

Interim report

# Second quarter and first half 2024





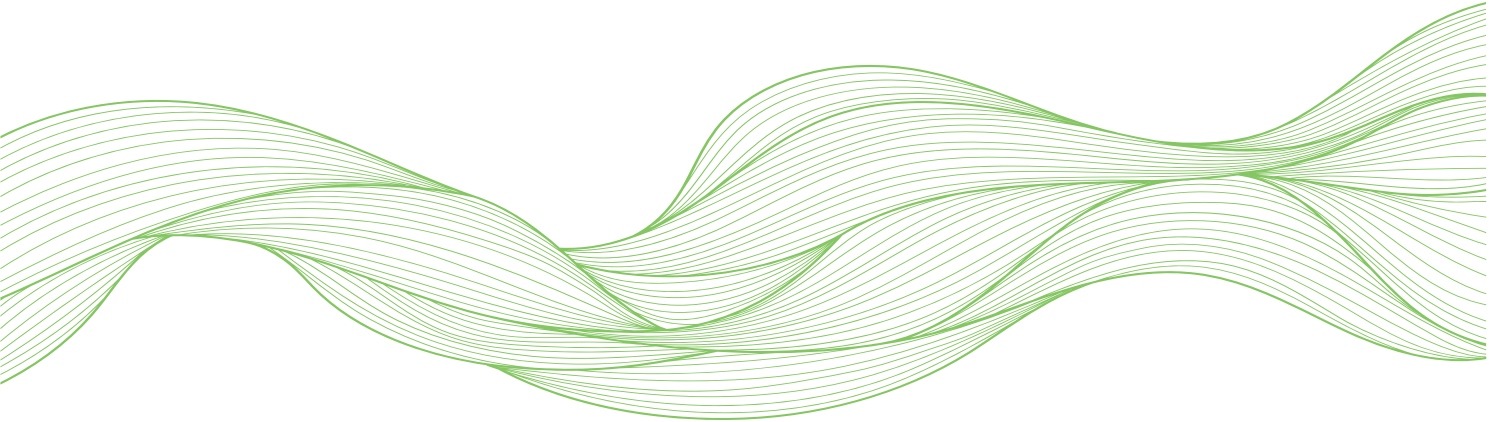
# Vår Energi in brief

Vår Energi is a leading independent upstream oil and gas company on the Norwegian continental shelf (NCS). We are committed to deliver a better future through responsible value driven growth based on over 50 years of NCS operations, a robust and diversified asset portfolio with ongoing development projects, and a strong exploration track record. Our ambition is to be the safest operator on the NCS, the partner of choice, an ESG leader with a tangible plan to reduce emissions from our operations by more than 50% within 2030<sup>1</sup>.

Vår Energi has around 1 400 employees and equity stakes in 47 producing fields<sup>2</sup>. We have our headquarters outside Stavanger, Norway, with offices in Oslo, Hammerfest and Florø. To learn more, please visit varenergi.no.

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

<sup>1</sup> Base year 2005  
<sup>2</sup> Before impact of planned disposal package



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# Key figures second quarter 2024

First quarter 2024 in brackets

## Production

kboepd

287

(299)

## Petroleum revenues

USD million

1 933

(1 949)

## EBIT

USD million

992

(1 054)

## Profit before tax

USD million

1 032

(850)

## CFFO

USD million

711

(1 009)

## Capex

USD million

773

(694)

## FCF

USD million

-62

(315)

## NIBD/EBITDAX

x

0.8

(0.7)

# Second quarter 2024 highlights

Vår Energi reports strong operational performance and financial results in line or better than guidance. The Company is on track to deliver on the 2025 growth target and unlock future value.

Strong operational performance

- Production of 293 kboepd in first half in the upper end of guidance range for the period
- Good production efficiency on operated fields
- Maintenance program successfully executed in the quarter

Good financial performance

- Total income in the quarter was USD 1 940 million, a decrease of USD 16 million from last quarter
- Achieved realised gas price of USD 70 per boe, USD 10 per boe above spot price
- Unit production cost below guided range with USD 12.4 per boe in the quarter
- Solid cash flow from operations of USD 711 million
- Long term gas contracts with key customers extended for an additional 12 years

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

- Balder X target fourth quarter 2024 start-up remains with sail-away decision in August
- Recent start-ups of Eldfisk North and Kristin South projects. Johan Castberg firmly on track for fourth quarter first oil
- Portfolio optimisation resulting in sale of Norne and Bøyla assets with expected completion by year end
- Close-to-infrastructure exploration success in the Balder and Gjøa areas

Continued attractive and predictable dividends

- Dividend of USD 270 million (NOK 1.184 per share) for the second quarter will be distributed 6 August
- Dividend guidance of USD 270 million for the third quarter of 2024, with a dividend distribution of approximately 30% of CFFO after tax for the full year
- Solid balance sheet with leverage ratio of 0.8x

KPIs (USD million unless otherwise stated)	Q2 2024	Q1 2024	Q2 2023	1H 2024	1H 2023
Actual serious incident frequency (x, 12 months rolling)	0.1	0.1	-	0.1	-
CO <sub>2</sub> emissions intensity (equity share, kg/boe)	10.1	10.0	12.6	10.1	12.5
Production (kboepd)	287	299	202	293	208
Production cost (USD/boe)	12.4	12.0	15.5	12.2	14.3
Cash flow from operations before tax	1 669	1 477	1 285	3 146	3 220
Cash flow from operations (CFFO)	711	1 009	231	1 720	1 588
Free cash flow (FCF)	(62)	315	(456)	253	259
Dividends paid	270	270	270	540	570

"We are pleased to see another quarter of delivery, with strong operational and financial results. Production in the first half of the year averaged 293 thousand barrels of oil equivalent per day (kboepd), in the upper end of the guided range for the period. While high realised gas prices above spot were maintained, the full year operating costs and capital spend will be in the lower end of the guided range. As a result, we continue to provide attractive and predictable shareholder returns.

Vår Energi remains on track to increase production to around 400 kboepd by end 2025, as one of the world's fastest growing E&P's. We continue to make good progress on delivering on our portfolio of development projects with the recent start-ups of Eldfisk North and Kristin South. The Johan Castberg FPSO has left the yard and is firmly on track to start-up in the fourth quarter. At Balder X the FPSO is nearing completion and modifications implemented to improve the flexibility to install the vessel on the field, enabling a decision on installation before the winter weather period to be made at the end of August.

Our exploration program continues to add value with the commercial Cerisa discovery in the Gjøa area. Added to three recent discoveries, the area holds total gross recoverable resources to be developed of up to 110 million barrels of oil equivalent with potential to be tied back to the partly electrified Gjøa asset, ensuring low carbon emissions, high margin barrels.

In the quarter, two strategically important long-term gas sales agreements were extended with Eni and VNG, for the supply of up to an additional 10 billion standard cubic meters of natural gas until mid 2036. Portfolio optimisation continued, with sales announced for the non-core Norne and Bøyla assets.

We maintain our ESG leading position, with top quartile carbon emissions intensity performance, while being awarded as operator the Iroko CO<sub>2</sub> storage license in the North Sea."

Nick Walker, the CEO of Vår Energi

# Key metrics and targets

Income statement	Unit	Q2 2024	Q1 2024	Q2 2023	1H 2024	1H 2023
Total income	USD million	1 940	1 956	1 436	3 896	3 530
EBIT	USD million	992	1 054	778	2 046	2 210
Profit/(loss) before taxes	USD million	1 032	850	701	1 882	1 977
Net profit/(loss)	USD million	222	100	98	322	293
Earnings per share	USD	0.08	0.03	0.04	0.12	0.12
<b>Other financial key figures</b>						
Production cost	USD/boe	12.4	12.0	15.5	12.2	14.3
Adjusted net interest-bearing debt (NIBD)	USD million	4 348	3 901	3 148	4 348	3 148
Leverage ratio (NIBD/EBITDAX)		0.8	0.7	0.4	0.8	0.4
Dividend per share	USD	0.11	0.11	0.11	0.22	0.23
<b>Production</b>						
Total production	kboepd	287	299	202	293	208
- Oil	kboepd	162	169	115	166	117
- Gas	kboepd	103	111	73	107	78
- NGL	kboepd	22	19	15	20	14
<b>Sales</b>						
Total sales	mmboe	25.1	25.9	17.5	51.0	35.5
- Crude oil	mmboe	15.1	14.5	10.0	29.6	20.6
- Gas	mmboe	7.9	9.2	6.0	17.1	12.6
- NGL	mmboe	2.1	2.2	1.5	4.3	2.3
<b>Realised prices</b>						
Average realised prices	USD/boe	76.9	75.4	81.9	76.1	99.1
- Crude oil	USD/boe	84.8	84.2	78.5	84.5	81.1
- Gas	USD/boe	70.4	66.6	98.5	68.4	138.9
- NGL	USD/boe	43.8	50.9	37.5	47.5	43.7

## Targets and outlook

### 2024 guidance (USD million unless otherwise stated)

Full Year Production	kboepd	280-300
Production cost	USD/boe	13.5-14.5
Development capex		2 700-2 900
Exploration capex		~350
Abandonment capex		~100
Dividends for Q2 2024 to be distributed in August		270
Dividend guidance for Q3 payable in Q4 2024		270
Second half of 2024 tax payment estimate <sup>1</sup>		~1 300

### Long-term financial and operational targets

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

<sup>1</sup> Assumed NOK/USD 10.5

# Acquisition of Neptune Energy's Norwegian oil and gas assets

On 31 of January 2024 Vår Energi ASA completed the acquisition of Neptune Energy Norge AS with 100% of the shares in Neptune Energy Norge transferred to Vår Energi. The combined company is the second largest independent E&P company on the Norwegian Continental Shelf (NCS) and the second largest supplier of gas from Norway to Europe. The transaction adds scale, diversification, and further longevity to Vår Energi's portfolio, which is targeting production of around 400 kboepd by end-2025.

Vår Energi's growth strategy is centered around four hub areas with ownership in a total of around 190 NCS licenses, including 47 producing fields, of which 7 are operated, following the transaction. Total combined Proved plus Probable (2P) reserves and Contingent Resources (2C)<sup>1</sup> are approximately 2 billion barrels of oil equivalent. The Company has an attractive early phase project portfolio and exploration opportunities supporting sustained value creation long term.

The transaction is expected to result in significant synergies of approximately USD 500 million (NPV) post tax over time, from a robust development and exploration portfolio, improved asset utilisation and commercial optimisation of gas sales. Around 25% of the targeted synergy value was realised per end of

June. A highly competent and dedicated team of 1,400 employees will deliver on the growth strategy, supported by strong safety performance and a clear path for decarbonisation of operations, to drive long-term competitiveness and profitability. The transaction was financed through available liquidity and credit facilities, and the net cash consideration paid upon completion net cash acquired was approximately USD 1.3 billion<sup>2</sup>.

Following completion Neptune Energy Norge changed its name to Vår Energi Norge AS ("VENAS") and operated as a subsidiary of Vår Energi ASA. The statutory merger was completed and registered with the Norwegian Register of Business Enterprises as per 8 June 2024. Consequently, all assets, rights, and obligations of Vår Energi Norge AS have been

transferred to Vår Energi ASA. The new organisation for the combined company was active from 1 May 2024.

Vår Energi has decided to use 1 January 2024 for accounting purposes, therefore a half year of production and financials from Vår Energi Norge is reflected in the interim second quarter and half year report

<sup>1</sup> As per Annual Statement of reserves 2023, 2P Reserves of 1 241 mmboe and 2C resources of 745 mmboe.

<sup>2</sup> Based on completion 1 January 2024 for accounting purposes.



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

# Operational review

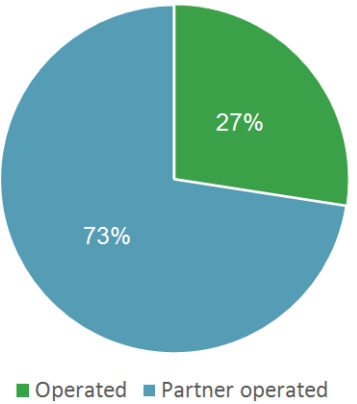
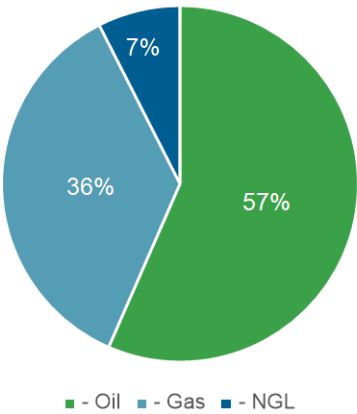
Vår Energi’s net production of oil, liquids and natural gas averaged 287 kboepd in the second quarter of 2024, a decrease of 4% from the previous quarter due to planned maintenance activities. Compared to the second quarter of 2023, production increased by 42% due to inclusion of production from the Neptune Energy Norge’ assets and start-up of new projects.

The average production of 293 kboepd in the first half of 2024 is in the upper end of the guidance range for the period and the Company is on track to meet the full year production guidance range of 280 to 300 kboepd.

Total production cost was USD 12.4 per boe in the second quarter of 2024 compared to USD 12.0 per boe in the previous quarter. The increase is mainly due to decreased production and planned maintenance activities. For the full year 2024 the Company expect production costs to be at the bottom of the guidance range of USD 13.5 to 14.5 per boe.

Production (kboepd)	Q2 2024	Q1 2024	Q2 2023	1H 2024	1H 2023
Balder Area	54	54	27	54	28
Barents Sea	29	31	18	30	18
North Sea	105	109	73	107	78
Norwegian Sea	99	105	84	102	85
Total Production	287	299	202	293	208

Production split Q2 2024





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

## Balder Area

Production (kboepd)	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Balder/Ringhorne	26	25	27	20	16
Grane/Svalin	8	9	8	11	12
Breidablikk	19	20	9	-	-
<b>Total Balder Area</b>	<b>54</b>	<b>54</b>	<b>43</b>	<b>31</b>	<b>27</b>

The Balder Area has seen stable production in the two first quarters of 2024.

A new Ringhorne well was brought on stream in May and the well is performing as expected. During the third quarter there will be a drilling break due to planned maintenance, after which a continuous drilling program will resume. The Balder field production efficiency was 89% in the second quarter of 2024, down from 96% in the first quarter of 2024, mainly due to planned maintenance in the quarter.

On Breidablikk development drilling and performance is progressing better than plan, and ten wells have been drilled of which eight wells are in production. An additional five production wells are planned to be drilled in 2024, with three expected to start production within the year. Seven further production wells will be drilled during 2025 and 2026.



Barents Sea

Production (kboepd)	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Goliat	14	14	13	17	18
Snøhvit	16	17	-	-	-
<b>Total Barents Sea</b>	<b>29</b>	<b>31</b>	<b>13</b>	<b>17</b>	<b>18</b>

There was a slight reduction in production from the Barents Sea in the quarter, which was mainly driven by planned maintenance activities on Goliat and Snøhvit.

The Goliat field production efficiency was 91% in the second quarter of 2024, down from 94% in the previous quarter, mainly due to planned maintenance activities.

A new infill oil producer at Goliat was completed and started producing in the second quarter 2024. The performance of the new well is good and as expected.

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

North Sea

Production (kboepd)	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Ekofisk Area	19	19	19	18	19
Snorre	14	17	18	18	17
Gjøa Area	21	21	-	-	-
Gudrun	7	10	-	-	-
Statfjord Area	12	12	11	11	9
Fram	18	17	7	7	11
Sleipner Area	8	8	10	7	10
Other	5	6	10	10	8
<b>Total North Sea</b>	<b>105</b>	<b>109</b>	<b>74</b>	<b>71</b>	<b>73</b>

There was a decrease in production from the North Sea in the quarter. This was driven by planned maintenance turnaround on Snorre and planned maintenance on Gudrun in the Sleipner area.

The Gjøa field production efficiency was 98% in the second quarter of 2024, up from 91% in the previous quarter. The improvement is due to no scheduled production downtime, and limited unplanned production interruptions in the second quarter.

In the second quarter of 2024, production from the Eldfisk North subsea development started-up, ahead of schedule and on budget.

Third quarter 2024 production will be impacted by planned maintenance turnaround on Sleipner lasting for approximately one month, also affecting production from tie-in fields Gudrun and Sigyn. Additionally, planned maintenance will impact production in the third quarter on Fram and Gjøa,

The sales and purchase agreement of the Bøyla asset to Concedo AS was announced in June and is expected to be completed in the fourth quarter of 2024, as a part of the Company’s asset optimisation strategy.

Norwegian Sea

Production (kboepd)	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Åsgard area	37	35	37	34	37
Mikkel	9	11	11	12	13
Tyrihans	14	14	14	14	14
Ormen Lange	8	9	9	7	5
Fenja	17	18	13	10	5
Njord Area	7	8	3	4	3
Norne Area	3	3	3	3	2
Other	6	6	6	6	7
<b>Total Norwegian Sea</b>	<b>99</b>	<b>105</b>	<b>95</b>	<b>90</b>	<b>84</b>

There was a decrease in production from the Norwegian Sea compared to the previous quarter, this was mainly related to lower production efficiency and operational irregularity on Njord and related fields (Fenja, Hyme and Bauge).

In the beginning of July, production started from the first Lavrans well in the Kristin South project. Four more wells are planned for the next two years as part of the project’s first phase.

In the third quarter of 2024 planned maintenance turnarounds, with durations of three to four weeks, will impact production at most fields in the Norwegian Sea except for Ormen Lange.

The sales and purchase agreement of Norne Area to DNO Norge AS was announced in May and is expected to be completed in the third quarter of 2024, as a part of the Company’s asset optimisation strategy.

# Projects and developments

Vår Energi participates in several significant development projects on the NCS which supports the Company's target of producing around 400 kboepd by end 2025. The recent start-up of production on Eldfisk North and Kristin South supports the Company's strategy for growth and value creation. The remaining projects in execution are well advanced with larger developments Balder X and Johan Castberg targeting first oil in the fourth quarter of 2024. Of the seven sanctioned projects in the portfolio five projects are now more than 75% complete.

## Balder X

The Jotun FPSO is a key enabler to continue to deliver future value in the Balder Area. The project unlocks gross production of 80 kboepd<sup>1</sup> and with low operating costs of around 5 dollars per barrel. Actions taken to increase the pace of the remaining construction and commissioning has yielded results, and the FPSO is nearing completion.

The mooring system has been re-designed to reduce potential weather constraints for installation. This allows for installation into September and earlier

than anticipated in 2025, should sail away be postponed to 2025.

Start-up in the fourth quarter of 2024 remains the target and a decision on installation this year will be made at the end of August.

The Company's key consideration is to ensure work is not carried over into the offshore hook-up phase. In the scenario where installation slips to next year, the expected start-up is by end of second quarter in 2025. Flexibility has been added to the FPSO installation arrangements, giving optionality on the timing of installation.

Other elements of the project are largely complete. All subsea facilities are installed. All 14 production wells have been drilled and successfully completed. The final water injector well is ongoing with expected completion in July.

If first oil moves to 2025 it will have limited impact on the Company's 2024 production and as the project is nearing completion, this is principally a schedule issue, and does not have a material impact on guided costs. Completion of the Balder project is in sight and all the Company's efforts are focused on achieving first oil as soon as possible in a safe manner and with a high level of quality. An update on the project will be communicated towards the

end of August when a decision is made on the timing of installation of the FPSO.

The Jotun FPSO unlocks future growth opportunities. The Balder Phase V project is being progressed, involving the drilling of six production wells to utilise the remaining subsea template well slots to capture gross 2P reserves of over 30 million barrels. The drilling of these wells will commence in the first half of 2025 and be completed in 2026. Balder Phase VI is being assessed, to add new subsea facilities and wells.

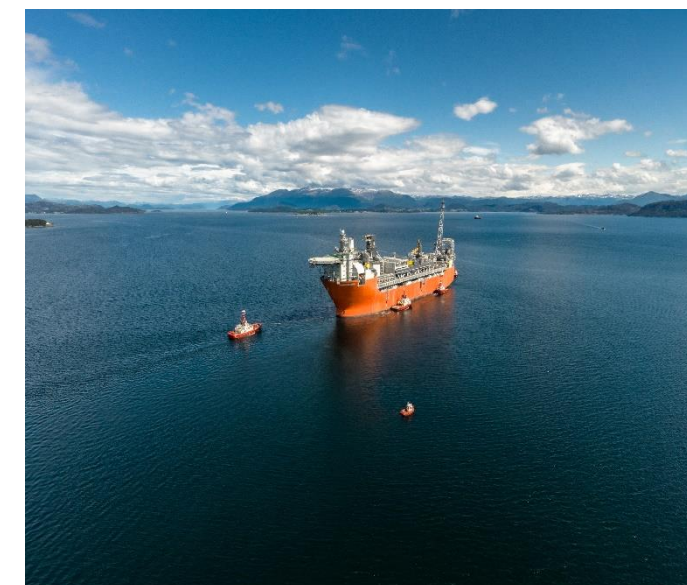
## Johan Castberg

The Johan Castberg project is progressing according to schedule and is on track for targeted start-up in the fourth quarter of 2024. The FPSO is complete and has left the Stord yard for final testing inshore. The FPSO is expected to be towed to the final field location in the Barents Sea in August. All subsea installations are completed, and drilling activities are going according to schedule, with 12 development wells completed. A total of 30 development wells are planned, with drilling activities continuing into 2026.

Johan Castberg is a key catalyst for Vår Energi's growth towards year-end 2025. The production capacity of the FPSO has been updated to 220 kboepd<sup>2</sup> gross compared to the original PDO capacity of 190 kboepd. Vår Energi's net share of the

updated total capacity is around 66 kboepd. Infill wells and additional phases of development are planned to further capture value upside from extending the plateau. In addition, a series of exploration wells will be drilled in the area over the next few years.

<sup>1</sup> 90% working interest  
<sup>2</sup> Operator's estimate



Johan Castberg FPSO

# Exploration

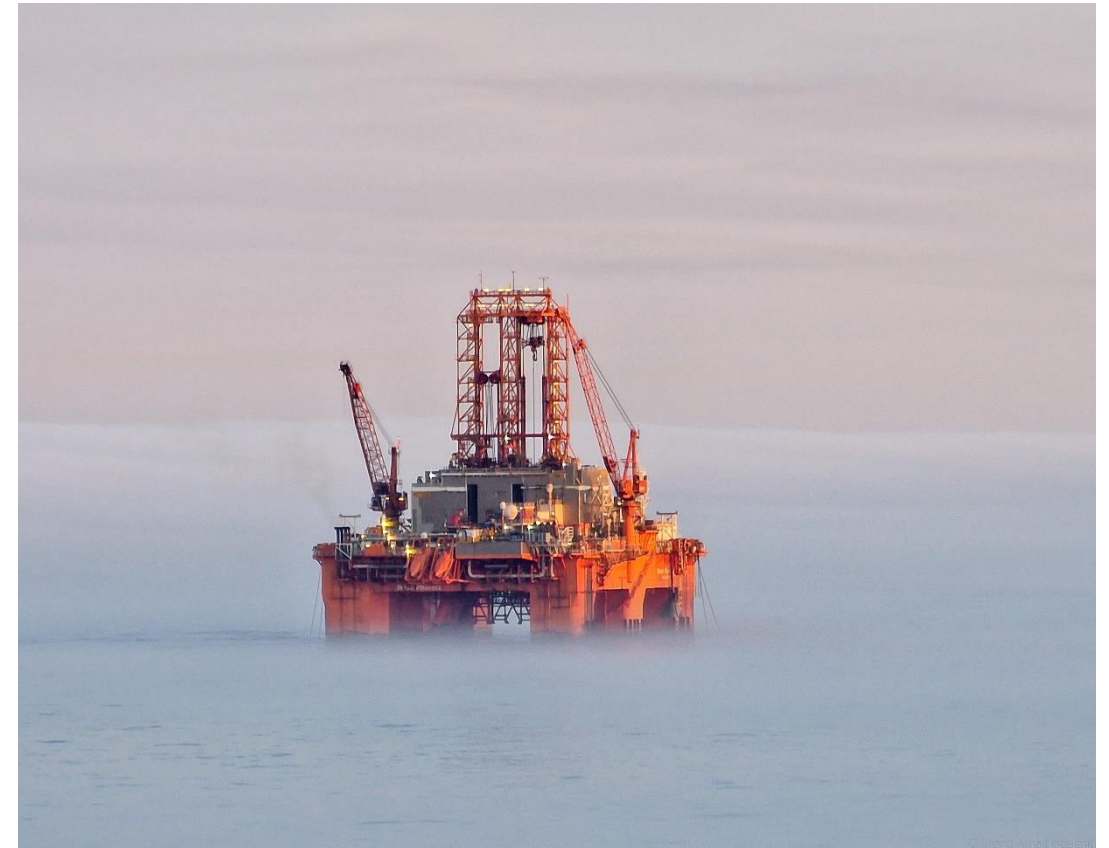
During the second quarter, Vår Energi made a discovery in the operated Cerisa well, located 5 km from the Duva subsea template, which is tied back to the Vår Energi operated Gjøa platform in the northern North Sea. To assess the discovery three sidetracks were drilled, which proved the hydrocarbon presence. The Cerisa discovery is considered commercial to develop and has gross recoverable resources of between 18-39 mmboe. The Cerisa discovery will be developed with the earlier Ofelia, Kyrre and Gjøa North discoveries, as a fast-track tie-back development project. Combined, these discoveries have estimated gross recoverable resources of up to 110 mmboe.

The quarterly activity in the Barents Sea involved drilling of two wells, the operated Venus well and the Equinor operated Snøras well closer to the Johan Castberg field, both wells were dry.

The Equinor operated Brokk/Mju well, close to Gudrun in the North Sea, was spudded during the quarter and the operations are, by end of quarter still ongoing.

Furthermore, the Haydn well in the Norwegian Sea, was spudded late in the quarter, and the operations are currently ongoing.

The Company is increasing its exploration activity in 2024 from 2023, with involvement in 16 planned wells, of which eight are operated by Vår Energi. The 2024 exploration program is targeting over 150 mmboe of net risked prospective resources. Year to date two successful commercial discoveries have been made from six exploration wells drilled, representing a 33% success rate. Annual exploration spend guidance is increased to approximately USD 350 million from the original guidance of approximately USD 300 million, with the increase due to exploration successes, resulting in additional sidetracks on the Ringhorne North and Cerisa wells.





# Health, safety, security and the environment (HSSE)

Key HSSE indicators	Unit	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Serious incident frequency (SIF Actual) <sup>1</sup> 12M rolling avg	Per mill. exp. Hours	0.1	0.1	0.0	0.0	0.0
Serious incident frequency (SIF) <sup>1</sup> 12M rolling avg	Per mill. exp. Hours	0.3	0.5	0.4	0.5	0.6
Total recordable injury frequency (TRIF) <sup>2</sup> 12M rolling avg	Per mill. exp. Hours	2.8	1.9	1.9	1.9	2.8
Significant spill to sea	Count	0.0	0.0	0.0	0.0	0.0
Process safety events Tier 1 and 2 <sup>3</sup>	Count	1.0	0.0	0.0	0.0	0.0
CO <sub>2</sub> emissions intensity (equity share) <sup>4,5</sup>	kg CO <sub>2</sub> /boe	10.1	10.0	11.0	12.3	12.6

Vår Energi’s commitment to safety remains strong with the ambition to be the safest operator on the NCS. The Company continues to enforce the safety tools and improvement initiatives proven to work in 2023, in close collaboration with our partners and contractors. In the second quarter, however, the Company experienced one process safety event where a mixture of oil and water was spilled on deck, but no spill to sea occurred and this incident had low potential and therefore regarded as

non – material. In the second quarter the Company registered no actual or potential serious incidents. However, there were two incidents where divers experienced signs of decompression illness, with investigation ongoing. Other recordable injuries in the second quarter are all low potential and mostly related to the fabrication yards. The Company extracts all possible learnings from all incidents to make sure to avoid similar events in the future.



<sup>1</sup> SIF: Serious incident and near-misses per million worked hours. Includes actual and potential consequence. SIF Actual: incidents that have an actual serious consequence. VENAS included from 1 January 2024.  
<sup>2</sup> TRIF: Personal injuries requiring medical treatment per million worked hours. Reporting boundaries SIF & TRIF: Health and safety incident data is reported for company sites as well as contracted. Neptune Energy Norge included from 1 January 2024, drilling rigs, flotels, vessels, projects and modifications, and transportation of personnel, using a risk-based approach.  
<sup>3</sup> Classified according to IOGP RP 456.  
<sup>4</sup> Direct Scope 1 emissions of CO<sub>2</sub> (net equity share) of Company portfolio kg of CO<sub>2</sub> per produced barrel of oil equivalent. Neptune Energy Norge included from 1 January 2024.  
<sup>5</sup> Emission numbers are preliminary until the EU ETS verification is completed by end of the first quarter 2025.

## ESG and decarbonisation

In March 2024 Vår Energi was included in the Oslo Stock exchange ESG index as the only Oil and Gas company. In April Vår Energi signed the Oil and Gas Decarbonisation Charter (OGDC), an outcome from the COP28 action agenda to accelerate the decarbonisation of the global oil and gas sector and became a member of Oil & Gas Methane Partnership (OGMP). OGMP 2.0 is the only comprehensive, measurement-based reporting framework for the industry that improves the accuracy and transparency of methane emissions reporting.

In January 2024, Vår Energi was recognised as one out of 19 companies within the industry on the Sustainalytics ESG Industry Top-Rated Companies and is currently ranked as 14<sup>th</sup> of 309 oil and gas producers. The current CDP score is B.

Vår Energi has a clear path to more than 50% GHG<sup>1</sup> emissions reduction by 2030<sup>2</sup>. The three main levers to achieve this are: electrification, portfolio optimisation and energy management.

By 2030 around 70% of net production is expected to be electrified with power from shore, up from the current level of around 35%, with Goliat, Gjøa, Ormen Lange, Gudrun and Sleipner already electrified, Njord and Snøhvit projects ongoing and Balder/Grane, Halten and Snorre electrification being planned.

The second quarter of 2024 scope 1 net equity CO<sub>2</sub> emissions intensity was 10.1 kg CO<sub>2</sub> per boe, versus 10.0 kg CO<sub>2</sub> per boe in the first quarter 2024. This level of emissions intensity is in line with the Company guidance for 2024 and is in the top quartile of world industry performance.

For the second quarter of 2024 the operated methane emission intensity for Vår Energi is 0.03%<sup>3</sup>, well below the Near Zero levels<sup>4</sup>.

Vår Energi has a value driven approach towards creating future CCS<sup>5</sup> optionality, and the Company currently holds 30% working interest in the Trudvang license located in the North Sea. In June 2024, Vår Energi (40%, operator) was also awarded the Iroko CO<sub>2</sub> storage license in the North Sea together with license partners OMV Norge AS (30%) and Lime Petroleum AS (30%).

<sup>1</sup> Greenhouse gas

<sup>2</sup> Baseline year 2005

<sup>3</sup> Emitted CH<sub>4</sub> vs exported gas

<sup>4</sup> Near zero below 0.2% as per OGCI definition

<sup>5</sup> Carbon capture and storage (CCS)



# Financial review

## Key figures

Key figures (USD million)	Q2 2024	Q1 2024	Q2 2023	1H 2024	1H 2023
Total income	1 940	1 956	1 436	3 896	3 530
Production costs	(346)	(382)	(293)	(728)	(545)
Other operating expenses	(48)	16	(24)	(32)	(72)
<b>EBITDAX</b>	<b>1 546</b>	<b>1 589</b>	<b>1 119</b>	<b>3 135</b>	<b>2 914</b>
Exploration expenses	(56)	(33)	(18)	(89)	(40)
<b>EBITDA</b>	<b>1 490</b>	<b>1 556</b>	<b>1 101</b>	<b>3 046</b>	<b>2 874</b>
Depreciation and amortisation	(498)	(503)	(323)	(1 000)	(664)
Net financial income/(expenses)	(26)	(19)	(30)	(44)	(59)
Net exchange rate gain/(loss)	65	(185)	(47)	(120)	(173)
<b>Profit/(loss) before taxes</b>	<b>1 032</b>	<b>850</b>	<b>701</b>	<b>1 882</b>	<b>1 977</b>
Income tax (expense)/income	(810)	(750)	(603)	(1 560)	(1 684)
<b>Profit/(loss) for the period</b>	<b>222</b>	<b>100</b>	<b>98</b>	<b>322</b>	<b>293</b>

Total income in the second quarter amounted to USD 1 940 million, a decrease of USD 16 million compared to previous quarter mainly due lower liftings, partly offset by higher prices. Sold volumes decreased by 3% to 25.1 mmboe in the quarter. Realised crude price increased by 1% in the quarter to USD 84.8 per boe while realised gas price increased by 6% in the quarter to USD 70.4 per boe.

Production cost in the second quarter amounted to USD 346 million, a reduction of USD 36 million vs. previous quarter.

The average production cost per barrel produced increased to USD 12.4 per boe in the quarter, compared to USD 12.0 per boe in previous quarter mainly driven by lower production.

Other operating expenses in the second quarter increased by USD 64 million compared to the previous quarter mainly due to updated estimate for a contingent consideration to ExxonMobil related to the Forseti structure resulting in a reduced cost in the first quarter of 2024.

Exploration expenses in the second quarter increased to USD 56 million compared to USD 33 million in the previous quarter. In the second quarter of 2024 the dry wells, Snøras and Venus, were expensed.

Depreciation and amortisation in the second quarter amounted to USD 498 million, stable compared to the previous quarter.

Net exchange rate gain in the second quarter amounted to USD 65 million, an increase of USD 250 million vs. previous quarter due to the strengthening of NOK versus USD and EUR in the period.

Profit before taxes in the second quarter amounted to USD 1 032 million compared to USD 850 million in the previous quarter. Income tax expense in the second quarter amounted to USD 810 million, an increase of USD 60 million compared to the previous quarter. The effective tax rate for the quarter was 79%.

Profit for the period amounted to USD 222 million, an increase of USD 122 million compared to the previous quarter, mainly due to the exchange rate gain.

## Revenues and prices

<b>Total income (USD million)</b>	<b>Q2 2024</b>	<b>Q1 2024</b>	<b>Q2 2023</b>	<b>1H 2024</b>	<b>1H 2023</b>
Revenue from crude oil sales	1 282	1 222	788	2 504	1 669
Revenue from gas sales	558	611	589	1 170	1 750
Revenue from NGL sales	91	110	55	202	103
Hedge	2	5	-	7	-
<b>Total Petroleum Revenues</b>	<b>1 933</b>	<b>1 949</b>	<b>1 432</b>	<b>3 882</b>	<b>3 521</b>
Other Operating Income	7	7	4	14	9
<b>Total Income</b>	<b>1 940</b>	<b>1 956</b>	<b>1 436</b>	<b>3 896</b>	<b>3 530</b>
<b>Sales volumes (mmboe)</b>					
Sales of crude	15.1	14.5	10.0	29.6	20.6
Sales of gas	7.9	9.2	6.0	17.1	12.6
Sales of NGL	2.1	2.2	1.5	4.3	2.3
<b>Total Sales Volumes</b>	<b>25.1</b>	<b>25.9</b>	<b>17.5</b>	<b>51.0</b>	<b>35.5</b>
<b>Realised prices (USD/boe)</b>					
Crude oil	84.8	84.2	78.5	84.5	81.1
Gas	70.4	66.6	98.5	68.4	138.9
NGL	43.8	50.9	37.5	47.5	43.7
<b>Average realised prices</b>	<b>76.9</b>	<b>75.4</b>	<b>81.9</b>	<b>76.1</b>	<b>99.1</b>

Vår Energi obtained an average realised price of USD 76.9 per boe in the quarter. The realised gas price of USD 70.4 per boe was a result of fixed price contracts and flexible gas sales agreements, allowing for optimisation of indices. In the second quarter, fixed price sales represented 20% of total gas sales with an average price of USD 127 per boe. Vår Energi's realised gas price in the second quarter is about USD 10 per boe above spot prices, compared to USD 14 per boe in the first quarter. This resulted in additional revenues of approximately USD 250 million in the first half of 2024.

Vår Energi continue to execute fixed price transactions. As of 30 June 2024, the Company has entered into the following transactions:

- Approximately 19% of the gas production for the third quarter of 2024 has been sold on a fixed price basis at an average price around USD 132 per boe.
- For the fourth quarter of 2024, Vår Energi has sold approximately 5% of its estimated gas production with pricing linked to the Gas Year Ahead product with a pricing period from 1 October 2023 to 30 September 2024. At the time of nomination (September 2023), it was assessed that the price for the gas year ahead product was undervalued by the market, and it was decided to limit the exposure to gas year ahead product to 5%.

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



## Consolidated statement of financial position

USD million	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Jun 2023
Goodwill	3 328	3 282	1 958	1 848
Property, plant and equipment	16 877	16 320	15 237	13 914
Other non-current assets	654	620	435	461
Cash and cash equivalents	315	722	735	111
Other current assets	1 069	1 188	924	834
<b>Total assets</b>	<b>22 243</b>	<b>22 132</b>	<b>19 289</b>	<b>17 168</b>
Equity	1 436	1 473	1 768	1 085
Interest-bearing loans and borrowings	4 589	4 524	3 147	3 099
Deferred tax liabilities	10 343	9 890	8 943	8 145
Asset retirement obligations	3 413	3 335	3 295	2 830
Taxes payable	1 176	1 606	964	952
Other liabilities	1 286	1 303	1 172	1 058
<b>Total equity and liabilities</b>	<b>22 243</b>	<b>22 132</b>	<b>19 289</b>	<b>17 168</b>
Cash and cash equivalents	315	722	735	111
Revolving credit facilities	1 525	1 600	3 000	3 000
<b>Total available liquidity</b>	<b>1 840</b>	<b>2 322</b>	<b>3 735</b>	<b>3 111</b>
<b>Adjusted net interest-bearing debt (NIBD)</b>	<b>4 348</b>	<b>3 901</b>	<b>2 529</b>	<b>3 148</b>
EBITDAX 4 quarters rolling	5 774	5 347	5 552	7 188
<b>Leverage ratio (NIBD/EBITDAX)</b>	<b>0.8</b>	<b>0.7</b>	<b>0.5</b>	<b>0.4</b>

Total assets at the end of the second quarter amounted to USD 22 243 million, an increase from USD 22 132 million at the end of the previous quarter. Non-current assets were USD 20 859 million and current assets were USD 1 384 million at the end of the second quarter.

Total equity amounted to USD 1 436 million at the end of the second quarter, in line with previous quarter, corresponding to an equity ratio of about 6.5%.

Adjusted interest-bearing debt (NIBD) at end of the second quarter was USD 4 348 million, an increase of USD 447 million from the previous quarter, mainly due to cover payment of two tax installments in the second quarter compared to one payment in the first quarter.

As a result, total available liquidity amounted to USD 1 840 million at the end of the second quarter, compared to USD 2 322 million at the end of the previous quarter. Undrawn credit facilities at the end of the second quarter were USD 1 525 million and total cash and cash equivalents were USD 315 million.

The Company maintains a strong financial position with a leverage ratio (NIBD/EBITDAX) of 0.8x at the end of the second quarter, an increase compared to the end of the previous quarter, still well below the guided target of 1.3x through the cycle.

## Consolidated statement of cash flow

USD million	Q2 2024	Q1 2024	Q2 2023	1H 2024	1H 2023
Cash flow from operating activities	711	1 009	231	1 720	1 588
Cash flow used in investing activities	(784)	(2 038)	(696)	(2 822)	(1 345)
Cash flow from financing activities	(327)	1 034	(197)	708	(544)
Effect of exchange rate fluctuation	(7)	(18)	4	(25)	(32)
<b>Change in cash and cash equivalents</b>	<b>(407)</b>	<b>(13)</b>	<b>(658)</b>	<b>(420)</b>	<b>(334)</b>
<b>Cash and cash equivalents, end of period</b>	<b>315</b>	<b>722</b>	<b>111</b>	<b>315</b>	<b>111</b>
<b>Net cash flows from operating activities (CFFO)</b>	<b>711</b>	<b>1 009</b>	<b>231</b>	<b>1 720</b>	<b>1 588</b>
CAPEX	773	694	687	1 467	1 330
<b>Free cash flow</b>	<b>(62)</b>	<b>315</b>	<b>(456)</b>	<b>253</b>	<b>259</b>
<b>Capex coverage (CFFO)/Capex</b>	<b>0.9</b>	<b>1.5</b>	<b>0.3</b>	<b>1.2</b>	<b>1.2</b>

Cash flow from operating activities (CFFO) was USD 711 million in the second quarter, a decrease of USD 298 million from the previous quarter. This was mainly due to two tax instalments paid in the second quarter compared to one instalment in the first quarter.

Net cash used in investing activities was USD 784 million in the quarter, whereof USD 687 million was related to PP&E expenditures. Investments in the Balder Area and at Johan Castberg represented around 57% of these expenditures.

Net cash outflow from financing activities amounted to USD 327 million in the quarter. Cash outflow in the second quarter mainly consisted of dividends paid.

Free cash flow (FCF) was USD -62 million in the quarter, compared to USD 315 million in the previous quarter. The decrease is mainly driven by lower cash flow from operations and higher capex in the second quarter.

The capex coverage was 0.9 in the second quarter, down from 1.5 in the previous quarter.

## Report for the first half 2024

	Unit	1H 2024	1H 2023
Net petroleum production	kboepd	293	208
Total Income	USD million	3 896	3 530
Operating profit	USD million	2 046	2 210
Profit before taxes	USD million	1 882	1 977
Net profit	USD million	322	293
Net interest-bearing debt	USD million	4 348	3 148
Net cash flows from operating activities	USD million	1 720	1 588
Net cash used in investing activities	USD million	(2 822)	(1 345)
Net cash from financing activities	USD million	708	(544)

During the first six months of 2024, Vår Energi reported total income of USD 3 896 million, compared to USD 3 530 million in the first six months of 2023. The increase was mainly driven by increased production partly offset by lower gas prices.

Production in the first half of 2024 was 293 kboepd compared to 208 kboepd in the first half of 2023. The increase was mainly due to production from the acquired Neptune Energy Norge assets and start-up of new projects.

Average realised crude prices increased to USD 84.5 per boe, compared to USD 81.1 per boe in the first half of 2023, while the average realised gas price decreased to USD 68.4 per boe, compared to USD 138.9 per boe in the first half of 2023.

Production cost in the first half of 2024 was USD 12.2 per boe compared to USD 14.3 per boe in the first half of 2023. The decrease was mainly due to higher production.

Operating profit for the first half of 2024 was USD 2 046 million, a decrease from USD 2 210 million in the first half of 2023. The reduction was mainly due to lower gas prices. Net profit in the first half of 2024 was USD 322 million compared to USD 293 million in the first half of 2023.

Net interest-bearing debt at the end of the first half of 2024 was USD 4 348 million compared to USD 3 148 million in the first half of 2023, the increase was mainly due to the acquisition of the Neptune Energy Norge.

Net cash flow from operating activities in the first half of 2024 was USD 1 720 million compared to USD 1 588 million in the first half 2023.

Net cash used in investing activities was USD 2 822 million in the first half of 2024 compared to USD 1 345 million in the first half of 2023, the increase was mainly due to the Neptune Energy acquisition.

Net cash flow from financing activities was USD 708 million in the first half of 2024 compared to USD -544 million in the first half of 2023. The increase was due to drawdown of loan facilities of USD 1 475 million in first half of 2024.

**Outlook**

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

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

For 2024, the Company expects development capex to be in the lower end of the guided range of between USD 2 700 and 2 900 million, around USD 350 million in exploration capex and around USD 100 million in abandonment capex.

Production cost is expected to be at the bottom of the guided range of between USD 13.5 and 14.5 per boe.

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

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

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

**Transactions with related parties**

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

**Subsequent events**

See note 26 in the Financial Statements.

**Risks and uncertainties**

Vår Energi is exposed to a variety of risks associated with its oil and gas operations on the Norwegian Continental Shelf (NCS). Factors such as exploration, reserve and resource estimates, and projections for capital and operating costs are subject to inherent uncertainties. Additionally, the production performance of operated and partner operated oil and gas fields exhibit variability over time and is also affected by planned and unplanned maintenance and turnaround activities.

A high activity level on the NCS create challenges for resource availability and may influence the planned progress and costs of Vår Energi's ongoing development projects, which encompass advanced engineering work, extensive procurement activities, and complex construction endeavors.

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

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

Climate change mitigation is impacting our operations and business with the introduction of new regulations and taxes on CO<sub>2</sub> emissions aiming to impact the demand for regular fossil fuels. Additionally, the cost of capital may increase as investors modify their behavior in response to these transformative trends. The company is managing the climate related transition risks by making its business strategies more resilient.

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



## Alternative performance measures (APMs)

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

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

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

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

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

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

- "EBITDAX margin" is defined by Vår Energi as EBITDAX and EBITDA as a percentage of total income, respectively.
- "EBITDAX 4 quarters rolling" EBITDAX of the last four quarters
- "Free cash flow" ("FCF") is defined by Vår Energi as CFFO less CAPEX.
- "Net interest-bearing debt" or "NIBD" is defined by Vår Energi as interest-bearing loans and borrowings and lease liabilities ("Total interest-bearing debt" or "TIBD") less cash and cash equivalents.
- "Adjusted net interest-bearing debt" or "Adjusted NIBD" is defined by Vår Energi as TIBD excluding lease liabilities ("Adjusted total interest-bearing debt" or "Adjusted TIBD") less cash and cash equivalents.
- "NIBD/EBITDAX" is defined by Vår Energi as NIBD as a ratio of EBITDAX.
- "Adjusted NIBD/EBITDAX" is defined by Vår Energi as Adjusted NIBD as a ratio of EBITDAX .

# Responsibility Statement

The Board of Directors and the CEO confirm that to the best of our knowledge the interim financial statement for the first half of 2024 have been prepared in accordance with IFRS, as adopted by the EU, IAS 34 *Interim financial reporting*, and requirements in accordance with the Norwegian Accounting Act, and gives a true and fair view of the Company’s assets, liabilities, financial positions, and results for the period.

The Board of Directors and the CEO certify that the financial report for the first six months ended 30 June 2024 gives a true and fair view of the Company’s business performance, major related party transactions, and describes the principal risks and uncertainties that the Company faces.

Sandnes, 22 July 2024  
Signed electronically

<b>Thorhild Widvey</b> Chair	<b>Liv Monica Bargem Stubholt</b> Deputy Chair
<b>Francesco Gattei</b> Director	<b>Guido Brusco</b> Director
<b>Francesca Rinaldi</b> Director	<b>Claudia Almadori</b> Director
<b>Fabio Ignazio Romeo</b> Director	<b>Ove Gusevik</b> Director
<b>Martha Skjæveland</b> Director, employee elected representative	<b>Lilli Sahlman Fagerdal</b> Director, employee elected representative
<b>Carl Anders Olof Kjörling</b> Director, employee elected representative	<b>Jan Inge Nesheim</b> Director, employee elected representative
<b>Nicholas John Robert Walker</b> Chief Executive Officer	

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## Unaudited consolidated statement of comprehensive income

USD 1000, except earnings per share data	Note	Q2 2024	Q1 2024	Q2 2023	1H 2024	1H 2023
Petroleum revenues	3	1 933 317	1 948 804	1 431 985	3 882 122	3 521 368
Other operating income		6 805	6 824	4 372	13 629	8 864
<b>Total income</b>		<b>1 940 123</b>	<b>1 955 628</b>	<b>1 436 357</b>	<b>3 895 751</b>	<b>3 530 232</b>
Production costs	4	(346 379)	(381 787)	(292 939)	(728 166)	(545 207)
Exploration expenses	6, 9	(55 784)	(33 228)	(17 947)	(89 012)	(39 615)
Depreciation and amortisation	10, 11	(497 848)	(502 575)	(323 324)	(1 000 423)	(663 647)
Impairment loss and reversals	9, 10, 12	(0)	-	-	(0)	-
Other operating expenses	5	(47 951)	15 638	(24 329)	(32 313)	(71 509)
<b>Total operating expenses</b>		<b>(947 961)</b>	<b>(901 952)</b>	<b>(658 539)</b>	<b>(1 849 914)</b>	<b>(1 319 978)</b>
<b>Operating profit/(loss)</b>		<b>992 161</b>	<b>1 053 676</b>	<b>777 818</b>	<b>2 045 837</b>	<b>2 210 254</b>
Net financial income/(expenses)	7	(25 744)	(18 702)	(29 724)	(44 446)	(59 322)
Net exchange rate gain/(loss)	7	65 440	(184 979)	(46 680)	(119 540)	(173 464)
<b>Profit/(loss) before taxes</b>		<b>1 031 857</b>	<b>849 994</b>	<b>701 415</b>	<b>1 881 851</b>	<b>1 977 468</b>
Income tax (expense)/income	8	(810 043)	(749 903)	(603 319)	(1 559 946)	(1 684 411)
<b>Profit/(loss) for the period</b>		<b>221 814</b>	<b>100 091</b>	<b>98 096</b>	<b>321 905</b>	<b>293 056</b>
Attributable to:						
Holders of ordinary shares		221 814	84 491	98 096	306 305	293 056
Dividends paid on hybrid capital	18	-	15 600	-	15 600	-
<b>Profit / (loss) for the period</b>		<b>221 814</b>	<b>100 091</b>	<b>98 096</b>	<b>321 905</b>	<b>293 056</b>
<b>Other comprehensive income</b> (items that may be reclassified subsequently to the income statement)						
Currency translation differences		12 994	(98 055)	(31 990)	(85 060)	(118 408)
Net gain/(loss) on options used for hedging		(5 326)	(4 638)	(1 476)	(9 964)	(1 581)
<b>Other comprehensive income for the period, net of tax</b>		<b>7 669</b>	<b>(102 693)</b>	<b>(33 466)</b>	<b>(95 024)</b>	<b>(119 989)</b>
<b>Total comprehensive income</b>		<b>229 483</b>	<b>(2 602)</b>	<b>64 630</b>	<b>226 881</b>	<b>173 068</b>
<b>Earnings per share</b>						
EPS basic and diluted	17	0.08	0.03	0.04	0.12	0.12



## Unaudited consolidated balance sheet statement

USD 1000	Note	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Jun 2023
<b>ASSETS</b>					
<b>Non-current assets</b>					
<b>Intangible assets</b>					
Goodwill	9	3 328 222	3 282 078	1 958 478	1 848 163
Capitalised exploration wells	9	345 601	291 352	276 504	266 112
Other intangible assets	9	262 664	259 185	83 060	78 443
<b>Tangible fixed assets</b>					
Property, plant and equipment	10	16 876 669	16 320 353	15 237 078	13 914 276
Right of use assets	11	32 499	55 363	73 812	115 463
<b>Financial assets</b>					
Investment in shares		791	1 446	739	698
Other non-current assets	2	12 095	12 715	745	214
<b>Total non-current assets</b>		<b>20 858 541</b>	<b>20 222 493</b>	<b>17 630 416</b>	<b>16 223 370</b>
<b>Current assets</b>					
Inventories		240 808	248 097	251 503	232 898
Trade receivables	13, 24	443 356	527 026	362 895	366 430
Other current receivables and financial assets	14	385 238	412 842	309 472	234 876
Cash and cash equivalents	16	314 755	721 622	734 914	110 909
<b>Total current assets</b>		<b>1 384 157</b>	<b>1 909 588</b>	<b>1 658 783</b>	<b>945 113</b>
<b>TOTAL ASSETS</b>		<b>22 242 698</b>	<b>22 132 081</b>	<b>19 289 199</b>	<b>17 168 482</b>

USD 1000	Note	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Jun 2023
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	17	45 972	45 972	45 972	45 972
Share premium		218 181	488 181	758 181	1 298 181
Hybrid capital	18	799 461	799 461	799 461	-
Other equity		372 324	139 673	164 414	(259 226)
<b>Total equity</b>		<b>1 435 938</b>	<b>1 473 286</b>	<b>1 768 026</b>	<b>1 084 927</b>
<b>Non-current liabilities</b>					
Interest-bearing loans and borrowings	19	4 588 834	4 524 485	3 146 582	3 098 689
Deferred tax liabilities	8	10 342 862	9 890 470	8 943 019	8 145 018
Asset retirement obligations	20	3 332 438	3 255 193	3 207 667	2 768 674
Pension liabilities	2	23 845	22 836	-	-
Lease liabilities, non-current	23	53 067	53 556	17 663	61 486
Other non-current liabilities		118 957	116 402	82 149	74 273
<b>Total non-current liabilities</b>		<b>18 460 004</b>	<b>17 862 942</b>	<b>15 397 080</b>	<b>14 148 140</b>
<b>Current liabilities</b>					
Asset retirement obligations, current	20	80 574	79 348	87 385	61 065
Accounts payables	24	370 347	419 348	328 951	271 561
Taxes payable	8	1 175 583	1 606 460	964 414	952 248
Interest-bearing loans, current	19	-	-	-	-
Lease liabilities, current	23	21 340	44 639	99 265	98 335
Other current liabilities	21	698 914	646 058	644 079	552 206
<b>Total current liabilities</b>		<b>2 346 756</b>	<b>2 795 853</b>	<b>2 124 093</b>	<b>1 935 416</b>
<b>Total liabilities</b>		<b>20 806 760</b>	<b>20 658 795</b>	<b>17 521 173</b>	<b>16 083 555</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>22 242 698</b>	<b>22 132 081</b>	<b>19 289 199</b>	<b>17 168 482</b>

## Unaudited consolidated statement of changes in equity

USD 1000	Note	Share capital	Share premium	Hybrid Capital	Other equity			Total equity
					Other equity	Translation differences	Hedge reserve	
<b>Balance at 1 January 2023</b>		<b>45 972</b>	<b>1 868 181</b>		<b>9 943</b>	<b>(425 881)</b>	<b>(16 644)</b>	<b>1 481 571</b>
Profit/(loss) for the period		-	-	-	293 056	-	-	293 056
Other comprehensive income/(loss)		-	-	-	-	(118 408)	(1 581)	(119 989)
Total comprehensive income/(loss)		-	-	-	293 056	(118 408)	(1 581)	173 068
Dividends paid		-	(570 000)		-	-	-	(570 000)
Share-based payment		-	-	-	1 990	-	-	1 990
Other		-	-	-	(1 702)	-	-	(1 702)
<b>Balance at 30 June 2023</b>		<b>45 972</b>	<b>1 298 181</b>		<b>303 288</b>	<b>(544 289)</b>	<b>(18 225)</b>	<b>1 084 927</b>
		-	-	-	-	-	-	-
<b>Balance at 30 June 2023</b>		<b>45 972</b>	<b>1 298 181</b>		<b>303 288</b>	<b>(544 289)</b>	<b>(18 225)</b>	<b>1 084 927</b>
Profit/(loss) for the period		-	-	-	317 172	-	-	317 172
Other comprehensive income/(loss)		-	-	-	-	100 805	3 538	104 343
Total comprehensive income/(loss)		-	-	-	317 172	100 805	3 538	421 515
Dividends paid		-	(540 000)		-	-	-	(540 000)
Share-based payments		-	-	-	2 224	-	-	2 224
Hybrid bond issue		-	-	799 461	-	-	-	799 461
Other		-	-	-	(100)	-	-	(100)
<b>Balance at 31 December 2023</b>		<b>45 972</b>	<b>758 181</b>	<b>799 461</b>	<b>622 585</b>	<b>(443 484)</b>	<b>(14 687)</b>	<b>1 768 027</b>
Profit/(loss) for the period		-	-	15 600	306 305	-	-	321 905
Other comprehensive income/(loss)		-	-	-	-	(85 060)	(9 964)	(95 024)
<b>Total comprehensive income/(loss)</b>		<b>-</b>	<b>-</b>	<b>15 600</b>	<b>306 305</b>	<b>(85 060)</b>	<b>(9 964)</b>	<b>226 881</b>
Dividends paid		-	(540 000)	(15 600)	-	-	-	(555 600)
Share-based payments		-	-	-	(3 370)	-	-	(3 370)
Other		-	-	-	(10 867)	-	10 867	-
<b>Balance at 30 June 2024</b>		<b>45 972</b>	<b>218 181</b>	<b>799 461</b>	<b>914 653</b>	<b>(528 544)</b>	<b>(13 784)</b>	<b>1 435 938</b>

## Unaudited consolidated statement of cash flows

USD 1000	Q2 2024	Q1 2024	Q2 2023	1H 2024	1H 2023
<b>Profit/(loss) before income taxes</b>	1 031 857	849 994	701 415	1 881 851	1 977 468
<b>Adjustments to reconcile profit before tax to net cash flows:</b>					
- Depreciation and amortisation	497 848	502 575	323 324	1 000 423	663 647
- Impairment loss and reversals	-	-	-	-	-
- (Gain) / loss on sale and retirement of assets	127	91	-	218	8 273
- Expensed capitalised dry wells	35 759	18 414	169	54 173	17 242
- Accretion expenses (asset retirement obligation)	29 455	28 389	22 705	57 844	47 082
- Unrealised (gain)/loss on foreign currency transactions and balances	(68 456)	186 126	(46 865)	117 670	127 691
- Realised foreign exchange (gain)/loss related to financing activities	1 793	1 536	80 009	3 329	80 009
- Other non-cash items and reclassifications	29 214	(117 579)	9 498	(88 365)	(15 435)
<b>Working capital adjustments:</b>					
- Changes in inventories, accounts payable and receivable	46 831	48 166	167 952	94 997	354 495
- Changes in other current balance sheet items	64 086	(40 495)	26 601	23 591	(40 810)
Income tax received/(paid)	(957 853)	(468 085)	(1 053 930)	(1 425 937)	(1 631 256)
<b>Net cash flow from operating activities</b>	<b>710 663</b>	<b>1 009 131</b>	<b>230 877</b>	<b>1 719 794</b>	<b>1 588 406</b>
<b>Cash flow from investing activities</b>					
Expenditures on exploration and evaluation assets	(85 148)	(50 275)	(29 152)	(135 423)	(72 162)
Expenditures on property, plant and equipment	(687 515)	(643 695)	(657 934)	(1 331 210)	(1 257 353)
Payment for decommissioning of oil and gas fields	(11 285)	(13 831)	(8 834)	(25 116)	(15 963)
Net cash used on business combination	-	(1 330 662)	-	(1 330 663)	-
<b>Net cash used in investing activities</b>	<b>(783 948)</b>	<b>(2 038 463)</b>	<b>(695 920)</b>	<b>(2 822 412)</b>	<b>(1 345 478)</b>

A reclassification is done in Q1 2024 between changes in other current balance sheet items to other non-cash items in cash flow from operating activities

## Unaudited consolidated statement of cash flows – continued

USD 1000	Q2 2024	Q1 2024	Q2 2023	1H 2024	1H 2023
<b>Cash flows from financing activities</b>					
Dividends paid	(270 000)	(270 000)	(270 000)	(540 000)	(570 000)
Dividends distributed to hybrid owners	-	(15 600)	-	(15 600)	-
Net proceeds from bond issue	-	-	656 405	-	656 405
Net proceeds from hybrid bond issue	-	-	-	-	-
Net proceeds/(payments) of revolving credit facilities	75 000	1 400 000	(500 000)	1 475 000	(500 000)
Payment of principal portion of lease ability	(24 593)	(24 509)	(23 449)	(49 101)	(46 937)
Interest paid	(106 915)	(55 601)	(59 622)	(162 516)	(83 723)
<b>Net cash from financing activities</b>	<b>(326 508)</b>	<b>1 034 290</b>	<b>(196 666)</b>	<b>707 783</b>	<b>(544 255)</b>
<b>Net change in cash and cash equivalents</b>	<b>(399 793)</b>	<b>4 958</b>	<b>(661 709)</b>	<b>(394 835)</b>	<b>(301 327)</b>
Cash and cash equivalents, beginning of period	721 622	734 914	768 843	734 914	444 607
Effect of exchange rate fluctuation on cash	(7 075)	(18 250)	3 774	(25 325)	(32 371)
<b>Cash and cash equivalents, end of period</b>	<b>314 755</b>	<b>721 622</b>	<b>110 909</b>	<b>314 754</b>	<b>110 909</b>

## Notes

(All figures in USD 1000 unless otherwise stated)

The interim condensed consolidated financial statements for the period ended 30 June 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting. Thus, the interim financial statements do not include all information required by IFRSs and should be read in conjunction with the 2023 annual financial statements. The interim financial statements reflect all adjustments which are, in the opinion of management, necessary for a fair statement of the financial position, results of operations and cash flows for the dates and interim periods presented. Interim period results are not necessarily indicative of results of operations or cash flows for an annual period. These interim financial statements have not been subject to review or audit by independent auditors.

The acquisition of Neptune Energy Norge AS ("Neptune Norway") was completed on 31 January 2024. Neptune Norway operated as a subsidiary of Vår Energi ASA up until fully merged into Vår Energi ASA on 8 June 2024. Vår Energi has decided to use 1 January 2024 as the transaction date for accounting purposes, and the transaction is thus reflected in the statement of financial position and income statement from 1 January 2024 in this report. See note 2 for more information regarding the acquisition.

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

### Note 1 Summary of IFRS accounting principles

The accounting principles adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended 31 December 2023. None of the amendments to IFRS Accounting Standards effective from 1 January 2024 has had a significant impact on the condensed interim financial statements. Vår Energi has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

### Note 2 Business combination

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

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

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

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

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

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

## Note 2 Business combination - continued

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

USD 1000	01 Jan 2024
Goodwill	1 462 172
Other intangible assets	192 499
Property, plant and equipment	1 975 424
Right of use assets	10 545
Other non-current assets	8 184
Inventories	19 538
Trade receivables	174 205
Other current receivables and financial assets	191 387
Cash and cash equivalents	776 102
<b>Total assets</b>	<b>4 810 056</b>
Deferred tax liabilities	1 304 198
Asset retirement obligation	368 251
Pension liabilities	23 590
Lease liabilities, non-current	6 997
Other non-current liabilities	32 888
Accounts payable	81 675
Taxes payable	705 916
Lease liabilities, current	3 548
Other current liabilities	176 229
<b>Total liabilities</b>	<b>2 703 292</b>
Net assets and liabilities recognised	2 106 764
<b>Fair value of consideration paid on acquisition</b>	<b>2 106 764</b>

The goodwill of USD 1 462 million arises principally because of the following factors:

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

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

USD 1000	01 Jan 2024
Goodwill related to synergies - residual goodwill	158 769
Goodwill as a result of deferred tax - technical goodwill	1 303 403
<b>Net goodwill from the acquisition of Neptune Norway</b>	<b>1 462 172</b>

Due to a reclassification, Goodwill has been reduced by USD 1 750 thousand in second quarter and Other receivables and financial assets has been increased by the same amount compared to first quarter.

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



### Note 3 Income

Petroleum revenues (USD 1000)	Note	Q2 2024	Q1 2024	Q2 2023	1H 2024	1H 2023
Revenue from crude oil sales		1 281 815	1 221 893	787 587	2 503 708	1 668 656
Revenue from gas sales		558 042	611 459	589 211	1 169 501	1 750 181
Revenue from NGL sales		91 370	110 392	55 187	201 762	102 530
Gains from hedging	14	2 089	5 061	-	7 150	-
<b>Total petroleum revenues</b>		<b>1 933 317</b>	<b>1 948 804</b>	<b>1 431 985</b>	<b>3 882 122</b>	<b>3 521 368</b>
Sales of crude (boe 1000)		15 118	14 505	10 038	29 623	20 580
Sales of gas (boe 1000)		7 929	9 179	5 984	17 108	12 599
Sales of NGL (boe 1000)		2 084	2 167	1 473	4 251	2 348
Other operating income (USD 1000)		Q2 2024	Q1 2024	Q2 2023	1H 2024	1H 2023
Gain/(loss) from sale of assets		1 271	1 731	-	3 002	-
Partner share of lease cost		3 240	3 145	2 724	6 385	5 481
Other operating income		2 294	1 948	1 648	4 242	3 382
<b>Total other operating income</b>		<b>6 805</b>	<b>6 824</b>	<b>4 372</b>	<b>13 629</b>	<b>8 864</b>

**Note 4 Production Costs**

USD 1000	Note	Q2 2024	Q1 2024	Q2 2023	1H 2024	1H 2023
Cost of operations		214 917	205 977	195 113	420 895	352 462
Transportation and processing		61 167	66 518	43 767	127 684	92 044
Environmental taxes		32 624	37 549	32 172	70 173	62 449
Insurance premium		15 977	15 477	15 246	31 454	31 421
<b>Production cost based on produced volumes</b>		<b>324 685</b>	<b>325 521</b>	<b>286 298</b>	<b>650 206</b>	<b>538 375</b>
Back-up cost shuttle tankers		4 150	960	3 595	5 110	4 341
Changes in over/(underlift)		8 924	45 063	(5 520)	53 987	(15 422)
Premium expense for crude put options	15	8 619	10 244	8 565	18 863	17 912
<b>Production cost based on sold volumes</b>		<b>346 379</b>	<b>381 787</b>	<b>292 939</b>	<b>728 166</b>	<b>545 207</b>
Total produced volumes (boe 1000)		26 143	27 183	18 427	53 326	37 725
<b>Production cost per boe produced (USD/boe)</b>		<b>12.4</b>	<b>12.0</b>	<b>15.5</b>	<b>12.2</b>	<b>14.3</b>

**Note 5 Other operating expenses**

USD 1000	Note	Q2 2024	Q1 2024	Q2 2023	1H 2024	1H 2023
R&D expenses		10 974	7 276	3 616	18 249	19 663
Pre-production costs		12 572	11 874	8 160	24 446	18 981
Guarantee fee decommissioning obligation		4 168	5 294	4 428	9 461	9 496
Administration expenses		7 955	10 483	8 281	18 438	15 245
Integration cost		6 006	8 263	-	14 269	-
Value adjustment contingent considerations	22	-	(58 976)	-	(58 976)	-
Other expenses		6 277	149	(156)	6 425	8 125
<b>Total other operating expenses</b>		<b>47 951</b>	<b>(15 638)</b>	<b>24 329</b>	<b>32 313</b>	<b>71 509</b>

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

**Note 6 Exploration expenses**

USD 1000	Note	Q2 2024	Q1 2024	Q2 2023	1H 2024	1H 2023
Seismic		12 674	6 586	11 720	19 260	11 311
Area fee		2 003	2 979	1 567	4 982	3 866
Dry well expenses	9	35 759	18 416	169	54 175	17 242
Other exploration expenses		5 348	5 246	4 491	10 595	7 195
<b>Total exploration expenses</b>		<b>55 784</b>	<b>33 228</b>	<b>17 947</b>	<b>89 012</b>	<b>39 615</b>

Dry well expenses in 2Q 2024 are mainly related to the exploration wells targeting the Snørras and Venus prospects in PL 1080 and PL 1025 S.

**Note 7 Financial items**

USD 1000	Note	Q2 2024	Q1 2024	Q2 2023	1H 2024	1H 2023
Interest income		4 194	10 664	3 561	14 858	5 923
Interests on debts and borrowings	19	(87 501)	(77 537)	(60 161)	(165 038)	(117 562)
Interest on lease debt		(1 140)	(1 298)	(1 612)	(2 438)	(3 415)
Capitalised interest cost, development projects		89 850	79 852	61 045	169 702	118 521
Amortisation of fees and expenses		(2 206)	(2 231)	(3 897)	(4 437)	(7 603)
Accretion expenses (asset retirement obligation)	20	(29 455)	(28 389)	(22 705)	(57 844)	(47 082)
Other financial expenses		(1 549)	(581)	(3 901)	(2 130)	(6 051)
Change in fair value of hedges (ineffectiveness)	15	2 064	817	(2 053)	2 881	(2 053)
<b>Net financial income/(expenses)</b>		<b>(25 744)</b>	<b>(18 702)</b>	<b>(29 724)</b>	<b>(44 446)</b>	<b>(59 322)</b>
Unrealised exchange rate gain/(loss)		68 456	(186 126)	46 865	(117 670)	(127 692)
Realised exchange rate gain/(loss)		(3 016)	1 147	(93 545)	(1 870)	(45 772)
<b>Net exchange rate gain/(loss)</b>		<b>65 440</b>	<b>(184 979)</b>	<b>(46 680)</b>	<b>(119 540)</b>	<b>(173 464)</b>
<b>Net financial items</b>		<b>39 696</b>	<b>(203 682)</b>	<b>(76 404)</b>	<b>(163 986)</b>	<b>(232 786)</b>

Vår Energi's functional currency is NOK, whilst interest bearing loans and bonds are in USD and EUR. The strengthening of NOK during the second quarter of 2024 caused unrealised exchange gain of USD 68 million.

Note 8 Income taxes

USD 1000		Q2 2024	Q1 2024	Q2 2023	1H 2024	1H 2023
Current period tax payable/(receivable)		502 617	502 651	216 392	1 005 268	962 032
Prior period adjustment to current tax		551	(3)	(3 342)	548	(3 342)
<b>Current tax expense/(income)</b>		<b>503 168</b>	<b>502 647</b>	<b>213 050</b>	<b>1 005 816</b>	<b>958 690</b>
<b>Deferred tax expense/(income)</b>		<b>306 875</b>	<b>247 256</b>	<b>390 269</b>	<b>554 130</b>	<b>725 721</b>
<b>Tax expense/(income) in profit and loss</b>		<b>810 043</b>	<b>749 903</b>	<b>603 319</b>	<b>1 559 946</b>	<b>1 684 411</b>
<b>Effective tax rate in %</b>		<b>79%</b>	<b>88%</b>	<b>86%</b>	<b>83%</b>	<b>85%</b>
<b>Tax expense/(income) in put option used for hedging</b>		<b>(1 687)</b>	<b>(1 308)</b>	<b>(551)</b>	<b>(2 995)</b>	<b>(902)</b>
<b>Tax expense/(income) in other comprehensive income</b>		<b>808 356</b>	<b>748 595</b>	<b>602 768</b>	<b>1 556 950</b>	<b>1 683 509</b>

Reconciliation of tax expense	Tax rate	Q2 2024	Q1 2024	Q2 2023	1H 2024	1H 2023
Marginal (78%) tax rate on profit/loss before tax	78%	804 890	663 029	547 131	1 467 919	1 542 504
Tax effect of uplift	71,8%	(6 929)	(5 452)	(12 241)	(12 381)	(22 720)
Tax effects of items taxed at other than marginal (78%) tax rate <sup>1</sup>	56%	19 401	143 677	68 637	163 078	159 271
Other permanent differences, prior period adjustments and change in estimates of uncertain tax positions	78%	(7 319)	(51 351)	(209)	(58 670)	5 356
<b>Tax expense/(income)</b>		<b>810 043</b>	<b>749 903</b>	<b>603 319</b>	<b>1 559 946</b>	<b>1 684 411</b>

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

**Note 8 Income taxes - continued**

Deferred tax asset/(liability)	Note	Q2 2024	Q1 2024	Q2 2023	1H 2024	1H 2023
Deferred tax asset/(liability) at beginning of period		(9 890 470)	(8 943 019)	(7 975 099)	(8 943 019)	(8 127 971)
Current period deferred tax income/(expense)		(306 875)	(247 256)	(390 269)	(554 130)	(725 721)
Deferred taxes related to business combinations	2	-	(1 304 198)	-	(1 304 198)	-
Deferred taxes recognised directly in OCI or equity		1 687	1 308	551	2 995	902
Currency translation effects		(147 205)	602 694	219 799	455 490	707 772
<b>Net deferred tax asset/(liability) as of closing balance</b>		<b>(10 342 862)</b>	<b>(9 890 470)</b>	<b>(8 145 018)</b>	<b>(10 342 862)</b>	<b>(8 145 018)</b>

Tax payable		Q2 2024	Q1 2024	Q2 2023	1H 2024	1H 2023
Tax payable at beginning of period		(1 606 460)	(964 414)	(1 845 929)	(964 414)	(1 778 222)
Current period payable taxes		(502 617)	(502 651)	(216 392)	(1 005 268)	(962 032)
Payable taxes related to business combinations	2	-	(705 916)	-	(705 916)	-
Net tax payments		957 853	468 085	1 053 930	1 425 937	1 631 256
Prior period adjustments and change in estimate of uncertain tax positions		(551)	3	3 342	(548)	3 342
Currency translation effects		(23 807)	98 433	52 800	74 626	153 407
<b>Net tax payable as of closing balance</b>		<b>(1 175 583)</b>	<b>(1 606 460)</b>	<b>(952 248)</b>	<b>(1 175 583)</b>	<b>(952 248)</b>

## Note 9 Intangible assets

USD 1000	Note	Goodwill	Other intangible assets	Capitalised exploration wells	Total
<b>Cost as at 1 January 2024</b>		<b>4 344 628</b>	<b>83 060</b>	<b>276 504</b>	<b>4 704 193</b>
Additions		-	16	50 275	50 291
Additions through business combination	2	1 463 922	195 117	(2 618)	1 656 421
Reclassification		-	-	-	-
Disposals/expensed exploration wells	6	-	(91)	(18 416)	(18 507)
Currency translation effects		(279 213)	(18 656)	(14 396)	(312 264)
<b>Cost as at 31 March 2024</b>		<b>5 529 337</b>	<b>259 446</b>	<b>291 351</b>	<b>6 080 134</b>
<b>Depreciation and impairment as at 1 January 2024</b>		<b>(2 386 150)</b>	<b>(0)</b>	<b>-</b>	<b>(2 386 150)</b>
Depreciation		-	(268)	-	(268)
Currency translation effects		138 891	7	-	138 898
<b>Depreciation and impairment as at 31 March 2024</b>		<b>(2 247 259)</b>	<b>(261)</b>	<b>-</b>	<b>(2 247 520)</b>
<b>Net book value as at 31 March 2024</b>		<b>3 282 078</b>	<b>259 185</b>	<b>291 351</b>	<b>3 832 613</b>

USD 1000	Note	Goodwill	Other intangible assets	Capitalised exploration wells	Total
<b>Cost as at 1 April 2024</b>		<b>5 529 337</b>	<b>259 446</b>	<b>291 351</b>	<b>6 080 134</b>
Additions		-	72	85 148	85 220
Additions through business combination	2	(1 750)	(2 618)	2 618	(1 750)
Reclassification		-	-	-	-
Disposals/expensed exploration wells	6	-	(127)	(35 759)	(35 886)
Currency translation effects		80 634	6 398	2 244	89 276
<b>Cost as at 30 June 2024</b>		<b>5 608 221</b>	<b>263 171</b>	<b>345 601</b>	<b>6 216 993</b>
<b>Depreciation and impairment as at 1 April 2024</b>		<b>(2 247 259)</b>	<b>(261)</b>	<b>-</b>	<b>(2 247 520)</b>
Depreciation		-	(240)	-	(240)
Currency translation effects		(32 740)	(6)	-	(32 746)
<b>Depreciation and impairment as at 30 June 2024</b>		<b>(2 279 999)</b>	<b>(507)</b>	<b>-</b>	<b>(2 280 506)</b>
<b>Net book value as at 30 June 2024</b>		<b>3 328 222</b>	<b>262 664</b>	<b>345 601</b>	<b>3 936 487</b>

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



## Note 10 Tangible assets

USD 1000	Note	Wells and production facilities	Facilities under construction	Other property, plant and equipment	Total
<b>Cost as at 1 January 2024</b>		<b>16 490 192</b>	<b>6 310 238</b>	<b>86 934</b>	<b>22 887 364</b>
Additions		169 669	543 453	9 996	723 118
Estimate change asset retirement cost	20	(132 235)	-	-	(132 235)
Additions through business combinations	2	1 973 397	-	2 027	1 975 424
Reclassification		84 574	(65 753)	-	18 821
Disposals		-	-	-	-
Currency translation effects		(1 078 094)	(380 604)	(5 337)	(1 464 034)
<b>Cost as at 31 March 2024</b>		<b>17 507 504</b>	<b>6 407 334</b>	<b>93 620</b>	<b>24 008 457</b>
<b>Depreciation and impairment as at 1 January 2024</b>		<b>(7 404 673)</b>	<b>(208 349)</b>	<b>(37 265)</b>	<b>(7 650 287)</b>
Depreciation		(491 718)	-	(4 672)	(496 390)
Disposals		-	-	-	-
Currency translation effects		444 150	12 131	2 291	458 573
<b>Depreciation and impairment as at 31 March 2024</b>		<b>(7 452 241)</b>	<b>(196 218)</b>	<b>(39 646)</b>	<b>(7 688 104)</b>
<b>Net book value as at 31 March 2024</b>		<b>10 055 263</b>	<b>6 211 116</b>	<b>53 974</b>	<b>16 320 353</b>

USD 1000	Note	Wells and production facilities	Facilities under construction	Other property, plant and equipment	Total
<b>Cost as at 1 April 2024</b>		<b>17 507 504</b>	<b>6 407 334</b>	<b>93 620</b>	<b>24 008 457</b>
Additions		235 440	530 414	12 441	778 296
Estimate change asset retirement cost	20	11 743	-	-	11 743
Additions through business combinations	2	-	-	(0)	(0)
Reclassification		130 121	(112 360)	-	17 761
Disposals		0	-	-	0
Currency translation effects		256 800	98 396	1 469	356 664
<b>Cost as at 30 June 2024</b>		<b>18 141 608</b>	<b>6 923 784</b>	<b>107 530</b>	<b>25 172 921</b>
<b>Depreciation and impairment as at 1 April 2024</b>		<b>(7 452 241)</b>	<b>(196 218)</b>	<b>(39 646)</b>	<b>(7 688 104)</b>
Depreciation		(485 854)	-	(6 059)	(491 913)
Disposals		(0)	-	-	(0)
Currency translation effects		(112 749)	(2 860)	(627)	(116 236)
<b>Depreciation and impairment as at 30 June 2024</b>		<b>(8 050 844)</b>	<b>(199 077)</b>	<b>(46 332)</b>	<b>(8 296 253)</b>
<b>Net book value as at 30 June 2024</b>		<b>10 090 764</b>	<b>6 724 706</b>	<b>61 198</b>	<b>16 876 668</b>

Capitalised interests for facilities under construction were USD 90 853 thousand in the second quarter 2024 compared to USD 79 439 thousand in the first quarter 2024.

Rate used for capitalisation of interests was 7.18% in the second quarter 2024 compared to 7.1% in the first quarter 2024.

Note 11 Right of use assets

USD 1000	Note	Offices	Rigs, helicopters and supply vessels	Warehouse	Total
<b>Cost as at 1 January 2024</b>		<b>64 011</b>	<b>125 523</b>	<b>14 537</b>	<b>204 071</b>
Additions through business combinations		3 350	1 575	5 620	10 545
Reclassification		-	(18 821)	-	(18 821)
Currency translation effects		(3 920)	(6 903)	(1 173)	(11 996)
<b>Cost as at 31 March 2024</b>		<b>63 441</b>	<b>101 374</b>	<b>18 984</b>	<b>183 799</b>
<b>Depreciation and impairment as at 1 January 2024</b>		<b>(21 647)</b>	<b>(98 288)</b>	<b>(10 325)</b>	<b>(130 260)</b>
Depreciation		(1 467)	(3 842)	(606)	(5 915)
Currency translation effects		1 299	5 823	617	7 739
<b>Depreciation and impairment as at 31 March 2024</b>		<b>(21 815)</b>	<b>(96 307)</b>	<b>(10 314)</b>	<b>(128 436)</b>
<b>Net book value as at 31 March 2024</b>		<b>41 626</b>	<b>5 067</b>	<b>8 670</b>	<b>55 363</b>
<b>Cost as at 31 March 2024</b>		<b>63 441</b>	<b>101 374</b>	<b>18 984</b>	<b>183 799</b>
Reclassification		-	(17 761)	-	(17 761)
Currency translation effects		924	1 477	277	2 678
<b>Cost as at 30 June 2024</b>		<b>64 365</b>	<b>85 090</b>	<b>19 261</b>	<b>168 716</b>
<b>Depreciation and impairment as at 31 March 2024</b>		<b>(21 815)</b>	<b>(96 307)</b>	<b>(10 314)</b>	<b>(128 436)</b>
Depreciation		(1 441)	(3 724)	(533)	(5 698)
Currency translation effects		(354)	(1 562)	(167)	(2 083)
<b>Depreciation and impairment as at 30 June 2024</b>		<b>(23 610)</b>	<b>(101 593)</b>	<b>(11 014)</b>	<b>(136 217)</b>
<b>Net book value as at 30 June 2024</b>		<b>40 755</b>	<b>(16 503)</b>	<b>8 247</b>	<b>32 499</b>

Note 12 Impairment

Impairment testing

Impairment tests of individual cash-generating units (CGUs) are performed quarterly when impairment triggers are identified. Due to the significant goodwill on the balance sheet and since goodwill is not depreciated, a full impairment testing of fixed assets and related intangible assets were performed as of 30 June 2024.

No impairments nor reversals of historical impairments were identified per 30 June 2024.

Key assumptions applied for impairment testing purposes as of 30 June 2024 are based on Vår Energi's macroeconomic assumptions. Below is an overview of the key assumptions applied:

Prices

The oil and gas prices are based on the forward curve for the next three-year period and from the fourth year the oil and gas prices are based on the company's long-term price assumptions. Vår Energi's long term oil price assumption is 75 USD/bbl (real 2024) and long-term gas price assumption is 61 USD/boe (real 2024), unchanged vs. 31 March 2024.

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

Year	31 Dec 2023	31 Mar 2023	30 Jun 2024
2024	76.3	83.2	83.7
2025	75.2	78.1	78.7
2026	77.4	77.8	77.2

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

Year	31 Dec 2023	31 Mar 2023	30 Jun 2024
2024	63.0	52.1	66.9
2025	65.5	59.1	68.0
2026	62.9	61.2	62.6

Note 12 Impairment - continued

Oil and gas reserves

Future cash flows are calculated based on expected production profiles and estimated proven, probable and risked possible reserves.

Year mmbœ	31 Dec 2023	31 Mar 2023	30 Jun 2024
2024 - 2026	328	380	357
2027 - 2031	366	446	445
2032 - 2036	170	210	210
2037 - 2041	85	113	113
2042 - 2054	61	89	89

Future expenditure

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

Discount rate

The post tax nominal discount rate used is 8.0 percent, unchanged vs. 31 March 2024.

Currency rates	2024	2025	2026	2027 onwards
NOK/USD	10.5	10.0	9.5	9.0
NOK/Euro	11.3	11.0	10.3	9.7

Inflation

Inflation for 2024 is assumed to be 4%. The long-term inflation rate beyond 2024 is assumed to be 2.0%.

Sensitivity analysis

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

The sensitivities are created for illustration purposes, based on a simplified method and assumes no changes in other input factors. Significant reductions in oil and gas prices or production profiles are likely to result in changes to business plans, field cut-off as well as other factors used when estimating an asset's recoverable amount. Changes in such input factors would likely significantly reduce the actual impairment amount compared to the illustrative sensitivity below.

Assumption USD 1000	Change	Change in impairment after	
		Increase in assumption	Decrease in assumption
Oil and gas prices	+/- 25%	(876 000)	3 272 000
Production profile	+/- 5%	(446 000)	575 000
Discount rate	+/- 1% point	153 000	(129 000)

Climate related risks

The climate related risk assessment is generally described in the company's annual report. Impairment testing includes a step up of CO<sub>2</sub> tax/fees from current levels to approximately NOK 2 240 per ton in 2030 (real 2023)..

Note 13 Trade receivables

USD 1000	Note	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Jun 2023
Trade receivables - related parties	24	508 928	607 607	516 429	255 549
Trade receivables - external parties		184 853	223 337	137 221	110 881
Sale of trade receivables		(250 424)	(303 917)	(290 756)	-
<b>Total trade receivables</b>		<b>443 356</b>	<b>527 026</b>	<b>362 895</b>	<b>366 430</b>

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

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

**Note 14 Other current receivables and financial assets**

USD 1000	Note	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Jun 2023
Net underlift of hydrocarbons		186 722	158 169	125 747	110 374
Net receivables from joint operations		108 893	109 703	102 038	74 097
Prepaid expenses		71 670	96 512	53 437	44 331
Commodity derivatives - financial assets	15	16 250	22 803	10 974	12 240
Other		1 702	25 655	17 276	(6 165)
<b>Total other current receivables and financial assets</b>		<b>385 238</b>	<b>412 842</b>	<b>309 472</b>	<b>234 876</b>

**Note 15 Financial instruments**

**Derivative financial instruments**

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

In May 2023 interest rate swaps were entered into for the same amount as the EUR 600 000 thousand Senior Note. Under the swaps, the company receives a fixed amount equal to the coupon payment for the EUR senior notes and pay a floating rate to the swap providers. The interest rate swaps is accounted for as a fair value hedge. Interest swaps are reflected at fair value with fair value changes to be accounted for as other financial income/expenses. Bond debt is initially recognised at nominal value. The carrying value is adjusted to reflect changes in interest level with fair value changes accounted for as other financial income/expenses. Inefficiencies in hedging are measured and booked against fair value of bond debt and accounted for as other financial income/expenses (note 7).

As of 30 June 2024, Vår Energi had the following volumes of commodity derivatives in place with the following strike prices:

Hedging instruments	Volume (no of options outstanding at balance sheet date) in thousands (bbl)	Exercise price (USD per bbl)
Brent crude long put options, exercisable in 2024	8 230	50
Brent crude short call options, exercisable in 2024	(90)	100
Brent crude long call options, exercisable in 2024	90	110
Brent crude long put options, exercisable in 2025	16 140	50

Hedging instruments	Volume (no of options outstanding at balance sheet date) in thousands (MWH)	Exercise price (EUR per MWH)
Gas TTF long put options, exercisable in 2024	660	35
Gas TTF short call options, exercisable in 2024	(660)	98
Gas TTF long put options, exercisable in 2025	90	25
Gas TTF short call options, exercisable in 2025	(90)	100

Hedging instruments	Volume (no of options outstanding at balance sheet date) in thousands (therms)	Exercise price (p/therm)
Gas NBP long put options, exercisable in 2024	12 000	80
Gas NBP short call options, exercisable in 2024	(12 000)	288

**Brent crude put options – financial assets**

USD 1000	Note	Q2 2024	Q1 2024	2023
The beginning of the period		23 503	10 974	14 805
Additions through business combinations		-	25 229	-
New derivatives		11 528	7 680	29 804
Realised hedges exercised	3	(2 340)	(6 104)	-
Change in fair value realised hedges		(6 547)	1 342	(14 805)
Change in fair value unrealised hedges		(9 894)	(15 617)	(18 830)
<b>The end of the period</b>		<b>16 250</b>	<b>23 503</b>	<b>10 974</b>

As of 30 June 2024, the fair value of outstanding commodity derivatives assets are USD 16 250 thousand.

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

## Note 15 Financial instruments - continued

### Brent crude put options – deferred premiums

USD 1000	Note	Q2 2024	Q1 2024	2023
The beginning of the period		(29 984)	(29 804)	(36 143)
Additions through business combinations		-	(2 627)	-
Settlement	4	8 618	10 244	36 229
New Brent crude put options		(11 528)	(7 680)	(29 804)
FX-effect		23	(117)	(86)
<b>The end of the period</b>		<b>(32 872)</b>	<b>(29 984)</b>	<b>(29 804)</b>

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

### Commodity Derivatives - financial liabilities

USD 1000	Note	Q2 2024	Q1 2024	2023
The beginning of the period		(3 716)	-	-
Additions through business combinations		-	(8 010)	-
New derivatives		-	-	-
Realised hedges exercised	3	251	1 043	-
Change in fair value realised hedges		1 383	(99)	-
Change in fair value unrealised hedges		1 030	3 350	-
<b>The end of the period</b>		<b>(1 052)</b>	<b>(3 716)</b>	<b>-</b>

As of 30 June 2024, the fair value of outstanding commodity derivatives liabilities are USD (1 052) thousand. Unrealised gains and losses are recognised in OCI.

### Change in Hedge Reserve

USD 1000	Note	Q2 2024	Q1 2024	2023
The beginning of the period		10 185	18 830	21 338
Additions through business combinations		-	(14 592)	-
Realised hedges exercised	3	2 089	5 061	-
Realised cost of hedge expired options		(8 641)	(10 127)	(36 143)
Hedge ineffectiveness recorded in net financial income/expense	7	11	(13)	-
Change in fair value realised hedges		5 164	11 537	14 805
Change in fair value unrealised hedges		8 863	(511)	18 830
<b>The end of the period</b>		<b>17 672</b>	<b>10 185</b>	<b>18 830</b>

After tax balance as of 30 June 2024 is USD 13 784 thousand.

### Reconciliation of liabilities arising from financing activities

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

USD 1000	31 Dec 2023	Cash flows	Non-cash changes			30 Jun 2024
			Amortisation/ Accretion	Currency	Fair Value Adj.	
Long-term interest-bearing debt	-	1 475 000	-	-	-	1 475 000
Bond USD Senior Notes	2 500 000	-	-	-	-	2 500 000
Bond EUR Senior Notes	682 939	-	-	(20 702)	(17 119)	645 117
Subord. EUR Fixed Rate Sec. (23/83)	808 382	-	338	(283)	-	808 437
Prepaid loan expenses	(45 278)	-	4 437	582	-	(40 259)
<b>Totals including hybrid capital</b>	<b>3 946 043</b>	<b>1 475 000</b>	<b>4 775</b>	<b>(20 403)</b>	<b>(17 119)</b>	<b>5 388 295</b>
Hybrid capital	799 461					799 461
<b>Total interst-bearing loans and borrowings</b>	<b>3 146 582</b>	<b>1 475 000</b>	<b>4 775</b>	<b>(20 403)</b>	<b>(17 119)</b>	<b>4 588 834</b>

**Note 16** Cash and cash equivalents

USD 1000	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Jun 2023
Bank deposits, unrestricted	306 356	699 703	724 726	103 771
Bank deposit, restricted, employee taxes	8 399	21 918	10 188	7 138
<b>Total bank deposits</b>	<b>314 755</b>	<b>721 622</b>	<b>734 914</b>	<b>110 909</b>

**Note 17** Share capital and shareholders

As of 30 June 2024, the total share capital of the company is USD 45 972 thousand or NOK 399 425 thousand. The share capital is divided into 2 496 406 246 ordinary shares and 4 Class B shares. Each share has a nominal value of NOK 0.16. The ordinary shares represent NOK 399 424 999.36 of the total share capital, while the Class B shares represent NOK 0.64 of the total share capital.

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

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

USD 1000	Q2 2024	Q1 2024	Q2 2023	1H 2024	1H 2023
Profit attributable to ordinary equity holders	221 814	100 091	98 096	321 905	293 056
EPS adj. for calculated interest/dividend on hybrid capital *	(13 657)	(15 953)	-	(29 610)	-
Number of shares (in millions)	2 496	2 496	2 496	2 496	2 496
<b>Earnings per share in USD basic and diluted</b>	<b>0.08</b>	<b>0.03</b>	<b>0.04</b>	<b>0.12</b>	<b>0.12</b>

**Note 18** Hybrid capital

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

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

USD 1000	Equity	Debt	Total
Balance as of 31 Dec 2023	799 461	8 921	808 382
Profit/loss to Hybrid owners	15 600	-	15 600
Accretion	-	55	55
Interest classified as dividend	(15 600)	-	(15 600)
<b>Balance as of 30 Jun 2024</b>	<b>799 461</b>	<b>8 976</b>	<b>808 437</b>

\*) EPS for 1Q 2024 is adjusted for inclusion of the full quarter of calculated interest.



## Note 19 Financial liabilities and borrowings

### Interest-bearing loans and borrowings

USD 1000	Coupon/int. Rate	Maturity	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Jun 2023
Bond USD Senior Notes (22/27)	5.00%	May 2027	500 000	500 000	500 000	500 000
Bond USD Senior Notes (22/28)	7.50%	Jan 2028	1 000 000	1 000 000	1 000 000	1 000 000
Bond USD Senior Notes (22/32)	8.00%	Nov 2032	1 000 000	1 000 000	1 000 000	1 000 000
Bond EUR Senior Notes (23/29)	5.50%	May 2029	645 117	658 305	682 938	646 402
Subord. EUR Fixed Rate Sec. (23/83)	7.86%	Nov 2083	8 976	8 899	8 921	-
Bridge credit facility	1.25%+SOFR+CAS	Nov 2023	-	-	-	-
RCF Working capital facility	1.08%+SOFR+CAS	Nov 2026	1 475 000	1 400 000	-	-
RCF Liquidity facility	1.13%+SOFR+CAS	Nov 2026	-	-	-	-
Prepaid loan expenses			(40 259)	(42 720)	(45 278)	(47 713)
<b>Total interest-bearing loans and borrowings</b>			<b>4 588 834</b>	<b>4 524 485</b>	<b>3 146 582</b>	<b>3 098 689</b>
<b>Of which current and non-current:</b>						
Interest-bearing loans, current			-	-	-	-
Interest-bearing loans and borrowings			4 588 834	4 524 485	3 146 582	3 098 689
<b>Credit facilities – Utilised and unused amount</b>						
USD 1000			30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Jun 2023
Drawn amount credit facility			1 475 000	1 400 000	-	-
Undrawn amount credit facilities			1 525 000	1 600 000	3 000 000	3 000 000

Vår Energi ASA has three senior USD notes outstanding in addition to one tranche of EUR denominated senior notes. The senior notes are registered on the Luxembourg Stock Exchange ("LuxSE") and coupon payments are made semi-annually for the USD notes and annually for the EUR notes. The senior notes have no financial covenants. The fair value of the bonds as of 30 June 2024 was USD 3 336,0 million.

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

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

Vår Energi's senior unsecured facilities per 30 June 2024 consist of the working capital credit facility of USD 1.5 billion and the liquidity facility of USD 1.5 billion. Both credit facilities expire on 1 November 2026 and all amounts outstanding fall due at maturity. The facilities have covenants covering leverage (net interest-bearing debt to 12 months rolling EBITDAX not to exceed 3.5) and interest coverage (EBITDA to 12 months rolling interest expenses shall exceed 5) which will be tested at the end of each calendar quarter. The interest rate payable for each of the facilities is determined by timing and the company's credit rating taking the aggregate of the Secured Overnight Financing Rate (SOFR) and the Credit Adjustment Spread (CAS) and adding the applicable margin for the present period as shown in the table.

Note 20 Asset retirement obligations

USD 1000	Note	Q2 2024	Q1 2024	2023
<b>Beginning of period</b>		<b>3 334 541</b>	<b>3 295 052</b>	<b>3 216 138</b>
Additions through business combinations	2	-	368 251	-
Change in estimate	10	22 134	33 298	183 849
Change in discount rate	10	(10 391)	(165 533)	(6 364)
Accretion discount	7	29 455	28 389	98 765
Payment for decommissioning of oil and gas fields		(11 285)	(13 831)	(40 688)
Disposals		-	-	(54 630)
Currency translation effects		48 558	(211 085)	(102 018)
<b>Total asset retirement obligations</b>		<b>3 413 012</b>	<b>3 334 541</b>	<b>3 295 052</b>
Short-term		80 574	79 348	87 385
Long-term		3 332 438	3 255 193	3 207 667
<b>Breakdown by decommissioning period</b>		<b>30 Jun 2024</b>	<b>30 Mar 2024</b>	<b>31 Dec 2023</b>
2022-2030		425 085	422 050	431 819
2031-2040		1 809 340	1 771 912	1 689 489
2041-2057		1 178 587	1 140 579	1 173 744

The estimate is based on executing a concept for abandonment in accordance with the Petroleum Activities Act and international regulations and guidelines. The calculations assume an inflation rate of 4% in 2024 and 2% in future years and discount rates between 3.6% - 3.8% per 30 June 2024. The assumptions for inflation rates were unchanged while the discount rates were increased from 3.4% - 3.8% per 31 March 2024. The discount rates are based on risk-free interest without addition of credit margin.

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

Vår Energi has a retirement obligation as a shipper in Gassled booked to other non-current liabilities in the balance sheet statement. Vår Energi has accrued USD 80 655 thousand for this purpose per 30 June 2024.

Note 21 Other current liabilities

USD 1000	Note	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Jun 2023
Net overlift from hydrocarbons		136 653	103 001	67 561	25 740
Net payables to joint operations		425 100	348 455	375 871	330 010
Employees, accrued public charges and other payables		81 038	139 003	84 407	75 561
Contingent Consideration, current	5, 22	22 200	22 200	79 137	77 672
Commodity derivatives	15	33 923	33 155	29 804	35 606
Change in market value/fair value of SWAP		-	243	7 299	7 619
<b>Total other current liabilities</b>		<b>698 914</b>	<b>646 058</b>	<b>644 079</b>	<b>552 206</b>

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

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

**Note 22** Commitments, provisions and contingent consideration

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

As part of the purchase agreement between Point Resources AS and ExxonMobil in 2017, Point Resources AS agreed to pay a contingent consideration related to possible development of the Forseti structure. A maximum payment in 2024 of USD 80 million has conservatively been carried as a liability since 2020. This liability has been reduced to USD 21 million reflecting the updated evaluation (ref note 4). The final settlement will be determined through an expert assessment.

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

**Note 23** Lease agreements

USD 1000	Note	Q2 2024	Q1 2024	2023
<b>Opening Balance lease debt</b>		<b>98 195</b>	<b>116 928</b>	<b>212 646</b>
Additions through business combinations	2		10 545	-
Payments of lease debt		(23 271)	(25 399)	(98 809)
Interest expense on lease debt		1 140	1 315	6 195
Currency exchange differences		(1 657)	(5 194)	(3 104)
<b>Total lease debt</b>		<b>74 407</b>	<b>98 195</b>	<b>116 928</b>
<b>Breakdown of the lease debt to short-term and long-term liabilities</b>		30 Jun 2024	31 Mar 2024	31 Dec 2023
Short-term		(18 145)	44 639	99 265
Long-term		92 552	53 556	17 663
<b>Total lease debt</b>		<b>74 407</b>	<b>98 195</b>	<b>116 928</b>
<b>Lease debt split by activities</b>		30 Jun 2024	31 Mar 2024	31 Dec 2023
Offices		47 996	49 036	50 194
Rigs, helicopters and supply vessels		19 418	41 574	62 479
Warehouse		6 993	7 585	4 255
<b>Total</b>		<b>74 407</b>	<b>98 195</b>	<b>116 928</b>

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

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

## Note 24 Related party transactions

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

### Current assets

USD 1000	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Jun 2023
<b>Trade receivables</b>				
Eni Trade & Biofuels SpA	430 769	476 599	422 807	185 464
Eni SpA	69 500	123 721	74 606	60 194
Eni Global Energy Markets	6 876	6 468	18 107	8 540
Other	1 783	819	909	1 351
<b>Total trade receivables</b>	<b>508 928</b>	<b>607 607</b>	<b>516 429</b>	<b>255 549</b>

All receivables are due within 1 year.

### Sales revenue

USD 1000	Q2 2024	Q1 2024	Q2 2023	YTD 2024	YTD 2023
Eni Trade & Biofuels SpA	1 351 104	1 173 452	832 621	2 524 556	1 726 834
Eni SpA	196 927	194 406	207 705	391 333	478 278
Eni Global Energy Markets	14 671	22 210	30 152	36 881	99 616
Other	-	-	-	-	-
<b>Total sales revenue</b>	<b>1 562 702</b>	<b>1 390 068</b>	<b>1 070 478</b>	<b>2 952 770</b>	<b>2 304 727</b>

### Current liabilities

USD 1000	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Jun 2023
<b>Account payables</b>				
Eni International BV	8 535	4 268	17 740	8 870
Eni Global Energy Markets	-	-	-	7 776
Eni SpA	7 788	7 537	11 654	10 123
Other	8 247	8 548	7 950	1 019
<b>Total account payables</b>	<b>24 570</b>	<b>20 353</b>	<b>37 344</b>	<b>27 789</b>

### Operating and capital expenditures

USD 1000	Q2 2024	Q1 2024	Q2 2023	YTD 2024	YTD 2023
Eni Trade & Biofuels SpA	4 834	5 425	4 893	10 259	9 267
Eni International BV	4 168	5 292	4 296	9 460	9 354
Eni SpA	1 822	6 059	5 147	7 881	10 054
Other	1 995	456	435	2 451	787
<b>Total operating and capital expenditures</b>	<b>12 819</b>	<b>17 232</b>	<b>14 771</b>	<b>30 051</b>	<b>29 462</b>

## Note 25 License ownerships

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

Licenses	Wl%	Operator
PL932B	20%	Aker BP
PL1194B	30%	OMV
PL1203	30%	Vår Energi
PL1211	50%	Vår Energi Norge
PL1213S	40%	Vår Energi Norge
PL1214	25%	Equinor
PL1215	30%	Aker BP
PL1217	20%	INPEX
PL1218	20%	Aker BP
PL1219	50%	Vår Energi Norge
PL1224	50%	Vår Energi
PL1227	23%	Equinor
PL1231	30%	OMV
PL1236	30%	Equinor
PL1237	40%	Vår Energi
PL1238	20%	Equinor
PL1239	30%	Equinor
PL1241	50%	Vår Energi
PL1242	20%	Aker BP
PL1243	20%	Aker BP

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

Licenses/Fields	Wl%	Operator
<b>Additions</b>		
PL025	25%	Equinor
PL064	15%	Equinor
PL077	12%	Equinor
PL078	12%	Equinor
PL090	15%	Equinor
PL090B	15%	Equinor
PL090C	15%	Wintershall DEA
PL090E	15%	Equinor
PL090G	15%	Equinor
PL090HS	15%	Equinor
PL090I	15%	Equinor
PL090JS	15%	Equinor
PL097	12%	Equinor
PL099	12%	Equinor
PL100	6%	Equinor
PL107	23%	Equinor
PL107B	23%	Equinor
PL107C	23%	Equinor
PL107D	23%	Equinor
PL110	12%	Equinor
PL110B	12%	Equinor
PL132	23%	Equinor
PL153	30%	Vår Energi Norge
PL153B	30%	Vår Energi Norge
PL153C	30%	Vår Energi Norge
PL187	25%	Equinor
PL348	13%	Equinor
PL348B	13%	Equinor

Licenses/Fields	Wl%	Operator
PL448	12%	Equinor
PL586	30%	Vår Energi Norge
PL636	30%	Vår Energi Norge
PL636B	30%	Vår Energi Norge
PL636C	30%	Vår Energi Norge
PL817	30%	OMV
PL817B	30%	OMV
PL882	45%	Vår Energi Norge
PL882B	45%	Vår Energi Norge
PL925	10%	Equinor
PL929	40%	Vår Energi Norge
PL938	30%	Vår Energi Norge
PL958	30%	OKEA
PL1105S	50%	Vår Energi Norge
PL1112	20%	Norske Shell
PL1179	15%	Equinor
PL1180	40%	Vår Energi Norge

### Bussiness Arrangements Area

EXL007	30%	Sval Energi
Njord Unit	23%	Equinor
Snøhvit Unit	12%	Equinor
Fram H-Nord Unit	11%	Equinor
Vega Unit	3%	Wintershall Dea

**Note 26** Subsequent events

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Vår Energi has elected to sell part of its gas on a fixed price/forward basis. Per 30 June 2023, Vår Energi has sold approximately 19% of the gas production for the third quarter 2024 on a fixed price basis at an average price around 132 USD per boe. For the fourth quarter of 2024, Vår Energi has sold ~5% of its estimated gas production with pricing linked to the Gas Year Ahead product with a pricing period from 1 October 2023 to 30 September 2024.



# Industry terms

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

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

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