Deferred tax effect has been capitalised to the extent future realisation is deemed probable.

**Note 8 Other receivables**

For the 2022 tax assessment the company claims reimbursement of the tax value of petroleum costs and tax loss totalling NOK 66 748 972 (2021: NOK 201 304 914).

The amount for 2022 includes tax refund for previous years of NOK 26 922 719.

Outstanding accounts with operators and others are also in the financial line item "Other receivables".

**Note 9 Bank deposits**

Bank deposits, cash in hand etc. includes non-distributable withheld tax in the sum of NOK 1 197 934 (2021: NOK 1 287 974) and a rental deposit of NOK 1 014 270 (2021: NOK 1 013 295.)

**Note 10 Share capital and shareholders**

As of 31.12.22, the company's share capital consisted of one class of shares, all of which bear the same voting rights.

Acquisition of shares by purchase or as a gift or by any other means requires board approval.

	Number of shares	Nominal value	Book value
Shares	14 837 075	0.2073631	3 076 662
<b>Total</b>	<b>14 837 075</b>		<b>3 076 662</b>

**Ownership structure**

The ten largest shareholders as of 31.12.22

Name	Quantity of shares	Percentage interest	Home country
H. M. STRUCTURES LIMITED	4 120 724	29,3 %	CYP
EUROCLEAR BANK S.A./N.V.	2 580 000	18,3 %	BEL
MEGABAS AS	2 476 449	17,6 %	NOR
BANK JULIUS BÄR & CO. AG	866 362	6,2 %	CHE
HEATHLANDS HOLDINGS LIMITED	649 209	4,6 %	CYP
THE BANK OF NEW YORK MELLON	536 332	3,8 %	USA
KNUTSEN, JOHN ERIC TANDBERG	250 000	1,7 %	GBR
THE BANK OF NEW YORK MELLON	240 961	1,7 %	USA
KOCHHAR KHANNA, PIYA	223 587	1,6 %	GBR
FJELLVIT AS	194 529	1,4 %	NOR
OTHER SHAREHOLDERS	1 936 748	13,7 %	MISCELLANEOUS
<b>Total</b>	<b>14 074 901</b>	<b>100 %</b>	

Concedo holds, in addition to the table above, 763 777 (treasury shares) own shares in the company. The table above includes 1 603 shares, related to subscription rights exercised in 2022, but not registered until 2023.

**Shares owned by Directors and CEO:**

Name	Position	Number of shares
Olav Fjell through 100% in Fjellvit AS	Board Chairman until 23.05.22	194 529
Olav Fjell	Board Chairman until 23.05.22	7 088
Geir Lunde through 23,7% in Megabas AS	CEO	587 558
Geir Lunde	CEO	51 148
Nirav Dagli	Director	19 130
Sandra Crane	Director	8 895

**Note 11 Equity**

	Share capital	Treasury shares	Share Premium	Other paid in capital	Other	Total
Equity at 1 January	2 448 455	-158 379	5 915 107	3 821 300	94 011 636	106 038 118
Subscription rights				-		-
Share issue	628 207		29 839 032	-467 239		30 000 000
Non-registered capital increase				18 724		18 724
Current year's profit/(loss)					-18 582 621	-18 582 621
Equity at 31 December	3 076 662	-158 379	35 754 139	3 372 785	75 429 015	117 474 222

**Note 12 Debt to financial institutions**

The company has a credit line for NOK 350 000 000 in SpareBank 1 SR-Bank ASA. The interest rate is NIBOR plus a margin of 2,30 %.

Withdrawals are limited to 95% of the annual tax value of Deficit Amount. Repayments coincide with the reimbursement of exploration expenses from the tax authorities. Concedo signed at the end of 2020 a new Exploration Financing Facility agreement for two years utilisation and one year extension for repayment. A restated and amended agreement to adapt the agreement to the changes in the petroleum taxation system, effective from January 2022, was signed in September.

As of 31 December 2022 loan amount totalled NOK 40 249 987, while the annual tax reimbursement is estimated to NOK 39 826 253 (excluding tax refund for previous years), see note 8. 95% of the estimated annual tax reimbursement amounts to NOK 37 834 940. This means that the company is not in compliance with the loan agreement. To correct this, the company paid back NOK 4 688 100 on 31.01.2023 as agreed with the bank, reducing the 2022 loan amount to NOK 35 561 887, and as of this date the Company is in compliance with the loan agreement.

The loan is secured by the tax reimbursement scheme and balances thereon, and monetary claims in respect of all present and future insurances.

**Note 13 Financial market risk**

The company employs financial instruments such as bank loans and deposits. The purpose of these instruments is to procure capital for the investments required for the company's activities. Other financial instruments are trade debtors etc. that are directly linked with everyday operations. The company does not trade in derivatives.

The most significant financial risks the company is exposed to are related to oil prices, interest rates, capital needs and loan terms. The risk of trade debtors and partners being unable to fulfil their obligations towards Concedo is considered to be low. The company is to a limited degree exposed to currency risk. The company has not entered into any contracts to offset the risks.



**Note 14 Other current liabilities**

	2022	2021
Working capital liabilities in joint ventures	4 606 305	39 128 033
Wages, holiday pay and bonus	2 306 675	2 515 644
Accrued expenses	663 921	606 389
Other current liabilities	97 257	97 257
<b>Total</b>	<b>7 674 158</b>	<b>42 347 324</b>

**Note 15 Sponsorships**

In line with the company's Anti-bribery and corruption procedures the information on sponsorships shall be given in the notes of the Annual report. In 2022 the company sponsored the following:

Asker Fotball	10 000
Asker Skøyteklubb	12 000
Asker Svømmeklubb	5 000
Bergstuderendes Forening	10 000
Frelsesarmeen	10 000
Støtteforeningen for Kreftrammede	10 000
Bleiker VGS	4 000
Norges Blindeforbund	1 884

**Note 16 Licenses****North Sea**

**PL 784 (20%):** In blocks 25/3, 6. Aker BP is Operator. DoD 6 February 2024. Aker BP is acquiring seabottom seismic in the neighbouring license that may be of relevance for the PL 784 prospectivity.

**PL 815 (20%):** In block 16/5. Aker BP is Operator. Goddo oil discovery. Inclusion of the Rolvsnes long-term production test data will be the main license work in 2023. The horizontal Rolvsnes well continues to produce after the one year test period. A PDO on Rolvsnes was submitted before year-end 2022 and production start in 2026 was planned. PL 815 has applied for a two years license extension. On 21 March 2023 Aker BP announced that the PDO on Troldhaugen/Rolvsnes would be stopped. This also makes future development of the Goddo discovery uncertain.

**PL 882/B (15%):** In blocks 33/6 and 34/4. Neptune Energy is Operator. Dugong oil discovery. A feasibility study for tie-in to Snorre started in January 2023. A draft report will be completed in June 2023. DG1 is planned for in September (formal deadline 31 December 2023). Estimated Dugong production start is 4Q 2027.

**PL 989 (30%):** In block 36/7. Wintershall Dea is Operator. DoD 1 March 2023. Evaluation of existing, shallow, viscous oil discovery. The Operator recommended a positive drilling decision on 20 January 2023. The partners do not support a positive drilling decision. The partnership has applied for half a year extension so that the Operator may get new partners supporting the positive drilling decision.

**PL 992 (30%):** In blocks 33/6, 9. Neptune Energy is Operator. DoD 1 March 2023. The partnership has applied for half a year extension to complete all the geophysical work.

**PL 1043/B (30%):** In blocks 25/7 and 25/8. Vår Energi is Operator. DoD 14 February 2023. The partnership has decided to relinquish the licenses.

**PL 1096 (10%):** In block 25/11. Vår Energi is Operator. DoD 19 February 2023. The partnership has applied for one year extension of DoD. Reprocessing of seismic data is ongoing.

**Barents Sea**

**PL 901 (20%):** In blocks 7122/5, 7122/6 and 7123/4. Vår Energi is Operator. Rødhetta oil and gas discovery. The estimated recoverable volume is 9-12 boe (ref. Operator). The partnership has applied for a one year license extension to evaluate the consequences of the Countach oil discovery in PL 229 south of Rødhetta.

**PL 1074 (20%):** In blocks 7121/10, 11, 12 and 7122/10. Vår Energi is Operator. DoD 14 February 2023. The partnership has decided to relinquish the license.

**PL 1075 (40%):** In blocks 7123/4, 5. Vår Energi is Operator. DoD 14 February 2023. The partnership has applied for a one year license extension to consider the results of the Countach oil discovery in PL 229.

**Note 17 Relinquished Licences****North Sea**

**PL 1047 (20%):** In blocks 30/4, 5, 7 and 30/8. Aker BP is Operator. Awarded in APA 2019. Acquire and reprocess modern 3D seismic. CSEM data has been acquired and analysed. The license was relinquished in February 2022.

**Note 18 Transferred interests in 2022****None****Note 19 New awarded Licences 2022 (APA 2021)****Barents Sea**

**PL 1168 (50%):** In blocks 7121/8, 9 and 7122/7. Vår Energi is Operator. DoD 11 March 2023. The partnership has applied for one year extension.

**Note 20 Payments/refund of tax and payments to Government**

In accordance with the Norwegian Accounting Act Section § 3-3 d), companies engaged in activities within the extractive industries shall annually prepare and publish information about their payments to governments at country and project level. The Company has only activity on the Norwegian Continental Shelf and taxes in Norway are levied on company basis and not project basis.

The table set out below, shows the payments to and refund from the Norwegian Government, related to tax and other fees, derived from the Company's business on the Norwegian Continental Shelf. Payments from Joint Venture where the Company participate, are done by the operator, and are not included in the payments

	2022	2021
Tax refund received	201 304 916	119 421 120
Interest on Tax refund, received	923 796	-
Payments of other fees	-1 039 060	-1 200 742
<b>Total payments/refund to/from the Norwegian Government</b>	<b>201 189 652</b>	<b>118 220 378</b>

For information about investments, revenue and purchases of goods and services, reference is made to the Income Statement and the related notes. The Company has no production or petroleum revenue.

**Note 21 Going concern**

The financial statements have been prepared based on the going concern assumption. In compliance with section 3-3a of the Norwegian Accounting Act, we confirm that the requirements for a going concern have been satisfied. The Company's equity position was strengthened in 2022 by an oversubscribed share capital increase of NOK 30 million directed solely towards existing shareholders. Exploration costs in 2023 will be very low without any exploration wells and assets may be sold in early fall effective from 1 January 2023. It is therefore the Board's opinion that the Company will have sufficient funds to support its operations throughout the year. The Board will consider the capital situation at the end of the year in connection with the drilling programme for 2024.

**Note 22 Transparency Act**

The Board acknowledge the Norwegian Transparency Act that came into force 01.07.2022. The Act shall promote enterprises' respect for fundamental human rights and decent working conditions and ensure the public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions. Once in scope, Concedo AS shall carry out necessary work in a manner proportionate to its type, size, sector, and operational context, in accordance with the purposes of this act and implement the intention of the act into its Management System. In order to satisfy the act, the Company will each year publish a status statement in the Annual Report and on the website.

**Note 23 Subsequent events****Concedo will consider writing down the PL 815 Goddo exploration well in 2023**

Aker BP, on behalf of the PL 338 partnership, submitted a field development plan for Trolldhaugen (Rolvsnes) in December 2022. 21 March 2023 the company announced that it has notified the Norwegian Ministry of Petroleum and Energy that it does not accede to the development plan and has discontinued the Trolldhaugen project. The execution of the Trolldhaugen project was subject to the performance of an extended well test (EWT) which has been producing since August 2021. The experience from the EWT has resulted in a reduction in the expected recoverable volume, and the project is no longer considered to have sufficient financial robustness.

PL 338 is the neighbouring license to PL 815, containing the Goddo discovery. Trolldhaugen has a reservoir which is quite similar to Goddo. Aker BP has not yet had time to draw conclusions regarding the implications for PL 815 Goddo. The company has, on behalf of the PL 815 partnership, applied for a two-year extension of the license period to assess the significance of all activity in PL 338 over the past couple of years.

However, the Goddo exploration well from 2019 is capitalised in Concedo's balance sheet as of 31.12.22 with NOK 79 467 986. Concedo now assumes that, based on the latest development on Trolldhaugen, Goddo's near-term value is low, and will consider writing down the value of the Goddo exploration well in the accounts for 2023. If so, the tax effect of expensing the Goddo discovery well will be NOK 61 988 208 (78%). The net cost post tax will then be NOK 17 479 776, with a corresponding reduction of the Company's equity.