

DNO ASA Interim Results Second Quarter 2025



Key figures

USD million	Quarters			First Half-Year		Full-Year 2024
	Q2 2025	Q1 2025	Q2 2024	2025	2024	
Key financials						
Revenues	258.0	187.6	137.0	445.6	319.6	666.8
EBITDAX	174.4	108.7	96.6	283.1	215.1	422.2
EBITDA	161.2	77.8	82.2	239.1	192.6	333.3
Operating profit/loss (-)	85.8	28.0	-3.2	113.8	57.4	6.1
Net profit/loss (-)	-7.3	-3.6	34.5	-10.9	51.3	-27.1
Free cash flow	-110.7	-19.2	15.6	-107.4	59.2	58.8
Operational spend	237.8	206.1	125.0	444.8	238.2	568.0
Net cash/debt (-)	-860.0	42.8	158.1	-860.0	158.1	99.0
Lifting costs (USD/boe)	9.6	8.3	5.4	9.0	6.0	6.5
Key operational data						
Gross operated production (boepd)	80,286	90,945	79,783	85,586	78,046	80,280
Net production (boepd)	92,593	84,232	79,415	88,435	77,093	77,269
Sales volume (boepd)	51,068	35,680	30,038	43,417	34,126	33,918

Sval Energi is included in the Group accounts from 1 June 2025. For more information about key figures, see the section on alternative performance measures.

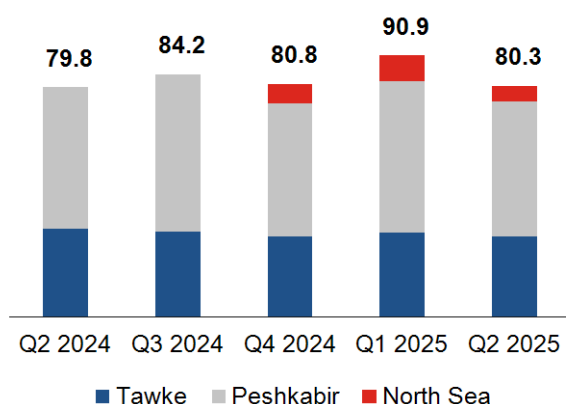
Q2 2025 highlights

- Revenue of USD 258 million and operating profit of USD 86 million
- Net production of 92,600 barrels of oil equivalent per day (boepd), up 10 percent from the previous quarter
- Kurdistan contributed 56,100 boepd, North Sea 33,300 boepd and West Africa 3,200 boepd during the quarter
- Completed USD 1.6 billion acquisition of Sval Energi in June
- Repaid borrowings (DNO04, RBL and prepayments) totaling USD 1,050 million in the quarter
- Issued subordinated hybrid bond of USD 400 million and borrowed USD 300 million in the form of a temporary bank bridge loan
- Ended the quarter with cash of USD 788 million
- Dividend of NOK 0.3125 per share (totaling USD 30 million) paid during the quarter

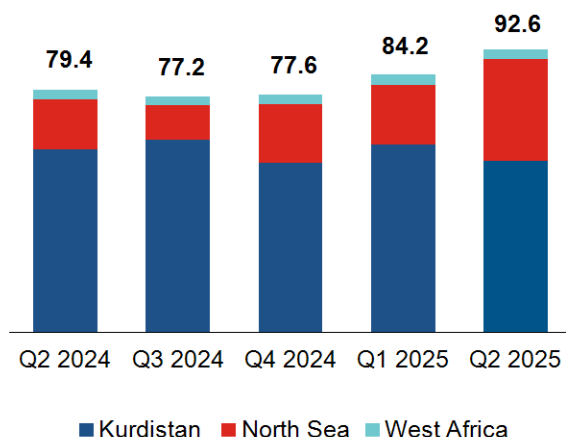
Cover image: In mid-July, explosive drone strikes by unidentified parties impacted operations of a number of international oil companies in Kurdistan, including DNO's operations at Tawke and Peshkabir.

Operational review

Gross operated production
(Thousand boepd)



Net production
(Thousand boepd)



Gross production from the Group's operated licenses during the second quarter averaged 80,286 barrels of oil equivalent per day (boepd), down from 90,945 boepd in the previous quarter. In Kurdistan, gross production decreased to an average of 74,760 barrels of oil per day (bopd) during the second quarter, representing a 9 percent decrease from the previous quarter (82,081 bopd). The reduction in production from the previous quarter stemmed from two operational shutdowns forced by market disturbances, during which DNO conducted maintenance and turnaround activities initially scheduled for later in the year. Operated production in the North Sea decreased to an average of 5,526 boepd, primarily attributable to turnaround activities on the Marulk host facility on Norne. This decline was partly offset by higher production from the Trym field.

Net production during the second quarter stood at 92,593 barrels of oil equivalent per day (boepd), up from 84,232 boepd in the

previous quarter. In Kurdistan, net production averaged 56,070 bopd, down from 61,561 bopd in the previous quarter, the North Sea averaged 33,348 boepd, up from 19,296 boepd in the previous quarter and the Group's West Africa gas asset offshore Côte d'Ivoire averaged 3,174 boepd, down from 3,375 boepd in the previous quarter. The increase in net production compared to the previous quarter was mainly driven by the inclusion of June production from the assets acquired through the acquisition of Sval Energi Group AS (Sval Energi), totaling 17,040 boepd, which more than offset a decline in production from DNO North Sea legacy assets during the quarter primarily due to turnaround activities in the Norne area.

Net entitlement (NE) production averaged 52,023 boepd during the second quarter, up from 37,760 boepd in the previous quarter.

Sales volume averaged 51,068 boepd during the second quarter, up from 35,680 boepd in the previous quarter. The increase in sales volume was mainly driven by the inclusion of the June sales volumes from the assets acquired through the Sval Energi acquisition, totaling 17,771 boepd. The net overlift position was 0.73 million barrels of oil equivalent (MMboe) as of end-Q2 (Q1 2025: underlift of 0.23 MMboe).

Gross operated production

boepd	Quarters			First Half-Year		Full-Year
	Q2 2025	Q1 2025	Q2 2024	2025	2024	
Kurdistan	74,760	82,081	79,783	78,400	78,046	78,620
North Sea	5,526	8,864	-	7,186	-	1,659
Total	80,286	90,945	79,783	85,586	78,046	80,280

The table above shows gross operated production from the Group's operated licenses.

Net production

boepd	Quarters			First Half-Year		Full-Year
	Q2 2025	Q1 2025	Q2 2024	2025	2024	
Kurdistan	56,070	61,561	59,837	58,800	58,535	58,965
North Sea	33,348	19,296	16,321	26,361	15,269	15,201
West Africa	3,174	3,375	3,256	3,274	3,289	3,103
Total	92,593	84,232	79,415	88,435	77,093	77,269

Net production is based on DNO's percentage of ownership in the licenses. West Africa segment is equity accounted.

Net entitlement (NE) production

boepd	Quarters			First Half-Year		Full-Year
	Q2 2025	Q1 2025	Q2 2024	2025	2024	
Kurdistan	18,675	18,464	17,167	18,570	18,835	18,172
North Sea	33,348	19,296	16,321	26,361	15,269	15,201
Total	52,023	37,760	33,489	44,931	34,105	33,373

NE production from the North Sea equals the segment's net production.

Sales volume

boepd	Quarters			First Half-Year		Full-Year
	Q2 2025	Q1 2025	Q2 2024	2025	2024	
Kurdistan	18,675	18,464	17,167	18,570	18,835	18,172
North Sea	32,393	17,216	12,871	24,847	15,291	15,746
Total	51,068	35,680	30,038	43,417	34,126	33,918

Sales volume reflect North Sea lifted volumes and NE production for Kurdistan.

Activity overview

Kurdistan region of Iraq

Gross production from the DNO-operated Tawke license, containing the Tawke and Peshkabr fields averaged 74,760 bopd during the second quarter of 2025 (82,081 bopd in Q1 2025) with continued strict spending discipline and no drilling of new wells. The Tawke field contributed 27,940 bopd (29,304 bopd in Q1 2025) and the Peshkabr field contributed 46,820 bopd (52,778 bopd in Q1 2025) during this period.

The reduction in production from the previous quarter stemmed from two operational shutdowns forced by market disruptions, during which DNO conducted certain maintenance and turnaround activities initially scheduled for later in the year.

In mid-July, explosive drone strikes by unidentified parties impacted operations of a number of international oil companies in Kurdistan, including DNO's operations at its Tawke and Peshkabr fields within the Tawke license (75 percent and operator). No individuals were injured, but surface processing equipment at Peshkabr and an oil storage tank at Tawke were hit.

On a test basis, DNO restarted production from Tawke in early August, while Peshkabr was restarted later in the month.

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

At the DNO-operated Baeshiqra license, the Company works to minimize license running cost while determining its future work program.

DNO holds a 64 percent operated interest in the Baeshiqra license (80 percent paying interest) with partners being Turkish Energy Company (TEC) with a 16 percent interest (20 percent paying interest) and the KRG with a 20 percent carried interest.

Net production (bopd) per field in Kurdistan:

bopd	Quarters			First Half-Year		Full-Year
	Q2 2025	Q1 2025	Q2 2024	2025	2024	
Tawke	20,955	21,978	23,013	21,463	22,148	21,865
Peshkabr	35,115	39,583	36,825	37,337	36,386	37,097
Baeshiqra	-	-	-	-	-	3
Total	56,070	61,561	59,837	58,800	58,535	58,965

North Sea

Net production averaged 33,348 boepd in the North Sea segment during the second quarter of 2025 (19,296 boepd in Q1 2025), of which 29,195 boepd was in Norway and 4,154 boepd in the United Kingdom (UK) (15,311 boepd and 3,985 boepd in Q1 2025, respectively). In the second quarter, oil accounted for 49 percent of production, gas for 43 percent and natural gas liquids (NGL) for 7 percent. In the previous quarter, the split was 45 percent oil, 46 gas and 10 percent NGL.

In June 2025, the USD 1.6 billion acquisition of Sval Energi in Norway was completed. The reported figures include Sval Energi's production from 1 June 2025. Pro-forma North Sea

second quarter 2025 production with contribution from Sval Energi throughout the quarter amounts to 74,100 boepd.

New DNO has production from over 30 North Sea fields. Its most recent development, Maria Revit from Sval Energi's portfolio, was put on production in May 2025 and will contribute some 4,000 boepd net to DNO at peak. Elsewhere in Norway, the Company has six ongoing tieback developments scheduled to come onstream between 2025 and 2029 (Andvare, Verdande, Dvalin North, Symra, Bestla and Berling), representing nearly 50 million barrels of oil equivalent (MMboe) in proven and probable reserves net to DNO. Cuvette, Ofelia and Cerisa discoveries, all potential tie-ins to Gja, are moving toward 2025-26 project sanctions.

More than a dozen other discoveries, including DNO operated Kjtkake, Norma and Othello, are being matured for project sanctions. Appraisal drilling has been scheduled in 2026 to delineate two of Norway's biggest recent discoveries, Carmen and Norma.

DNO's exploration success continued with the discovery of Vidsyn (DNO 25 percent) announced in July. So far this year, DNO has made three commercial discoveries in four exploration wells with total net mean resources of 34 MMboe. Soon, the Company will spud the Page exploration well which is a follow-up to the 2024 Othello discovery within the same license in which DNO holds a 50 percent operated stake.

Net production (boepd) per field in the North Sea:

boepd	Quarters			First Half-Year		Full-Year
	Q2 2025	Q1 2025	Q2 2024	2025	2024	
Arran	3,835	3,547	1,431	3,692	715	1,591
Brage	2,252	2,463	2,723	2,357	2,880	2,697
Dvalin	1,347	-	-	677	-	-
Ekofisk area	364	-	-	183	-	-
Fenja	1,675	1,047	1,654	1,363	1,683	1,422
Gja area	5,163	-	-	2,596	-	-
Ivar Aasen area	1,215	-	-	611	-	-
Kvitebjrn	3,135	-	-	1,576	-	-
Maria	1,463	-	-	736	-	-
Martin Linge	2,752	-	-	1,383	-	-
Norne area	1,684	6,562	5,534	4,110	5,438	4,924
Trym	2,764	1,354	-	2,063	-	175
Ula area	4,976	3,675	3,873	4,329	3,430	3,425
Vilje	625	627	759	626	768	716
Other	98	20	348	59	357	252
Total	33,348	19,296	16,321	26,361	15,269	15,201

Ekofisk area comprises Ekofisk and SE Tor fields, Gja area comprises Nova, Duva and Vega fields, Ivar Aasen area comprises Ivar Aasen and Hanz fields, Norne area comprises Alve, Marulk, Norne, Urd and Skuld fields, and Ula area comprises Ula, Tambar, Oda and Blane (UK) fields.

West Africa

The net production from the Company's equity accounted investment, Cte d'Ivoire (West Africa segment), averaged 3,174 boepd in the second quarter of 2025 (3,375 boepd in Q1 2025).

boepd	Quarters			First Half-Year		Full-Year
	Q2 2025	Q1 2025	Q2 2024	2025	2024	
Block CI-27	3,174	3,375	3,256	3,274	3,289	3,103
Total	3,174	3,375	3,256	3,274	3,289	3,103

Financial review

Revenues, operating result and cash

Revenues in the second quarter stood at USD 258.0 million, up 38 percent compared to the previous quarter (Q1 2025: USD 187.6 million). The main driver of the revenue increase was the inclusion, starting in June, of revenue from lifted volumes acquired through the Sval Energi acquisition, partly offset by lower oil and gas prices in both the North Sea and Kurdistan.

USD million	Q2 2025	Quarters Q1 2025	Q2 2024	First Half-Year 2025	2024	Full-Year 2024
Kurdistan	53.9	57.7	56.5	111.6	116.7	230.8
North Sea	204.1	129.9	80.4	334.0	202.9	436.0
Total	258.0	187.6	137.0	445.6	319.6	666.8

Kurdistan Realized price USD/boe	Q2 2025	Quarters Q1 2025	Q2 2024	First Half-Year 2025	2024	Full-Year 2024
Oil	31.7	34.7	36.2	33.2	34.0	34.7
Total	31.7	34.7	36.2	33.2	34.0	34.7

North Sea Realized price USD/boe	Q2 2025	Quarters Q1 2025	Q2 2024	First Half-Year 2025	2024	Full-Year 2024
Oil	68.4	77.9	85.2	71.3	86.6	83.5
Gas	72.7	91.5	57.9	79.8	57.1	68.8
NGL	43.0	49.8	43.1	45.5	47.7	46.7
Total	68.1	82.3	68.0	73.0	72.4	74.7

The Group reported an operating profit of USD 85.8 million in the second quarter, up from an operating profit of USD 28.0 million in the previous quarter, primarily due to the inclusion of Sval Energi.

Net financial expenses increased to USD 37.8 million (Q1 2025: USD 12.4 million) mainly due to increased borrowings resulting in higher interest expense, the DNO04 call premium and an increase in ARO accretion expense following the inclusion of Sval Energi.

The Group ended the quarter with a cash balance of USD 788.1 million (Q1 2025: USD 1,472.8 million). The decrease in cash was primarily driven by the acquisition of Sval Energi, redemption of the DNO04 bond, repayment of the reserve-based lending facilities and phasing out of Sval Energi's prepayment arrangement, together totaling USD 1,231.2 million. This was partly offset by a new hybrid bond and bridge loan, totaling USD 700.0 million.

Cost of goods sold

In the second quarter, the cost of goods sold amounted to USD 154.3 million, up from USD 121.1 million in the previous quarter. The increase was due to the inclusion of Sval Energi from June resulting in higher lifting costs and depreciation in the North Sea.

Lifting costs

Lifting costs stood at USD 78.4 million in the second quarter, up from USD 60.1 million in the previous quarter. In Kurdistan, the average lifting cost was USD 5.0 per barrel of oil equivalent (boe), up from USD 4.3 per boe in the previous quarter driven by lower production. In the North Sea, the average lifting cost stood at USD 17.5 per boe, down from USD 21.0 per boe in the previous quarter primarily due to the inclusion of Sval Energi from June, which during this period had a lower lifting cost per boe.

USD million	Q2 2025	Quarters Q1 2025	Q2 2024	First Half-Year 2025	2024	Full-Year 2024
Kurdistan	25.3	23.7	20.7	49.0	41.3	83.0
North Sea	53.1	36.4	19.4	89.5	41.9	93.2
Total	78.4	60.1	37.5	138.5	80.1	175.5

(USD/boe)	Q2 2025	Quarters Q1 2025	Q2 2024	First Half-Year 2025	2024	Full-Year 2024
Kurdistan	5.0	4.3	3.8	4.6	3.9	3.8
North Sea	17.5	21.0	13.1	18.8	15.1	16.7
Average	9.6	8.3	5.4	9.0	6.0	6.5

Depreciation, depletion and amortization (DD&A)

DD&A related to the Group's oil and gas production assets amounted to USD 72.8 million in the second quarter, up from USD 49.7 million in the previous quarter. The increase in DD&A was mainly driven by the inclusion of Sval Energi from June.

USD million	Q2 2025	Quarters Q1 2025	Q2 2024	First Half-Year 2025	2024	Full-Year 2024
Kurdistan	26.0	25.4	27.3	51.4	59.8	116.1
North Sea	46.8	24.3	15.4	71.0	31.2	62.2
Total	72.8	49.7	42.6	122.5	91.0	178.2

(USD/boe)	Q2 2025	Quarters Q1 2025	Q2 2024	First Half-Year 2025	2024	Full-Year 2024
Kurdistan	15.3	15.3	17.4	15.3	17.4	17.5
North Sea	15.4	14.0	10.4	14.9	11.2	11.2
Average	15.4	14.6	14.0	15.1	14.7	14.6

Exploration costs expensed

Exploration costs expensed in the second quarter amounted to USD 13.2 million, down from USD 30.8 million in the previous quarter. The decrease in exploration costs is due to no dry wells expensed during the quarter.

USD million	Q2 2025	Quarters Q1 2025	Q2 2024	First Half-Year 2025	2024	Full-Year 2024
Kurdistan	-	-	-	-	-	-
North Sea	13.2	30.8	14.4	44.0	22.5	88.9
Total	13.2	30.8	14.4	44.0	22.5	88.9

Capital expenditures

Capital expenditures stood at USD 114.5 million in the second quarter, of which USD 4.9 million were in Kurdistan and USD 109.5 million in the North Sea.

USD million	Q2 2025	Quarters Q1 2025	Q2 2024	First Half-Year 2025	2024	Full-Year 2024
Kurdistan	4.9	6.2	17.3	11.1	27.5	46.8
North Sea	109.5	104.9	43.0	214.4	86.9	239.3
Other	0.1	2.0	1.0	2.1	1.2	0.9
Total	114.5	113.1	61.3	227.6	115.6	287.0

Risks and uncertainty

The Group is subject to a range of risks and uncertainties which may affect its business operations and financial condition. The description of key risks and uncertainties in the DNO ASA Annual Report and Accounts 2024 gives a fair description of key risks and uncertainties that may affect the Group in the second half of 2025, and we are not aware of any significant new risks or uncertainties or significant changes to those risks or uncertainties, except for those described herein.

Acquisition of Sval Energi

Following the completion of the acquisition of Sval Energi in June 2025, the Group's overall risk profile has evolved. The increased debt levels may make the Group more exposed to capital market conditions. At the same time, the acquisition diversifies the Group's asset base, reduces political risk by lowering the relative exposure to the risks pertaining to the Kurdistan region of Iraq and mitigates operational risk through diversification by significantly expanding the Group's portfolio on the Norwegian Continental Shelf. The integration with Sval Energi brings about some operational and execution risks, mainly relating to alignment of systems, processes and organizational structures across the combined Group. The exposure resulting from these risks is limited because the producing assets acquired with Sval Energi are non-operated.

Operations in the Tawke license

In mid-July, explosive drone strikes by unidentified parties impacted the facilities and operations of a number of international oil companies in the Kurdistan region of Iraq. On 16 July 2025, DNO announced a temporary suspension of operations at the Tawke license following three explosions in the

Tawke and Peshkabir fields. No individuals were injured, but surface processing equipment at Peshkabir and an oil storage tank at Tawke were hit.

On a test basis, DNO restarted production from Tawke in early August, while Peshkabir was restarted later in the month.

While the Company is working to restore production, a prolonged partial suspension may have a material adverse impact on financial results, including reduced revenues and earnings. However, such impact is expected to be mitigated through DNO's insurance coverage. The Company has insurance in place for both physical damage and business interruption.

The safety and security of personnel is paramount to DNO, and the Company has upgraded physical protection (for example, blast walls) and implemented new procedures and additional oversight to safeguard staff and operations in Kurdistan. In parallel, the Company is coordinating closely with the Kurdistan Regional Government (KRG) to ensure that all necessary steps are taken to maintain a secure and stable operating environment for DNO employees and contractors.

Update regarding Iraq-Türkiye Pipeline (ITP)

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

Responsibility statement

We confirm to the best of our knowledge that the Group’s interim financial statements for the period 1 January to 30 June 2025 have been prepared in accordance with IAS 34 *Interim Financial Reporting* and give a fair view of the Group’s assets, liabilities, financial position and results for the period viewed in their entirety, and that the interim management report

includes a fair review of any significant events that arose during the six-month period and their effect on the half-year financial report, any significant related-party transactions, and a description of the significant risks and uncertainties for the remaining six months of the year.

Oslo, 20 August 2025

Bijan Mossavar-Rahmani Executive Chairman	Gunnar Hirsti Deputy Chairman	Elin Karfjell Director
Anita Hjerkin Aarnæs Director	Najmedin Meshkati Director	Grethe Kristin Moen Director
Ferris J. Hussein Director	Christopher Thomas Hyde Spencer Managing Director	

Consolidated statements of comprehensive income

(unaudited, in USD million)	Note	Quarters		First Half-Year		Full-Year
		Q2 2025	Q2 2024	2025	2024	2024
Revenues	2,3	258.0	137.0	445.6	319.6	666.8
Lifting costs		-78.4	-37.5	-138.5	-80.1	-175.5
Tariff and transportation expenses		-27.7	-10.5	-46.2	-18.1	-49.4
Movement in overlift/underlift		27.4	13.2	35.9	5.8	2.1
Depreciation, depletion and amortization	7	-75.5	-44.1	-126.6	-93.9	-184.1
Cost of goods sold		-154.3	-78.8	-275.3	-186.3	-406.9
Gross profit		103.7	58.1	170.2	133.4	259.9
Share of profit/loss from Joint Venture		1.5	2.5	3.7	2.2	3.3
Other operating income/expenses		-0.5	-0.8	-0.7	-0.7	-1.6
Administrative expenses		-5.7	-7.4	-16.8	-13.5	-23.5
Impairment oil and gas assets	7	-	-41.3	-	-41.3	-146.0
Exploration expenses	4	-13.2	-14.4	-44.0	-22.5	-88.9
Gain on license transactions		-	-	1.3	-	3.0
Operating profit/loss		85.8	-3.2	113.8	57.4	6.1
Financial income	5	14.2	6.0	26.8	20.7	47.3
Financial expenses	5	-52.0	-10.7	-77.0	-26.7	-66.7
Profit/loss before income tax		47.9	-7.9	63.6	51.4	-13.3
Tax income/expense	6	-55.3	42.4	-74.5	-0.2	-13.8
Net profit/loss		-7.3	34.5	-10.9	51.3	-27.1
Currency translation differences		10.5	4.7	28.3	-10.0	-25.8
Other comprehensive income		10.5	4.7	28.3	-10.0	-25.8
Total comprehensive income, net of tax		3.2	39.2	17.4	41.3	-52.9
Net profit/loss attributable to:						
Equity holders of the parent		-7.3	34.5	-10.9	51.3	-27.1
Total comprehensive income attributable to:						
Equity holders of the parent		3.2	39.2	17.4	41.3	-52.9
Earnings per share, basic (USD per share)	16	-0.01	0.04	-0.01	0.05	-0.03
Earnings per share, diluted (USD per share)	16	-0.01	0.04	-0.01	0.05	-0.03
Weighted average number of shares outstanding (millions)		975.00	975.00	975.00	975.00	975.00

Consolidated statements of financial position

ASSETS (unaudited, in USD million)		At 30 Jun		At 31 Dec
	Note	2025	2024	2024
Non-current assets				
Deferred tax assets	6	16.9	47.6	39.6
Goodwill	7	1,415.3	61.8	102.1
Other intangible assets	7	310.2	220.5	228.5
Property, plant and equipment	7	2,746.2	1,150.7	1,109.4
Investment in Joint Venture		43.3	63.5	48.8
Other non-current receivables	9	110.4	126.9	98.2
Other assets		4.5	-	-
Total non-current assets		4,646.9	1,671.0	1,626.6
Current assets				
Inventories	8	106.3	71.2	74.8
Trade and other receivables	9	711.5	269.2	338.1
Derivatives	14	8.8	-	-
Tax receivables	6	-	-	27.5
Cash and cash equivalents		788.1	943.1	899.0
Total current assets		1,614.6	1,283.5	1,339.5
TOTAL ASSETS		6,261.5	2,954.5	2,966.1
EQUITY AND LIABILITIES (unaudited, in USD million)				
	Note	At 30 Jun	At 31 Dec	
		2025	2024	2024
Equity				
Shareholders' equity		1,434.2	1,230.4	1,080.0
Total equity		1,434.2	1,230.4	1,080.0
Non-current liabilities				
Deferred tax liabilities	6	946.1	230.1	257.2
Interest-bearing liabilities	11	987.7	773.9	790.5
Provisions and other liabilities	12	1,217.4	397.7	484.5
Total non-current liabilities		3,151.2	1,401.7	1,532.2
Current liabilities				
Trade and other payables	13	541.7	257.4	323.7
Income taxes payable	6	420.1	18.7	-
Interest-bearing liabilities	11	644.2	-	-
Derivatives	14	12.8	-	-
Provisions and other liabilities	12	57.3	46.2	30.2
Total current liabilities		1,676.1	322.3	353.9
Total liabilities		4,827.3	1,724.0	1,886.1
TOTAL EQUITY AND LIABILITIES		6,261.5	2,954.5	2,966.1

Consolidated cash flow statement

(unaudited, USD million)		Quarters		First Half-Year		Full-Year
	Note	Q2 2025	Q2 2024	2025	2024	2024
Operating activities						
Profit/loss before income tax		47.9	-7.9	63.6	51.4	-13.3
Adjustments to add/deduct non-cash items:						
Exploration cost previously capitalized carried to cost	4	-1.8	-	15.4	0.0	37.7
Depreciation, depletion and amortization	7	75.5	44.1	126.6	93.9	184.1
Impairment oil and gas assets	7	-	41.3	-	41.3	146.0
Loss/gain on PP&E	7	-	-	-1.3	-	-3.0
Time value effects on trade receivables	9	-	-7.8	-0.3	-7.8	-11.4
Share of profit/loss from Joint Venture		-1.5	-2.5	-3.7	-2.2	-3.3
Amortization of borrowing issue costs	5, 11	3.8	1.4	4.7	2.3	4.1
Accretion expense on ARO provisions	5	9.6	4.7	15.9	9.4	20.4
Interest expense	5	30.3	11.1	48.0	20.3	54.3
Interest income	5	-10.7	-8.5	-20.2	-15.6	-38.1
Other		5.9	1.6	5.7	-5.3	-8.6
Change in working capital items and provisions:						
- Inventories	8	2.4	5.3	4.7	6.7	6.0
- Trade and other receivables	9	9.9	-18.4	0.7	-2.2	-46.1
- Trade and other payables	13	-28.4	69.0	0.8	39.4	97.4
- Provisions for other liabilities and charges	12	-8.1	5.8	-3.0	7.4	6.9
Cash generated from operations		134.8	139.1	257.6	239.1	433.0
Net income taxes paid/tax refund received		-114.3	-	-114.3	-	-0.8
Interest received		10.6	5.9	17.9	10.6	34.6
Interest paid		-29.0	-8.9	-46.4	-19.4	-53.7
Net cash from/used in operating activities		2.1	136.1	114.7	230.3	413.0
Investing activities						
Purchases of intangible assets		-13.9	-9.4	-53.0	-27.6	-87.2
Purchases of tangible assets		-100.6	-52.0	-174.6	-88.1	-199.8
Payments for decommissioning		-2.2	-1.3	-3.8	-2.0	-4.9
Acquisition of subsidiary, net of cash acquired	15	-180.9	-	-203.4	-	-
Payments for license transactions		-	-60.1	-	-60.1	-84.8
Equity contribution into Joint Venture		-0.1	-4.2	-2.9	-7.5	-9.4
Dividends from Joint Venture		3.9	6.4	12.1	14.0	31.8
Net cash from/used in investing activities		-293.8	-120.5	-425.6	-171.1	-354.2
Financing activities						
Proceeds from borrowings	11	300.0	350.0	930.0	350.0	365.0
Proceeds from hybrid bond	10	400.0	-	400.0	-	-
Repayment of borrowings	11	-1,050.3	-	-1,050.3	-131.2	-131.2
Payment of debt issue costs	11	-3.8	-5.4	-11.6	-5.4	-5.6
Payment of hybrid bond issue costs	10	-6.4	-	-6.4	-	-
Paid dividend		-30.2	-23.0	-57.6	-46.1	-102.5
Payments of lease liabilities		-0.8	-0.6	-1.4	-1.2	-2.5
Net cash from/used in financing activities		-391.6	321.0	202.6	166.1	123.2
Net increase/decrease in cash and cash equivalents		-683.2	336.5	-108.2	225.3	182.1
Cash and cash equivalents at beginning of the period		1,472.8	606.4	899.0	718.8	718.8
Exchange gain/losses on cash and cash equivalents		-1.5	0.1	-2.7	-1.0	-1.9
Cash and cash equivalents at the end of the period		788.1	943.1	788.1	943.1	899.0
Of which restricted cash		20.8	13.3	20.8	13.3	17.5

Consolidated statement of changes in equity

(unaudited, in USD million)	Share capital	Share premium	Hybrid capital	Other equity		Total equity
				Currency translation differences	Retained earnings	
Total shareholders' equity as of 31 December 2023	32.8	343.6	-	-39.9	898.3	1,234.8
Currency translation differences	-	-	-	-10.0	-	-10.0
Other comprehensive income/loss	-	-	-	-10.0	-	-10.0
Profit/loss for the period	-	-	-	-	51.3	51.3
Total comprehensive income	-	-	-	-10.0	51.3	41.3
Payment of dividend	-	-	-	-	-45.7	-45.7
Transactions with shareholders	-	-	-	-	-45.7	-45.7
Total shareholders' equity as of 30 June 2024	32.8	343.6	-	-49.9	903.9	1,230.4

(unaudited, in USD million)	Share capital	Share premium	Hybrid capital	Other equity		Total equity
				Currency translation differences	Retained earnings	
Total shareholders' equity as of 31 December 2024	32.8	343.6	-	-65.7	769.3	1,080.0
Currency translation differences	-	-	-	28.3	-	28.3
Other comprehensive income/loss	-	-	-	28.3	-	28.4
Profit/loss for the period	-	-	-	-	-10.9	-10.9
Total comprehensive income	-	-	-	28.3	-10.9	17.4
Hybrid bond issue, Note 10	-	-	393.5	-	-	393.5
Payment of dividend	-	-	-	-	-56.7	-56.7
Transactions with shareholders	-	-	393.5	-	-56.7	336.8
Total shareholders' equity as of 30 June 2025	32.8	343.6	393.5	-37.4	701.7	1,434.2

Notes to the consolidated interim financial statements

Note 1 | Basis of preparation and accounting policies

Principal activities and corporate information

DNO ASA (the Company) and its subsidiaries (DNO or the Group) are engaged in international oil and gas exploration, development and production.

Basis of preparation

DNO ASA's consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* and IFRS standards issued and effective at date of reporting as adopted by the EU. These interim financial statements have also been prepared in accordance with Oslo Stock Exchange regulations.

The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the DNO ASA Annual Report and Accounts 2024.

The interim financial information for 2025 and 2024 is unaudited.

The interim financial statements have been prepared on a historical cost basis, with the following exceptions: liabilities related to share-based payments, derivative financial instruments and equity instruments are recognized at fair value. A detailed description of the accounting policies applied is included in the DNO ASA Annual Report and Accounts 2024.

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of DNO ASA Annual Report and Accounts 2024.

Following the acquisition of Sval Energi, the Group has harmonized accounting principles where necessary, and Sval Energi has been consolidated in the Group's interim financial statements from 1 June 2025.

Due to rounding adjustments, some row and column totals may not exactly match the sum of the amounts shown.

Note 2 | Segment information

The Group reports the following three operating segments: Kurdistan, North Sea (which includes the Group's oil and gas activities in Norway and the UK) and West Africa (which represents the Group's equity accounted investment in Côte d'Ivoire). The segment assets/liabilities do not include internal receivables/liabilities.

Second quarter ending 30 June 2025 USD million	Note	Kurdistan	North Sea	West Africa	Other	Total reporting segments	Un- allocated/ eliminated	Total Group
Income statement information								
Revenues	3	53.9	204.1	-	-	258.0	-	258.0
Lifting costs		-25.3	-53.1	-	-	-78.4	-	-78.4
Tariff and transportation expenses		-	-27.7	-	-	-27.7	-	-27.7
Movement in overlift/underlift		-	27.4	-	-	27.4	-	27.4
Depreciation, depletion and amortization	7	-26.1	-48.5	-	-	-74.6	-0.8	-75.5
Cost of goods sold		-51.5	-102.0	-	-	-153.5	-0.8	-154.3
Gross profit		2.4	102.1	-	-	104.5	-0.8	103.7
Share of profit/loss from Joint Venture		-	-	1.5	-	1.5	-	1.5
Other operating income/expenses		-0.6	0.2	-	-	-0.5	-	-0.5
Administrative expenses		-0.2	-0.7	-	-0.3	-1.1	-4.5	-5.7
Impairment oil and gas assets	7	-	-	-	-	-	-	-
Exploration expenses	4	-	-13.2	-	-	-13.2	-	-13.2
Gain on license transactions		-	-	-	-	-	-	-
Operating profit/loss		1.6	88.4	1.4	-0.3	91.1	-5.3	85.8
Financial income/expense (net)	5	-0.3	-17.0	1.2	0.2	-16.0	-21.9	-37.8
Tax income/expense	6	-	-55.3	-	-	-55.3	-	-55.3
Net profit/loss		1.3	16.1	2.6	-0.2	19.9	-27.2	-7.3

Note 2 | Segment information

Second quarter ending 30 June 2024 USD million	Note	Kurdistan	North Sea	West Africa	Other	Total reporting segment	Un- allocated/ eliminated	Total Group
Income statement information								
Revenues	3	56.5	80.4	-	-	137.0	-	137.0
Lifting costs		-20.7	-19.4	-	-	-40.0	2.6	-37.5
Tariff and transportation expenses		-	-10.5	-	-	-10.5	-	-10.5
Movement in overlift/underlift		-	13.2	-	-	13.2	-	13.2
Depreciation, depletion and amortization	7	-27.4	-15.8	-	-	-43.2	-0.8	-44.1
Cost of goods sold		-48.1	-32.5	-	-	-80.6	1.8	-78.8
Gross profit		8.5	47.9	-	-	56.4	1.8	58.1
Share of profit/loss from Joint Venture		-	-	2.5	-	2.5	-	2.5
Other operating income/expenses		-	0.3	-	-	0.3	0.0	0.3
Administrative expenses		-0.9	-2.8	-	-0.6	-4.2	-4.4	-8.5
Impairment oil and gas assets	7	-	-41.3	-	-	-41.3	-	-41.3
Exploration expenses	4	-	-14.4	-	-	-14.4	-	-14.4
Gain on license transactions		-	-	-	-	-	-	-
Operating profit/loss		7.6	-10.2	2.5	-0.6	-0.6	-2.6	-3.2
Financial income/expense (net)	5	6.8	-7.1	0.4	0.7	0.8	-5.5	-4.7
Tax income/expense	6	-	42.4	-	-	42.4	-	42.4
Net profit/loss		14.4	25.1	2.9	0.2	42.6	-8.1	34.5

Note 2 | Segment information

Half-Year ending 30 June 2025 USD million	Note	Kurdistan	North Sea	West Africa	Other	Total reporting segment	Un- allocated/ eliminated	Total Group
Income statement information								
Revenues	3	111.6	334.0	-	-	445.6	-	445.6
Lifting costs		-49.0	-89.5	-	-	-138.6	0.1	-138.5
Tariff and transportation expenses		-	-46.2	-	-	-46.2	-	-46.2
Movement in overlift/underlift		-	35.9	-	-	35.9	-	35.9
Depreciation, depletion and amortization	7	-51.7	-73.2	-	-	-124.9	-1.6	-126.6
Cost of goods sold		-100.7	-173.0	-	-	-273.7	-1.6	-275.3
Gross profit		10.8	161.0	-	-	171.9	-1.5	170.2
Share of profit/loss from Joint Venture		-	-	3.7	-	3.7	-	3.7
Other operating income/expense		-0.9	0.2	-	-0.1	-0.8	-	-0.7
Administrative expenses		-0.5	-4.0	-	-0.4	-4.9	-11.8	-16.8
Impairment of oil and gas assets	7	-	-	-	-	-	-	-
Exploration costs	4	-	-44.0	-	-	-44.0	-	-44.0
Gain on license transactions		-	1.3	-	-	1.3	-	1.3
Operating profit/loss		9.5	114.5	3.7	-0.5	127.2	-13.4	113.8
Financial income/expense (net)	5	3.0	-23.4	1.2	0.3	-18.9	-31.3	-50.2
Tax income/expense	6	-	-74.5	-	-	-74.5	-	-74.5
Net profit/loss		12.4	16.6	4.9	-0.1	33.8	-44.8	-10.9
Financial position information								
Non-current assets		626.5	3,966.4	43.3	-	4,636.3	10.6	4,646.9
Current assets		238.0	975.4	-	1.3	1,214.7	399.9	1,614.6
Total assets		864.5	4,941.9	43.3	1.3	5,851.0	410.5	6,261.5
Non-current liabilities		72.8	2,075.2	-	-	2,148.0	1,003.3	3,151.2
Current liabilities		137.6	1,510.2	-	7.8	1,655.7	20.4	1,676.1
Total liabilities		210.4	3,585.4	-	7.8	3,803.6	1,023.7	4,827.3

Note 2 | Segment information

Half-Year ending 30 June 2024 USD million	Note	Kurdistan	North Sea	West Africa	Other	Total reporting segment	Un- allocated/ eliminated	Total Group
Income statement information								
Revenues	3	116.7	202.9	-	-	319.6	-	319.6
Lifting costs		-41.3	-41.9	-	-	-83.2	3.2	-80.1
Tariff and transportation expenses		-	-18.1	-	-	-18.1	-	-18.1
Movement in overlift/underlift		-	5.8	-	-	5.8	-	5.8
Depreciation, depletion and amortization	7	-60.1	-32.1	-	-	-92.2	-1.6	-93.9
Cost of goods sold		-101.4	-86.4	-	-	-187.8	1.5	-186.3
Gross profit		15.3	116.6	-	-	131.8	1.5	133.4
Share of profit/loss from Joint Venture		-	-	2.2	-	2.2	-	2.2
Other operating income/expenses		-0.9	0.4	-	-0.2	-0.8	-	-0.7
Administrative expenses		-	-4.4	-	-0.9	-5.4	-8.1	-13.5
Impairment oil and gas assets	7	-	-41.3	-	-	-41.3	-	-41.3
Exploration expenses	4	-	-22.5	-	-	-22.5	-	-22.5
Gain on license transactions		-	-	-	-	-	-	-
Operating profit/loss		14.3	48.7	2.2	-1.2	64.0	-6.6	57.4
Financial income/expense (net)	5	4.3	-5.1	0.7	0.9	0.8	-6.8	-6.0
Tax income/expense	6	-	-0.2	-	-	-0.2	-	-0.2
Net profit/loss		18.6	43.4	2.9	-0.3	64.7	-13.4	51.3
Financial position information								
Non-current assets		819.5	774.2	63.5	-	1,657.2	13.8	1,671.0
Current assets		247.2	279.3	-	1.3	527.7	755.8	1,283.5
Total assets		1,066.7	1,053.4	63.5	1.3	2,184.8	769.6	2,954.5
Non-current liabilities		71.2	575.2	-	-	646.4	755.3	1,401.7
Current liabilities		126.8	168.2	-	7.5	302.5	19.8	322.3
Total liabilities		198.0	743.4	-	7.5	948.9	775.1	1,724.0

Note 3 | Revenues

USD million	Quarters		First Half-Year		Full-Year
	Q2 2025	Q2 2024	2025	2024	2024
Sale of oil	147.1	99.5	252.3	249.6	496.0
Sale of gas	95.7	31.1	168.5	56.0	138.5
Sale of natural gas liquids (NGL)	10.9	5.6	18.0	12.8	26.9
Tariff income	3.2	0.7	5.7	1.4	5.4
Total revenues from contracts with customers	256.9	137.0	444.5	319.6	666.8
Gain/loss on derivative oil hedging instruments	1.1	-	1.1	-	-
Total revenues	258.0	137.0	445.6	319.6	666.8
Sale of oil (boepd)	33,816	22,715	29,552	27,268	26,852
Sale of gas (boepd)	14,478	5,891	11,675	5,388	5,496
Sale of natural gas liquids (NGL) (boepd)	2,773	1,432	2,190	1,470	1,571
Total sales volume (boepd)	51,068	30,038	43,417	34,126	33,918

Note 4 | Exploration expenses

USD million	Quarters		First Half-Year		Full-Year
	Q2 2025	Q2 2024	2025	2024	2024
Exploration expenses (G&G and field surveys)	-5.6	-3.7	-10.5	-7.4	-16.5
Seismic costs	-2.7	-6.3	-6.9	-6.4	-16.5
Exploration cost capitalized in previous years carried to cost	-	-	-2.6	-	-0.8
Exploration costs capitalized this year carried to cost	1.8	-	-12.8	-	-36.8
Other exploration cost expensed	-6.7	-4.3	-11.3	-8.8	-18.3
Total exploration expenses	-13.2	-14.4	-44.0	-22.5	-88.9

Exploration expenses relate to North Sea.

Note 5 | Financial income and financial expenses

USD million	Note	Quarters		First Half-Year		Full-Year
		Q2 2025	Q2 2024	2025	2024	2024
Interest income		10.7	8.5	20.2	15.6	38.1
Currency exchange gains recognized in the income statement (net)		2.6	-2.5	5.8	5.0	9.2
Other financial income		0.8	-	0.8	0.0	-
Financial income		14.2	6.0	26.8	20.7	47.3
Interest expenses		-30.3	-11.1	-48.0	-20.3	-54.3
Capitalized interest		0.9	-	0.9	-	4.1
Time value effect trade debtors	9	-	-	0.3	-	11.6
Amortization of borrowing costs	11	-3.8	-1.4	-4.7	-2.2	-3.8
Accretion expense ARO		-9.6	-4.7	-15.9	-9.4	-20.4
Other financial expenses		-9.2	6.4	-9.6	5.3	-3.9
Financial expenses		-52.0	-10.7	-77.0	-26.7	-66.7
Net financial income/expenses		-37.8	-4.7	-50.2	-6.0	-19.4

Note 6 | Income taxes

USD million	Quarters		First Half-Year		Full-Year
	Q2 2025	Q2 2024	Q2 2025	Q2 2024	2024
Tax income/expense					
Change in deferred taxes	-66.8	36.0	-127.0	13.7	-57.9
Income tax receivable/payable	11.5	6.4	52.4	-13.8	44.1
Total tax income/expense	-55.3	42.4	-74.5	-0.2	-13.8

USD million	At 30 Jun		At 31 Dec
	2025	2024	2024
Income tax receivable/payable			
Tax receivables (current)	-	-	27.5
Income taxes payable	-420.1	-18.7	-
Net tax receivable/payable	-420.1	-18.7	27.5
Deferred tax assets/liabilities			
Deferred tax assets	16.9	47.6	39.6
Deferred tax liabilities	-946.1	-230.1	-257.2
Net deferred tax assets/liabilities	-929.2	-182.5	-217.6

The tax balances relate to the activity on the Norwegian Continental Shelf and the UK Continental Shelf.

Under the terms of the Production Sharing Contracts (PSC) in the Kurdistan region of Iraq, the Company's subsidiary, DNO Iraq AS, is not required to pay any corporate income taxes. The share of profit oil of which the government is entitled to is deemed to include a portion representing the notional corporate income tax paid by the government on behalf of DNO. Current and deferred taxation arising from such notional corporate income tax is not calculated for Kurdistan as there is uncertainty related to the tax laws of the Kurdistan Regional Government (KRG) and there is currently no well-established tax regime for international oil companies.

Profits/losses by Norwegian companies from upstream activities outside of Norway are not taxable/deductible in Norway in accordance with the General Tax Act, section 2-39. Under these rules, only certain financial income and expenses are taxable in Norway.

The increase in taxes payable and deferred tax liabilities during the quarter is due to the acquisition of Sval Energi, see Note 15. Settlement of USD 151.0 million of the tax payable is scheduled for the second half of 2025.

Taxes payable include provisions for uncertain tax positions of USD 127.8 million recognized in connection with the acquisition of Sval Energi. The majority of these relate to tax exposures arising from acquisitions previously completed by Sval Energi and for which the original sellers have provided tax indemnities. A tax indemnity receivable of USD 125.7 million has been recognized under Trade and other receivables.

Note 7 | Intangible assets/ Property, plant and equipment (PP&E)

USD million	Quarters		First Half-Year		Full-Year
	Q2 2025	Q2 2024	2025	2024	2024
Additions of intangible assets	13.9	9.7	53.0	27.9	87.2
Additions of goodwill and intangible assets through business combinations	1,316.8	61.7	1,316.8	61.7	113.8
Disposal of goodwill and intangible assets	-	-	-	-	-1.1
Additions of tangible assets	106.1	52.8	180.2	89.8	226.4
Additions of tangible assets through business combination	1,482.4	37.8	1,482.4	37.8	112.5
Disposal of tangible assets	-	-	-	-	-30.9
Additions of right-of-use (RoU) assets	-	-	-	-	0.3
Additions of RoU assets through business combinations	27.3	-	27.3	-	-
Depreciation, depletion and amortization	-75.5	-44.1	-126.6	-93.9	-184.1
Impairment oil and gas assets/goodwill	-	-41.3	-	-41.3	-146.0
Exploration cost previously capitalized carried to cost (Note 4)	1.8	-	-15.4	-	-37.7

Additions of intangible assets are related to exploration and evaluation expenditures (successful efforts method), license interests and administrative software. Additions of tangible assets are related to oil and gas development and production assets including changes in estimate of asset retirement, and other tangible assets. Additions of right-of-use (RoU) assets are related to lease contracts under IFRS 16 *Leases*, see Note 12.

Note 8 | Inventory

USD million	At 30 Jun		At 31 Dec
	2025	2024	2024
Drilling equipment, spare parts and consumables	136.4	88.6	94.3
Provision for obsolete inventory	-30.1	-17.4	-19.4
Total inventory	106.3	71.2	74.8

Book value of inventory as of the reporting date relates to Kurdistan (USD 53.9 million) and the North Sea (USD 52.3 million).

Note 9 | Other non-current receivables/ Trade Receivables

USD million	At 30 Jun		At 31 Dec
	2025	2024	2024
Trade debtors (non-current portion)	110.4	126.9	98.2
Total other non-current receivables	110.4	126.9	98.2
Trade debtors	178.5	153.8	185.0
Underlift	56.7	19.3	7.1
Other short-term receivables	476.3	96.1	146.1
Total trade and other receivables	711.5	269.2	338.1

As of 30 June 2025, the Company was owed a total of USD 294.5 million, excluding any interest, by the KRG mainly related to sales of DNO's entitlement share of oil to the KRG for the months October 2022 through March 2023 plus part of the amount invoiced for oil sold to the KRG in September 2022. These receivables are past due. During the second quarter of 2025, DNO recognized that USD 2.0 million of these arrears had been settled by way of offsetting against payables due to the KRG. The Company continues to engage with the KRG regarding collection of the arrears and expects that it will recover the full invoiced amount as has occurred in the past, but the timing of recovery is uncertain. Due to accounting requirements to incorporate the time value of money, the Company compared the book value of the KRG arrears with the present value of estimated future cash flows, resulting in a cumulative USD 32.4 million reduction of the book value, same as previous quarter. Moreover, the classification of the receivables (current/non-current portion) was updated accordingly.

The underlift receivable as of the reporting date relates to North Sea underlifted volumes. Other short-term receivables mainly relate to items of working capital in licenses in Kurdistan and the North Sea, accrual for earned income not invoiced in the North Sea and tax indemnity receivable (see Note 6).

Note 10 | Hybrid capital

On 17 June 2025, DNO ASA completed the placement of a USD 400 million hybrid bond with a coupon rate of 10.75 percent. The hybrid bond will have the first call date five and a half years after issuance, a five percent coupon step-up after six years, and a final maturity date of 17 June 2085. DNO has the right to defer coupon payments and ultimately decide not to pay at maturity. Any deferred coupon payments become payable if DNO decides to exercise a repayment call option, pay dividends to shareholders or liquidation proceeds are formally opened. Due to DNO's right to defer coupon payments indefinitely, only the net present value of the principal is classified as debt in the statement of financial position. The difference between the proceeds and the recognized liability is classified as equity, resulting in the majority of the principal amount being presented as equity.

USD million	Equity	Liability	Total
Balance as of 31 December 2024	-	-	-
Hybrid bond issue (17 June 2025)	399.9	0.1	400.0
Issue costs	-6.4	-	-6.4
Accretion	-	-	-
Balance as of 30 June 2025	393.5	0.1	393.6

Note 11 | Interest-bearing liabilities

Interest-bearing liabilities

USD million	Ticker	Facility currency	Interest	Maturity	At 30 Jun 2025	At 31 Dec 2024	At 31 Dec 2024
Non-current							
Bond loan (ISIN NO0011088593)	DNO04	USD	7.875 %	09/09/26	-	350.0	350.0
Bond loan (ISIN NO0013243766)	DNO05	USD	9.250 %	04/06/29	400.0	400.0	400.0
Bond loan (ISIN NO0013511113)	DNO06	USD	8.500 %	27/03/30	600.0	-	-
Hybrid bond (ISIN NO0013582627) liability portion	TBA	USD	10.750 %	17/06/85	0.1	-	-
Capitalized borrowing issue costs					-12.4	-11.1	-9.5
Reserve-based lending facility		USD	See below	See below	-	35.0	50.0
Total non-current interest-bearing liabilities					987.7	773.9	790.5
Current							
Bridge loan	-	USD	See below	25/06/26	300.0	-	-
Prepayment facilities	-	USD	See below	See below	348.0	-	-
Capitalized borrowing issue costs					-3.8	-	-
Total current interest-bearing liabilities					644.2	-	-
Total interest-bearing liabilities					1,631.9	773.9	790.5

Note 11 | Interest-bearing liabilities

Changes in liabilities arising from financing activities split on cash and non-cash changes

USD million	At 1 Jan 2025	Cash flows	Amortization	Non-cash changes Acquisition	Currency	Reclassification	At 30 Jun 2025
Bond loans	750.0	600.1	-	-	-	-350.0	1,000.1
Bond loans (current)	-	-350.0	-	-	-	350.0	-
Borrowing issue costs	-9.5	-11.6	4.7	-	0.2	-	-16.1
Reserve-based lending facility	50.0	-572.3	-	522.3	-	-	-
Bridge loan	-	300.0	-	-	-	-	300.0
Prepayment facilities	-	-98.0	-	446.0	-	-	348.0
Total	790.5	-131.8	4.7	968.3	0.2	-	1,631.9

USD million	At 1 Jan 2024	Cash flows	Amortization	Non-cash changes Acquisition	Currency	Reclassification	At 30 Jun 2024
Bond loans	400.0	350.0	-	-	-	-	750.0
Bond loans (current)	131.2	-131.2	-	-	-	-	-
Borrowing issue costs	-8.0	-5.4	2.3	-	-	-	-11.1
Reserve-based lending facility	-	-	-	-	-	35.0	35.0
Reserve-based lending facility (current)	35.0	-	-	-	-	-35.0	-
Total	558.2	213.4	2.3	-	-	-	773.9

On 14 March 2025, DNO ASA completed the placement of a USD 600 million, five-year senior unsecured bond issued at 100 percent at par with a coupon rate of 8.50 percent. Subsequently, on 10 April 2025, the Company completed the full redemption of the DNO04 bond, redeeming USD 350 million at a price of 102.3625 percent at par plus accrued interest. The financial covenants of the DNO05 and DNO06 bonds require a minimum of USD 40 million of liquidity, and that the Group maintains either an equity ratio of 30 percent or a total equity of a minimum of USD 600 million.

On 17 June 2025, DNO ASA completed the placement of USD 400 million of subordinated hybrid bonds with a coupon rate of 10.75 percent. Due to the instrument's long maturity and the issuer's option to defer interest payments and ultimately decide not to pay at maturity, the proceeds are classified almost entirely as equity. For more details, see Note 10.

During the second quarter of 2025, the Group fully repaid the outstanding amounts under its reserve-based lending (RBL) facilities related to its Norwegian and UK production licenses, including the RBL facility assumed through the acquisition of Sval Energi, totaling USD 602.3 million. As of 30 June 2025, all letters of credit related to the Group's Norwegian and UK oil and gas operations were replaced by surety bonds.

On 25 June 2025, the Group entered into a USD 300 million one-year bridge loan with an interest rate of SOFR plus a margin of 4.00 percent. The facility is intended to provide additional liquidity headroom during the transition from Sval Energi's existing prepayment arrangements. The loan is subject to financial covenants, including a maximum net debt to EBITDAX ratio of 3.5x and a minimum EBITDAX to interest expense ratio of 5.0x.

Prepayment facilities comprise of sales of receivables and prepayment arrangements related to oil and gas offtake agreements with major industry counterparties and banks. Sval Energi's prepayment and offtake agreements are being phased out and replaced with new offtake and associated financing facilities. The facilities bear interest based on SOFR plus a margin. Further details on the new gas offtake and related financing facility are provided in Note 17.

For additional information about the Group's interest-bearing liabilities, refer to the DNO ASA Annual Report and Accounts 2024.

Note 12 | Provisions and other liabilities

USD million	At 30 Jun		At 31 Dec
	2025	2024	2024
Non-current			
Asset retirement obligations (ARO)	1,181.5	379.4	467.9
Other long-term provisions and charges	7.8	6.9	6.9
Lease liabilities	28.1	11.4	9.7
Total non-current provisions and other liabilities	1,217.4	397.7	484.5
Current			
Asset retirement obligations (ARO)	35.7	29.6	12.9
Other provisions and charges	10.9	13.0	14.2
Current lease liabilities	10.7	3.6	3.1
Total current provisions and other liabilities	57.3	46.2	30.2
Total provisions and other liabilities	1,274.8	443.9	514.7

Asset retirement obligations

The provisions for ARO are based on the present value of estimated future cost of decommissioning oil and gas assets in Kurdistan and the North Sea. The discount rates before tax applied were between 5.10 percent and 5.30 percent. The increase in ARO liabilities compared to previous quarter is due to the acquisition of Sval Energi.

Non-cancellable lease commitments

The lease liabilities recognized in the balance sheet mainly relate to office rent, an FSO vessel and a rig lease linked to the non-operated Martin Linge oil and gas field. The FSO and rig leases were assumed as part of the Sval Energi acquisition and the lease liability recognized represents DNO's share only. The identified lease liabilities have no significant impact on the Group's financing, loan covenants or dividend policy. The Group does not have any residual value guarantees. Extension options are included in the lease liability when, based on the management's judgement, it is reasonably certain that an extension will be exercised. Non-lease components are not included as part of the lease liabilities.

Undiscounted lease liabilities and maturity of cash outflows (non-cancellable):

USD million	At 30 Jun		At 31 Dec
	2025	2024	2024
Within one year	19.0	4.7	4.0
Two to five years	19.3	10.0	8.7
After five years	6.2	4.3	3.2
Total undiscounted lease liabilities end of the period	44.5	18.9	15.9

The table above summarizes the Group's maturity profile of the lease liabilities based on contractual undiscounted payments.

Note 13 | Trade and other payables

USD million	At 30 Jun		At 31 Dec
	2025	2024	2024
Trade payables	65.4	61.2	84.5
Public duties payable	18.8	2.0	4.0
Prepayments from customers	34.7	23.1	4.7
Overlift and other adjustments	185.3	71.0	103.7
Other accrued expenses	237.6	100.0	126.8
Total trade and other payables	541.7	257.4	323.7

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

Trade payables and other accrued expenses include items of working capital related to participation in oil and gas licenses in Kurdistan and the North Sea, and prepayment from customers related to oil sales in the North Sea. The overlift and other adjustments relate to North Sea overlifted volumes, valued at production cost including depreciation, and other lifting related adjustments in Kurdistan. Overlifted volumes assumed through the acquisition of Sval Energi are valued at fair value in accordance with IFRS 3.

Note 14 | Derivatives

USD million	At 30 Jun		At 31 Dec
	2025	2024	2024
Commodity derivatives (current assets)	8.8	-	-
Commodity derivatives (current liabilities)	-12.8	-	-
Net derivatives	-4.0	-	-

Through the acquisition of Sval Energi, DNO assumed a portfolio of commodity derivatives which are used to hedge the Group's exposure to oil and gas price fluctuations. The derivative portfolio is revalued on a mark to market basis, with changes in value recognized in the income statement. All derivatives are measured at fair value on a recurring basis (level 2 in the fair value hierarchy).

As of 30 June 2025, the Group had hedged approximately 50 percent of its post-tax gas price exposure in the North Sea for the second half of 2025, and around 35 percent of the corresponding exposure for 2026. The hedging strategy involves the use of collar structures. For the second half of 2025, the weighted average strike prices are USD 61 per boe for the purchased puts and USD 163 for the calls sold. For 2026, the equivalent strike prices are USD 59 for the puts and USD 123 for the calls. The Group has a current commodity derivative liability of USD 12.8 million, entirely related to deferred hedging premiums. The foreign exchange derivatives held by Sval Energi at the acquisition date were fully settled in June 2025.

Note 15 | Business combination

On 7 March 2025, DNO ASA entered into an agreement to acquire 100 percent of the shares of Sval Energi Group AS (Sval Energi) from HitecVision funds for a cash consideration of USD 450.0 million, based on an enterprise value of USD 1.6 billion. The effective date of the transaction is 1 January 2025, and the transaction was completed in June 2025. The Company has designated 31 May 2025 as the acquisition date for accounting purposes.

The transaction is regarded as a business combination and is accounted for using the acquisition method in accordance with IFRS 3. A purchase price allocation (PPA) has been performed to allocate the consideration to the fair value of assets acquired and liabilities assumed.

The announced cash consideration of USD 450.0 million was adjusted in accordance with the share purchase agreement at completion, resulting in a final cash consideration of USD 462.4 million. The amount shown under investing activities in the consolidated cash flow statement is net of the deposit of USD 22.5 million paid in the previous quarter and USD 259.0 million of cash that Sval Energi brought into the Group at the accounting acquisition date. No contingent consideration is payable.

The goodwill recognized relates to:

- Technical goodwill, which arises from the requirement to recognize deferred tax on the difference between the assigned fair value and the tax base of assets acquired and liabilities assumed. In Norway, licenses under development and licenses in production can only be sold on an after-tax basis, in line with requirements from the Norwegian Ministry of Finance pursuant to the Petroleum Taxation Act. As a result, the fair value of such licenses is determined based on after-tax cash flows. Nevertheless, in accordance with IAS 12, a deferred tax liability is recognized for the difference between the fair value and the tax base, measured using the applicable tax rate. The corresponding offsetting entry is recognized as goodwill.
- Residual goodwill, which is the portion of the consideration that cannot be allocated to identifiable assets or liabilities. It reflects the value of expected synergies that can be realized from managing a larger portfolio on the Norwegian Continental Shelf, including benefits from scale and the existing workforce.

None of the goodwill recognized will be deductible for tax purposes. Transaction costs of USD 7.2 million were incurred and expensed as administrative expenses in the consolidated statement of comprehensive income.

Since the acquisition date, DNO has included in its consolidated statement of comprehensive income a revenue of USD 109.0 million and a net profit of USD 7.2 million. If the acquisition had completed on 1 January 2025, DNO's consolidated statement of comprehensive income would have included USD 722.3 million in additional revenue and USD 19.1 million of additional net profit.

USD million	Fair value at acquisition-date
Goodwill	1,300.6
Other intangible assets	16.2
Property, plant & equipment	1,510.6
Other non-current receivables	8.2
Other non-current assets	4.5
Inventories	36.1
Trade and other receivables	380.9
Derivatives	14.5
Cash and cash equivalents	259.0
Total assets	3,530.7
Deferred tax liabilities	546.6
Interest-bearing liabilities	968.3
Non-current provisions and other liabilities	662.6
Trade and other payables	143.1
Income taxes payable	624.0
Derivatives	13.3
Current provisions and other liabilities	110.5
Total liabilities	3,068.3
Net assets and liabilities recognized	462.4
Fair value of consideration paid on acquisition	462.4

The above PPA is preliminary and reflects the information currently available regarding the fair values as of the acquisition date. In accordance with IFRS 3, the Company may revise the fair value assessments within twelve months of the acquisition date should new information emerge that affects the initial estimates.

Note 16 | Earnings per share

USD million	Quarters		First Half-Year		Full-Year
	Q2 2025	Q2 2024	2025	2024	2024
Net profit/loss attributable to equity holders of the parent	-7.3	34.5	-10.9	51.3	-27.1
EPS adjustment for calculated interest/dividend on hybrid capital	-1.5	-	-1.5	-	-
Numbers of shares (millions)	975.00	975.00	975.00	975.00	975.00
Earnings per share in USD basic and diluted	-0.01	0.04	-0.01	0.05	-0.03

Note 17 | Subsequent events after the reporting date

North Sea gas offtake and related financing facility, partial repayment of bridge loan

On 2 July 2025, DNO announced that the Norwegian operating subsidiaries entered into an offtake agreement with ENGIE SA for DNO's Norwegian gas production and secured a related offtake financing facility with a major US bank for up to USD 500 million. The offtake agreement has a tenor of four years as from 1 October 2025. Under the facility, DNO is paid, by the bank, the value of up to 270 days of scheduled gas production based on future gas sales receivables. There are no financial covenants related to the facility.

In August, DNO repaid USD 150 million of the bridge loan.

Operations in the Tawke license

In mid-July, explosive drone strikes by unidentified parties impacted operations of a number of international oil companies in Kurdistan, including DNO's operations at its Tawke and Peshkabir fields within the Tawke license (75 percent and operator). No individuals were injured, but surface processing equipment at Peshkabir and an oil storage tank at Tawke were hit.

On a test basis, DNO restarted production from Tawke in early August, while Peshkabir was restarted later in the month.

Vidsyn discovery on the NCS

On 21 July 2025, DNO announced a gas and condensate discovery on the Vidsyn prospect close to its producing Fenja oil and gas field, both within the Norwegian Sea license PL586. The Company has a 25 percent stake in the license, with the remaining 75 percent held by Vår Energi. Preliminary estimates put gross recoverable resources in the range of 25 to 40 million barrels of oil equivalent (MMboe) with a mean of 31 MMboe. The partnership considers the discovery commercial.

Alternative performance measures

DNO discloses alternative performance measures (APMs) as a supplement to the Group's financial statements prepared based on issued guidelines from the European Securities and Markets Authority (ESMA). The Company believes that the APMs provide useful supplemental information to management, investors, securities analysts and other stakeholders and are meant to provide an enhanced insight into the financial development of DNO's business operations, financing and future prospects and to improve comparability between periods. Reconciliations of relevant APMs, definitions and explanations of the APMs are provided below.

EBITDA

	Quarters		First Half-Year		Full-Year
USD million	Q2 2025	Q2 2024	2025	2024	2024
Revenues	258.0	137.0	445.6	319.6	666.8
Lifting costs	-78.4	-37.5	-138.5	-80.1	-175.5
Tariff and transportation	-27.7	-10.5	-46.2	-18.1	-49.4
Movement in overlift/underlift	27.4	13.2	35.9	5.8	2.1
Share of profit/loss from Joint Venture	1.5	2.5	3.7	2.2	3.3
Exploration expenses	-13.2	-14.4	-44.0	-22.5	-88.9
Administrative expenses	-5.7	-7.4	-16.8	-13.5	-23.5
Other operating income/expenses	-0.5	-0.8	-0.7	-0.7	-1.6
EBITDA	161.2	82.2	239.1	192.6	333.3

EBITDAX

USD million	Q2 2025	Q2 2024	2025	2024	2024
EBITDA	161.2	82.2	239.1	192.6	333.3
Exploration expenses	13.2	14.4	44.0	22.5	88.9
EBITDAX	174.4	96.6	283.1	215.1	422.2

Lifting costs

	Q2 2025	Q2 2024	2025	2024	2024
Lifting costs (USD million)	-78.4	-37.5	-138.5	-80.1	-175.5
Net production (MMboe)*	8.1	6.9	15.4	13.4	27.1
Lifting costs (USD/boe)	9.6	5.4	9.0	6.0	6.5

* For accounting purposes, the net production from equity accounted investments is excluded.

Capital expenditures

	Q2 2025	Q2 2024	2025	2024	2024
Purchases of intangible assets	-13.9	-9.4	-53.0	-27.6	-87.2
Purchases of tangible assets*	-100.6	-52.0	-174.6	-88.1	-199.8
Capital expenditures	-114.5	-61.4	-227.6	-115.6	-287.0

* Excludes estimate changes on asset retirement obligations.

Alternative performance measures

Operational spend

	Quarters		First Half-Year		Full-Year
	Q2 2025	Q2 2024	2025	2024	2024
USD million					
Lifting costs	-78.4	-37.5	-138.5	-80.1	-175.5
Tariff and transportation expenses	-27.7	-10.5	-46.2	-18.1	-49.4
Exploration expenses	-13.2	-14.4	-44.0	-22.5	-88.9
Exploration cost previously capitalized carried to cost (Note 4)	-1.8	-	15.4	-	37.7
Purchases of intangible assets	-13.9	-9.4	-53.0	-27.6	-87.2
Purchases of tangible assets	-100.6	-52.0	-174.6	-88.1	-199.8
Payments for decommissioning	-2.2	-1.3	-3.8	-2.0	-4.9
Operational spend	-237.8	-125.0	-444.8	-238.2	-568.0

Free cash flow

	Q2 2025	Q2 2024	2025	2024	2024
USD million					
Net cash from/used in operating activities	2.1	136.1	114.7	230.3	413.0
Capital expenditures	-114.5	-61.4	-227.6	-115.6	-287.0
Payments from license transactions	-	-60.1	-	-60.1	-84.8
Payments for decommissioning	-2.2	-1.3	-3.8	-2.0	-4.9
Equity contribution into Joint Venture	-0.1	-4.2	-2.9	-7.5	-9.4
Dividends from Joint Venture	3.9	6.4	12.1	14.0	31.8
Free cash flow	-110.7	15.6	-107.4	59.2	58.8

Equity

	Q2 2025	Q2 2024	2025	2024	2024
USD					
Equity	1,434.2	1,230.4	1,434.2	1,230.4	1,080.0
Total assets	6,261.5	2,954.4	6,261.5	2,954.4	2,966.1
Equity ratio	22.9%	41.6%	22.9%	41.6%	36.4%

Net debt

	Q2 2025	Q2 2024	2025	2024	2024
USD million					
Cash and cash equivalents (including restricted cash)	788.1	943.1	788.1	943.1	899.0
Interest-bearing liabilities (Note 11)	1,648.0	785.0	1,648.0	785.0	800.0
Net cash/debt	-860.0	158.1	-860.0	158.1	99.0

Alternative performance measures

Definitions and explanations of APMs

The Company has defined and explained the purpose of the following APMs:

EBITDA (Earnings before interest, tax, depreciation and amortization)

EBITDA, as reconciled above, can be found by excluding the DD&A and impairment of oil and gas assets from the profit/loss from operating activities. Management believes that this measure provides useful information regarding the Group's ability to fund its capital investments and provides a helpful measure for comparing its operating performance with those of other companies.

EBITDAX (Earnings before interest, tax, depreciation, amortization and exploration expenses)

EBITDAX, as reconciled above, can be found by excluding the exploration expenses from the EBITDA. Management believes that this measure provides useful information regarding the Group's profitability and ability to fund its exploration activities and provides a helpful measure for comparing its performance with those of other companies.

Lifting costs (USD/boe)

Lifting costs comprise of expenses related to the production of oil and gas, including operation and maintenance of installations, well intervention activities and insurances. DNO's lifting costs per boe are calculated by dividing DNO's share of lifting costs across producing assets by net production for the relevant period. Management believes that the lifting cost per boe is a useful measure because it provides an indication of the Group's level of operational cost effectiveness between time periods and with those of other companies.

Capital expenditures

Capital expenditures comprise the purchase of intangible and tangible assets irrespective of whether paid in the period. Management believes that this measure is useful because it provides an overview of capital investments used in the relevant period.

Operational spend

Operational spend is comprised of lifting costs, tariff and transportation expenses, exploration expenses, capital expenditures and payments for decommissioning. It does not include expenditures related to the acquisition of subsidiaries. Management believes that this measure is useful because it provides a complete overview of the Group's total operational costs, capital investments and payments for decommissioning used in the relevant period.

Equity

The equity ratio is calculated by dividing total equity by the total assets. Management uses total equity and equity ratio to monitor capital and financial covenants.

Free cash flow

Free cash flow comprises net cash from/used in operating activities less capital expenditures, payments from license transactions, payments for decommissioning and net cash received/paid from equity accounted investments. It does not include expenditures related to the acquisition of subsidiaries. Management believes that this measure is useful because it provides an indication of the profitability of the Group's operating activities excluding the non-cash items of the income statement and includes operational spend. This measure also provides a helpful measure for comparing with that of other companies.

Net cash/debt

Net cash/debt comprises cash and cash equivalents less bond loans and reserve-based lending facility. Management believes that net cash/debt is a useful measure because it provides indication of the minimum necessary debt financing (if the figure is negative) to which the Group is subject at the reporting date.

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