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concedo

Annual Report 2023

Contents

About Concedo	2
Artificial Intelligence	3
Confidence in the future	4
Artificial Intelligence in Geosciences	7
“CONCEDO 2.0” – New main owner and increased activity from autumn 2023	8
Injectites – a new promising play in the North Sea	10
Turning over every rock	12
Artificial Intelligence in Biology and genomics	15
Licence portfolio	16
Artificial Intelligence in Astronomy and Cosmology	19
Directors’ report 2023	20
Financial statements	26
Independent auditor’s report	42
Artificial Intelligence in Chemical research and materials science	45
Board of Directors	46
Employees	46
Artificial Intelligence in Climate science	49



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About Concedo

Concedo is a Norwegian oil company focusing on exploration on the Norwegian Continental Shelf. The staff are highly experienced and have contributed to many discoveries in the past. The vast majority of our staff are geologists or geophysicists, all with many years' experience from both the Norwegian and international oil industry.

Concedo is a privately held company and takes the role as partner in its licences. There are no plans to change to a role as operator, to list the company or to seek opportunities internationally.

The company's business model has been to divest discoveries prior to field development. From 2024 and onwards the focus will still be on organic growth via exploration, but the company may also participate in field development and acquisition of production.

What we do

Our key tools for identifying new discovery opportunities are seismic and well data and the staff's overall experience. The testing of new technology like electromagnetic data and special processing of seismic data may in certain situations prove very important. Our future is decided through our daily work, namely the interpretation, analysis and integration of the various data.

Concedo was pre-qualified as a licensee in 2007, and has since been awarded licence shares in the annual licensing rounds (APA) and numbered rounds. Discoveries have been successfully sold to Equinor, Wintershall and Neptune.

Artificial Intelligence

From its start in the 1940s and 1950s, electronic digital computing has developed tremendously. While early versions were limited to conducting very expensive mathematical calculations mainly for research institutions, computers now process text, images, videos and communication, at low cost, for everyone in advanced societies like our own.

The trend towards more and more advanced applications has been continuous, but attempts at making computers simulate human intelligence met with little success until the artificial intelligence (AI) revolution we have seen during the last decade. The breakthrough came when attempts at programming logical thinking were largely replaced by analysis of large amounts of data (big data) and the identification of statistical trends and properties in these "training" data. This approach has been very successful at extracting information from new datasets and creating artificial text and images based on the training data.

Petroleum exploration and production activity generates large amounts of data and AI applications can extract useful information that helps make better decisions. However, historical data are often disorganized and in paper format, and the generation of datasets suitable for machine learning can be difficult and time-consuming. As good training datasets become available, AI is expected to play an increasingly important role in our industry.

The fear of AI becoming self-aware and more intelligent than humans is probably exaggerated. While AI is far superior to

humans in the analysis of big data and generation of artificial/fake datasets based on these data, humans will probably be better at making predictions and good decisions. As all tools, AI must be understood and AI results must be treated with a degree of caution.

As humans, our decisions are not only guided by data and facts. Values and implicit knowledge rooted in our culture, education and upbringing play an important role, often unconsciously. We also solve problems by understanding processes. If this understanding is good, our solutions can also be good, while poor understanding can lead to bad decisions. AI understands nothing about how or why, it merely observes historical data and makes probabilistic calculations about what is likely to happen.

Working with AI can be revealing and we have to reject illegal and unethical proposals and remember that all input must be explicit. On the other hand, AI may tell us whether there is empirical support for decisions we like and believe to be good.

In other words, the responsible use of AI will depend on human intelligence.

Confidence in the future

“No one has confidence in the present” is the title of a book written by Torbjørn Røe Isaksen. Although I have not read it, based on a talk given at the Oil and Energy Policy seminar in Sandefjord in January 2024, I understand that its main point is that the era of relentless optimism about the future and confidence that globalization would solve all our problems is over. As a former politician, it is no doubt with a touch of self-irony that he also mentions: “Industry must find smart solutions or politicians will think of something stupid – and we have plenty of experience of just that.”



I have confidence in the present and in the future, although I agree with the trends described by Torbjørn Røe Isaksen. Small nations will be especially vulnerable. Finland's and Sweden's decisions to apply for NATO membership are indications of this. Security policy has always been closely linked to energy supply. In my opinion, Norway has a key role to play as an important European energy nation. We can contribute to Europe still having energy security and being able to resist hostile political pressure in a more uncertain world. Both oil and gas produced in a sensible manner will be important for a long time to come. Carbon Capture and Storage (CCS) projects have been initiated for Norwegian Industry on the Norwegian Continental Shelf (NCS) and storing of CO₂ from European industry is in the planning phase. However, in my opinion, the solution to major global challenges and conflicts lies in the hands of major powers and countries with large populations.

The NCS is unique in the way that industry collaborates and shares knowledge to discover new resources and create value. Following the strengthening of the financial ownership of Concedo in 2023, the company can increase its exploration activity and perhaps contribute to the expected decline in Norway's oil and gas production from 2030 not being too dramatic. An important first step for Concedo has been to become partner in two licences, in one of

which drilling is planned for the autumn of 2024. In addition, we have acquired a large seismic dataset from the northern North Sea from CGG. This is followed up by greater efforts to interpret seismic data and develop our own data-analysis software. It will be exciting to see whether our collaboration with an external specialist can result in something new and revolutionary in the field of data analysis that can be used as early as in APA 2024. The project builds further on experience we have gained from innovation projects together with student teams from Norwegian universities.

In 2024, we will increase our manpower slightly and try to acquire production. The cash flow from production may be the best way to finance exploration activity on the NCS. However, it is important that production can be followed up in an efficient and constructive way.

Feasibility studies regarding the tie-in of the Dugong discovery in PL 882 to Snorre were conducted in 2023, and in January 2024 it was decided to continue to the concept phase. Neptune Energy has cooperated well with its partners to ensure good progress in this project. Now, it is especially important to have effective joint efforts with the operator on the host platforms.

The main goal in the years to come is to grow organically and create value through new

discoveries. Many exploration opportunities will probably result in small to medium-sized discoveries that can be fast track tie-ins to producing fields. These may be very profitable, but not contribute very much to the NCS's production volume. By combining our organization's knowledge with good data and new technology, we also hope to identify some opportunities within new play models and with high-volume potential. It is inspiring to see how, in the past few years, large volumes have been discovered in Namibia, South Africa and Guyana in areas that the industry previously regarded as not very promising. This was also the case on the NCS around 2010, when the Edvard Grieg and Johan Sverdrup fields were discovered. Trying to copy previous successes is not usually a good idea, but an open mind combined with new data and observations can sometimes produce good results.

I want to thank our employees and owners and everyone who has helped us in 2023. We look forward to exciting tasks in 2024.

Geir Lunde
CEO



Artificial Intelligence in Geosciences

AI algorithms can process vast datasets, incorporating geological, geophysical, and remote sensing data to create highly accurate predictive models. These models can forecast geological phenomena such as mineral deposits, seismic activities, and groundwater resources

"CONCEDO 2.0"

- New main owner and increased activity from autumn 2023

Concedo was established as an exploration company in 2006. Autumn 2006 NOK 115 million in equity was raised from Norwegian and UK investors to finance exploration on the Norwegian Continental Shelf (NCS). The Company was pre-qualified as a licensee on the NCS in 2007. From the beginning, the Company had a strong exploration team.

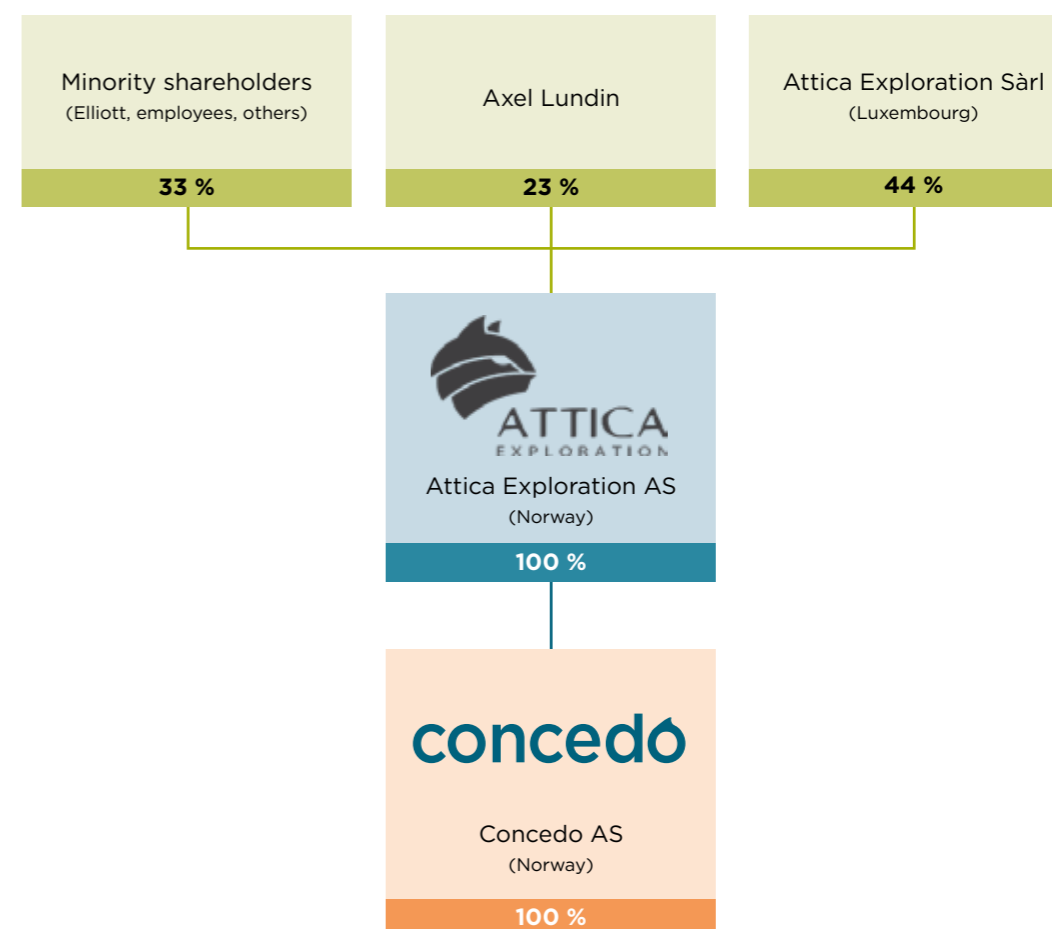
The Company got a good start. The first discovery was made in 2008, and in 2010 the Maria discovery was made just south of the Smørbukk South field. The Maria discovery was a "Company-maker" and was sold to the operator Wintershall in 2011 for a high valuation.

A significant part of the Maria proceeds was returned to the shareholders in 2012. The remaining part of the proceeds gave Concedo the peace of mind to focus on exploration in the coming years. In the period 2011 - 2019 Concedo participated in some smaller discoveries. All commercial discoveries were sold according to the Company's business strategy.

The Dugong/Sjøpølse discovery was made in 2020 and appraised in 2021. It became clear early on that the discovery was certainly commercial, and the operator started development planning. In autumn 2021 Concedo started exploring a potential divestment of its interest in Dugong.

In the spring of 2022, an equity raising of NOK 30 million was carried out from existing shareholders. Most of the shareholders chose to participate. This was the first time since 2006 that Concedo raised capital from the shareholders. As part of the capital raising process, Concedo committed to evaluate strategic alternatives for its assets and the Company as a whole. A financial advisor, ABG Sundal Collier, was appointed in June.

7 June 2023 Concedo's strategic review came to an end. The result was an Offer from Attica Exploration AS, a company owned by members of the Lundin family. The Offer consisted of a cash consideration for shareholders who wanted to exit. Shareholders who did not want to exit, could remain shareholders in a Concedo holding Company (Attica Exploration AS). The Offer therefore represented a viable and good solution for all shareholders.



Attica Exploration AS - Shareholder structure as of April 2024

This outcome of the strategic review was also the best possible for the Company. The Lundin family has a significant track record in Norway that began with Lundin Petroleum entering Norway in 2003. In 2007 and 2010 the company discovered the Edvard Grieg field and the Johan Sverdrup field, respectively. Both fields are today in production, and in 2022 Lundin Energy's oil & gas business was merged into Aker BP, today the third largest producer on NCS. The history of Lundin Petroleum will provide important learnings about how to grow and maximize shareholder value going forward.

Attica Exploration will revitalize Concedo and increase exploration activity. The ambition also includes acquiring some production to optimise Concedo's tax position. This will require additional funding, both equity and debt. Both Concedo and the holding company Attica Exploration will continue as unlisted companies. Attica is a long-term investor, however, at some point in time, the

ambition is to list the Attica shares or sell Concedo in a trade sale.

Before that day comes, however, there will be a lot of exploration and drilling on the NCS. In Q4 2023, Attica raised NOKm 180 in new equity from its shareholders. In December, the Company also farmed into two licences, where a well will be drilled in one of them in H2 2024. After two years without drilling wells, it will be good to get started again. The future will be exciting!

Injectites

– a new promising play in the North Sea

Part of the hydrocarbon resources in the North Sea (Norway and UK) are found in sand injectites. In the North Sea injectites are especially abundant in the Viking Graben within rocks of Tertiary age. Examples are the Volund, Bøyla, Alvheim, Balder, Sleipner East, Grane and eventually the Jotun fields, all of them in the central part of the Norwegian North Sea. Recent injectite discoveries are Kveikje and Heisenberg, both located North West of the Troll field in the North Sea.

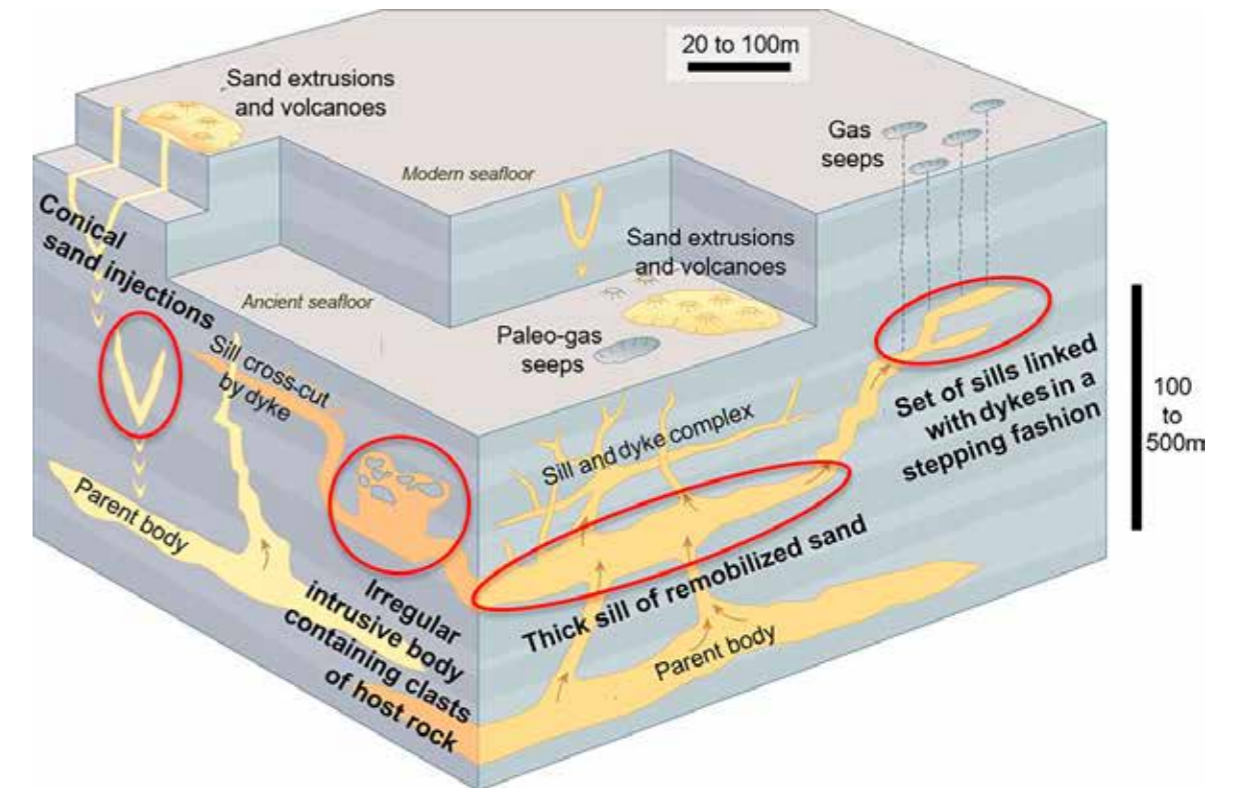
Sand injection occurs when the fluid pressure in a sand layer exceeds the lithostatic pressure such that the sand is mobilized and injects into the overlying rocks. Injected sands can occur as vertical dykes or layer parallel sills which are often visible on seismic data and can be mapped reliably. A scheme of how injectite-bodies look like and an outcrop photograph of injectites are shown to the right.

Many injectite reservoirs show exceptionally good porosities and permeabilities, however, it must be kept in mind that not all injectites are hydrocarbon-bearing.

Sometimes injectites are still connected with the parent sand body below which led to the long

held believe that the commercial relevance of injectite reservoirs lies in adding low-cost reserves to already existing producing targets. However, the Rumpetroll gas discovery is interpreted as a pure injectite reservoir without any connection to the parent sand body below.

Concedo wants to be active in the exploration of this new prospective play and has farmed into license PL1182 S. The prospect in this license (Kjøttkake) is an injectite closely related to the neighbouring Kveikje discovery and it will be drilled in the fall of 2024. In case of discovery a sidetrack well will also be drilled. Based on the seismic character Concedo has estimated a high chance of discovery.

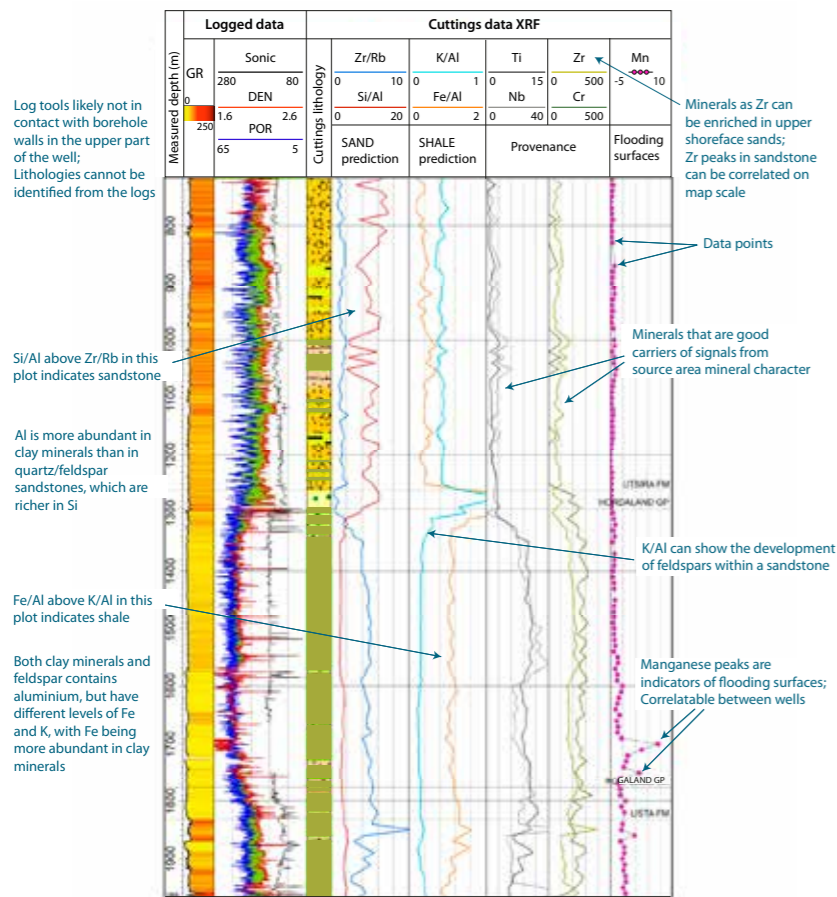


Conceptual model for injectites. Source: Pernin et al. (2019)



Outcrop of injectites in California. Source: Hurst et al. (2015)

Turning over every rock



Example of a well with a poor log suite. Little geological information can be inferred from these logs. The information gaps in the wells can be remedied by interpreting cuttings data of decent quality.

The easy days of exploration are long gone - if they ever existed. Concedo turns over every rock - almost literally - to pursue new plays or gain a new perspective on old ones.

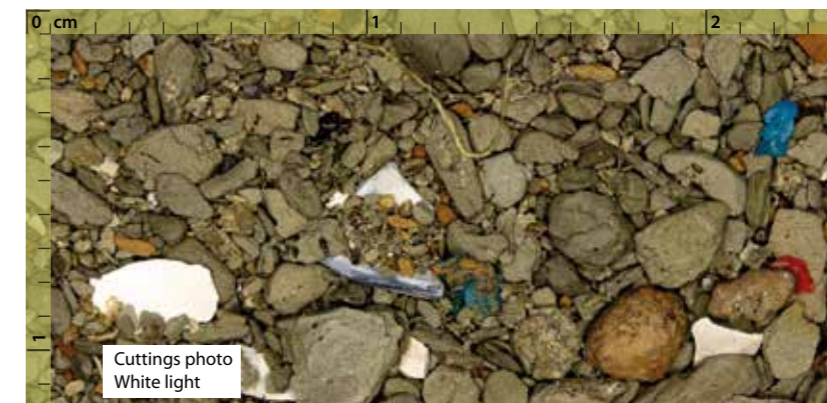
Analysis of cuttings and core data is a powerful tool when combined with larger scale work and more conventional types of data. The big strength of cuttings analysis is that it can also fill the holes where other data is lacking or not informative.

The data types stemming from cuttings in the Digital Cuttings Project are diverse - the simplest being photos of cuttings, which allow visual inspection of extracts from cuttings sampled at certain depths. In addition, X-ray Fluorescence has been used for all NCS wells, giving quantified measurements of quite a few elements and molecular compounds. More advanced methods - X-ray Diffraction, SpecCam, QemScan and analysis of organic content - have been performed on a selection of wells,

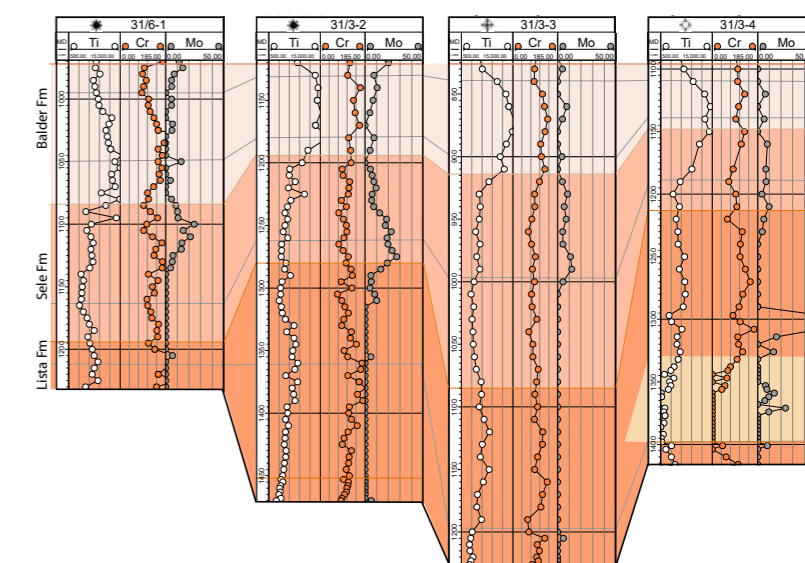
showing, for instance, the quantified mineral composition and organic compounds.

Changes in the mineral composition of the cuttings along the well path can match changes observed on a seismic scale, which is very helpful for making correlations between wells. Some specific mineral or elemental changes, markers or compositions may be related to specific depositional environments. This is helpful when, for example, assessing expected reservoir properties and quality.

However, the cuttings data are always at very high risk of being polluted or distorted. To remedy this, Concedo has cooperated with Chemstrat to have the data quality assured. All X-ray Fluorescence analyses have been adjusted to the measured standard, which has been a massive job. This has removed tendencies to drift in the data due to, e.g., different sensitivities in the measuring instruments. After this correction, a large improvement on the original cuttings data can be seen in many places.



Data from cuttings must be handled with care - it can be a severe case of garbage in, garbage out. As with biostratigraphic interpretation, cavings of sediments from higher up in the wellbore will pollute the data. In addition, mud additives and casing cement - or even rusty bits of tools - may be present in the cuttings.



Good correlations can be obtained from suites of minerals. The elements in the figure are suitable to aid correlation in intervals with volcanic input. A combination of biostratigraphy, cuttings data and seismic correlations is a powerful tool.

It is important to Concedo to base its evaluations on original data when this is available, and not to rely on second-hand descriptions. The newly awarded PL1209 Asbjørnsen licence is a good example of this. When studying the 30/6-11 well, located only a few hundred metres to the south of the Asbjørnsen Prospect, Concedo discovered that the shaly Upper Jurassic section of this well also contained significant amounts of silt and sand. In 1982, when the well was drilled, a drilling break occurred when entering the Upper Jurassic section. Although no sand was included on the completion log, 70% sand was reported in the cuttings. A core was cut just below the sand, but technical problems resulted in only one

metre of non-reservoir core being recovered. Upon inspection by Concedo, it turned out that the core also contained silt with sand stringers as shown in the image in Fig. A to the right. A geochemical analysis performed on a small chip from the core also revealed that the core contained migrated hydrocarbons (oil). This is a good starting point for the exploration work in PL1209 which will commence in the spring of 2024. Further good work by Concedo and its partners in PL1209 will hopefully mature the Asbjørnsen Prospect to the stage where a positive drilling decision is possible.

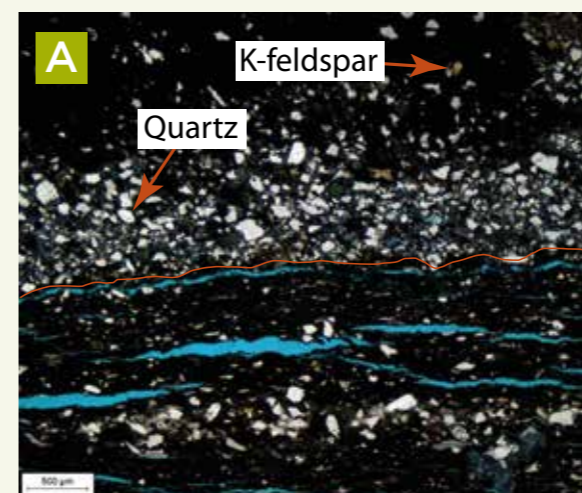


Figure A: a thin section image from Core #1, 30/6-11: mm-scale laminated claystone below the red line and the sand-grade sandstone stringer above.

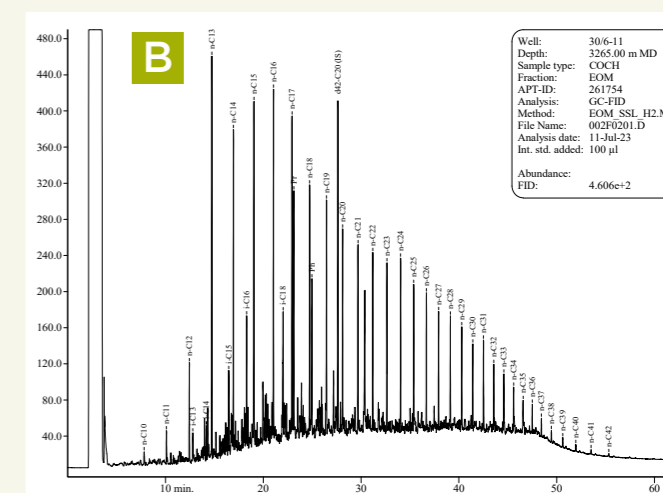


Figure B: a GC-EOM chromatogram from the core chip strongly indicating the presence of migrated oil.

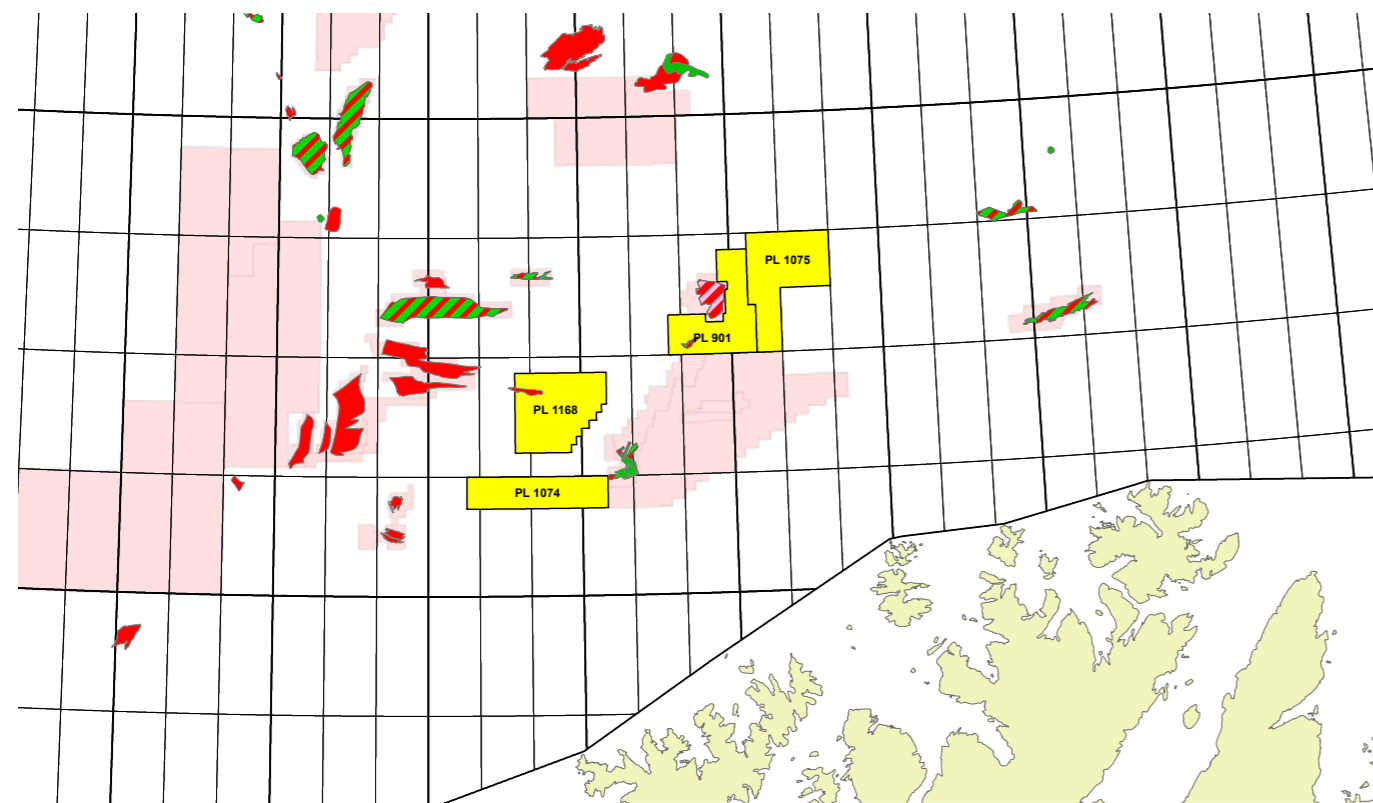
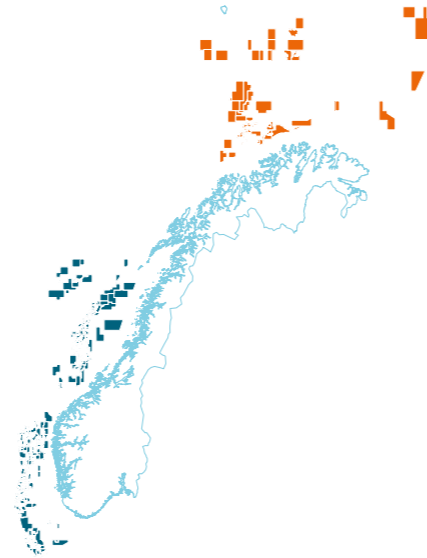
Artificial Intelligence in

Biology and genomics

In biology and genomics, AI is used to analyze genetic sequences to understand gene functions, disease mechanisms, and develop personalized medicine. AI technologies like deep learning accelerate the discovery of new drugs by predicting how various molecules will interact with biological systems.

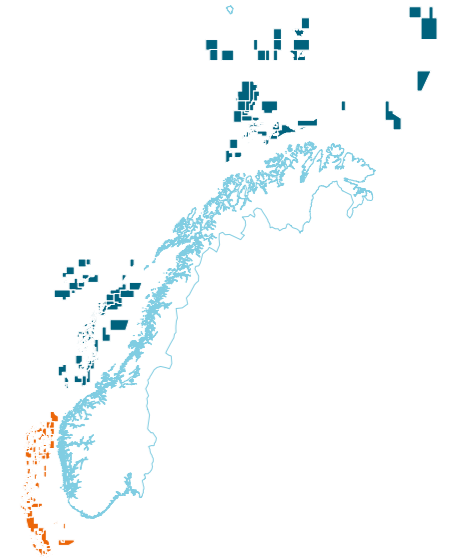
Licence portfolio Barents Sea

- PL 901** Concedo interest: 20%
Operator: Vår Energi ASA
Granted: APA 2016
- PL 1074** Concedo interest: 20%
Operator: Vår Energi ASA
Granted: APA 2019
- PL 1075** Concedo interest: 40%
Operator: Vår Energi ASA
Granted: APA 2019
- PL 1168** Concedo interest: 50%
Operator: Vår Energi ASA
Granted: APA 2021

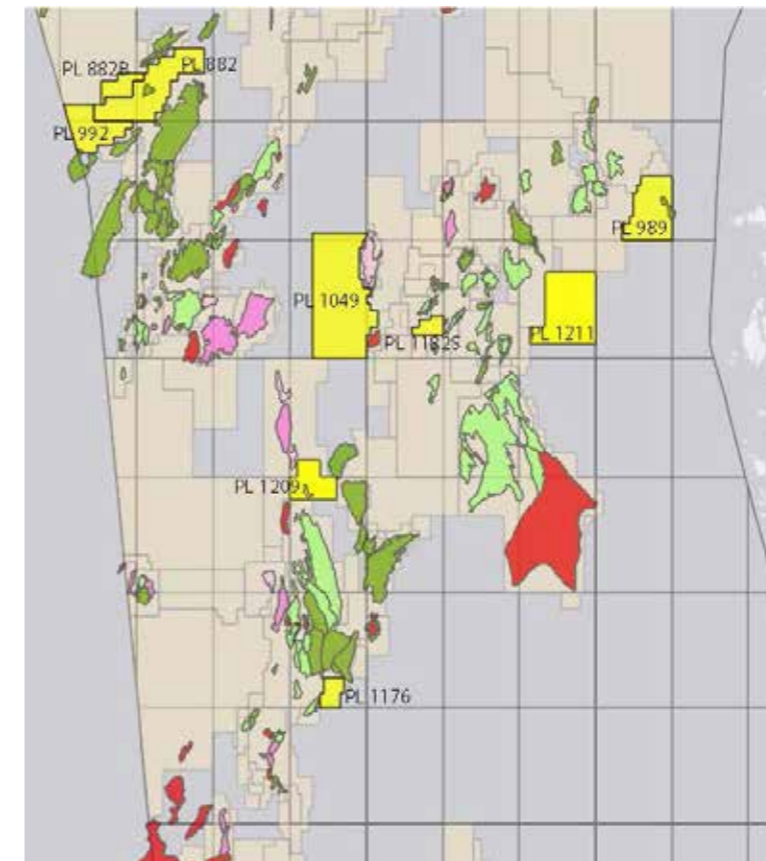


Licence portfolio North Sea

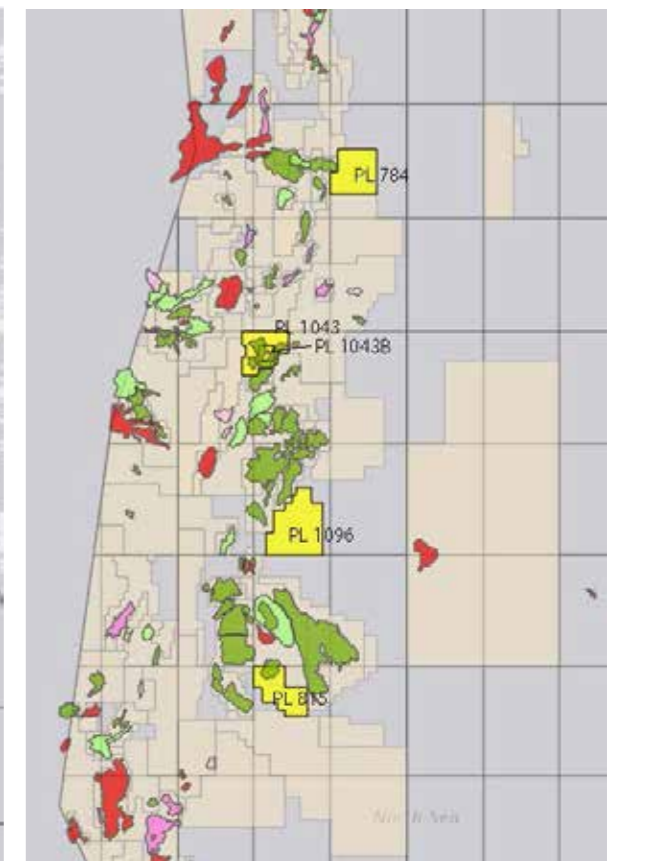
- | | |
|---|---|
| PL 784 Concedo interest: 20%
Operator: Aker BP ASA
Granted: APA 2014 | PL 1043 B Concedo interest: 30%
Operator: Vår Energi ASA
Granted: APA 2021 |
| PL 815 Concedo interest: 20%
Operator: Aker BP ASA
Granted: APA 2015 | PL 1049 Concedo interest: 15%
Operator: DNO
Granted: farmin 2024 |
| PL 882 Concedo interest: 15%
Operator: Neptune Energi Norge AS
Granted: APA 2016 | PL 1096 Concedo interest: 10%
Operator: Vår Energi ASA
Granted: APA 2020 |
| PL 882 B Concedo interest: 15%
Operator: Neptune Energi Norge AS
Granted: APA 2021 | PL1176 Concedo interest: 40%
Operator: Aker BP ASA
Granted: APA 2022 |
| PL 989 Concedo interest: 30%
Operator: Wintershall Dea Norge AS
Granted: APA 2018 | PL1182 S Concedo interest: 15%
Operator: DNO
Granted: farmin 2024 |
| PL 992 Concedo interest: 30%
Operator: Neptune Energi Norge AS
Granted: APA 2018 | PL1209 Concedo interest: 30%
Operator: DNO
Granted: APA 2023 |
| PL 1043 Concedo interest: 30%
Operator: Vår Energi ASA
Granted: APA 2019 | PL1211 Concedo interest: 50%
Operator: Vår Energi
Granted: APA 2023 |



North Sea North



North Sea South





Artificial Intelligence in Astronomy and Cosmology

AI and machine learning are used to process data from telescopes and space missions to discover new celestial bodies, study cosmological phenomena, and search for signs of extraterrestrial life. Automation of data analysis aids researchers in navigating the massive data volumes generated by astronomical observations.

Directors' report 2023

2023 was a year of limited exploration activity, but with considerable corporate activity and some field development activity. No exploration wells were drilled. However, during the year, the Company put in place a new shareholder structure, a new board and a strategy that entails significantly increased activity from 2024 onwards. The future will be exciting!

Concedo began the year by being awarded one license in APA (Awards in Predefined Areas) 2022 with Aker BP as operator. During the spring, the Company renewed its NOK 350 million exploration financing facility agreement with Sparebank 1 SR-Bank for 2023 and 2024.

The process of evaluating strategic alternatives for the Company and its assets, which started in late spring 2022, continued in 2023. On 7 June 2023, the Company's shareholders received an offer from Attica Exploration AS (Attica), a company owned by members of the Lundin family. The offer consisted of a cash consideration for shareholders that wished to exit. Shareholders that did not want to exit could become shareholders in Attica (the new Concedo holding company) by swapping their shares in Concedo for shares in Attica. The offer therefore represented a viable solution for all Concedo's shareholders, and 37% of them chose to continue as shareholders in Attica.

Attica will revitalize Concedo and increase exploration activity. The main strategy is to grow through exploration by participating in several wells every year. The aim is also to acquire production assets and income to optimize Concedo's tax position and possibly develop discoveries into producing assets. This will require additional equity and debt funding. Both Concedo and Attica will continue as unlisted companies. Attica is a long-term investor, but at some point in time the ambition is to list the Attica shares or sell Concedo in a trade sale.

In preparation for applications for the APA 2023 licensing round, Concedo evaluated areas across the NCS (Norwegian Continental Shelf). Applications were, as always, based on knowledge, expertise and data gained from existing and previous licences in which Concedo is or has been a partner, combined with specific G&G (geophysical and geological) studies and technologies, such as EM (electromagnetic technology), seismic modelling, and the analysis of 4D seismic data. Concedo increased the number of applications in APA 2023 compared to APA 2021 and 2022. A concerted effort was made by the Company to find the best operator with whom to submit joint applications with.

PL 882 Dugong development planning continued during the year and a feasibility study for a potential subsea tie-back to the Snorre field was completed in October. The decision to concretize (BoK) (Decision Gate 1 (DG1)) was made in January 2024 and a request for use according to section 6 of the Regulations relating to the use of facilities by others was sent to Snorre Unit in

January 2024. A concept study for a potential subsea tie-back to the Snorre field will be carried out in 2024 with a planned decision to continue (BoV) (DG2) in January 2025. The further plan is PDO submission in early 2026 and production start-up in late 2029.

In the second half of the year, significant amounts of seismic data were purchased. The purchases included the entire CGG database of north-south seismic lines in the Northern North Sea and Change-of-Control costs related to the relicensing of existing seismic data because of new majority ownership in the Company. The new data will be important in both future licensing rounds and potential farm-in processes since parts of this database usually make up the common database in exploration licences in this area.

On 13 November, a capital increase of NOK 180 million was approved at an extraordinary general meeting of Attica. All shareholders were invited to participate, and several chose to do so. The private placement was successfully completed in December. NOK 179 million was then transferred to Concedo.

In December, the Company signed two farm-in agreements with Longboat JAPEX Norge. Both farm-in licences are exploration licences in the Northern North Sea. In one of the licences, a well will be drilled into an injectite prospect known as Kjøttkake, in the second half of 2024, with a high probability of making a discovery.

During 2023, the Company continued its active participation in 14 licences, including those awarded in APA 2022. Six licences were relinquished, and one licence was transferred to another licensee.

In January 2024, the APA 2023 awards were announced. Concedo was awarded two licences in the northern North Sea; one with DNO as operator and one with Neptune (now acquired by Vår Energi) as operator. In 2024, Concedo will participate in at least one well. Potentially successful farm-in or acquisition processes may increase this number.

History

Concedo was established as an exploration company in 2006 and pre-qualified as a licensee on the NCS in 2007. From the beginning, the Company had a strong team of eight experienced employees. The team grew in pace with assignments and the number of licences in the Company's portfolio. The first discovery was made in 2008 - the Galtvort discovery - and in 2009 oil was found in what is now known as the Hyme field. Concedo's interest in this licence was sold to Statoil in 2010. In the same year, the Maria discovery, just south of the Smørbukk South field, was proven to be oil-bearing. Concedo sold the Maria discovery to the operator Wintershall in 2011. In 2012, Concedo returned the capital initially invested in 2006 to its investors in the form of a return of paid-in capital and dividends.

The Novus discovery was made in early 2014 but declared non-commercial. The Kallåsen discovery and Grosbeak appraisal drilled in the adjacent licence took place in 2018. Concedo divested its share of the Grosbeak discovery in 2019. The Goddo discovery was made in 2019, while the Dugong/Sjøpølse discovery was made in 2020. In 2023, the Goddo discovery was declared non-commercial.

Concedo was converted from a public limited company (ASA) to a private limited company (AS) in 2020. Following many years with no changes to the board composition, three directors were replaced in 2020. In 2022, the chairman since 2006, Olav Fjell, stepped down. His position was taken over by one of the directors, Erik Sverre Jenssen. In 2023, after completion of the Attica/Concedo transaction, the board was reduced from five to three members. At the same time, the composition of the board was changed to comprise a new chairman, Torstein Sanness, and a new board member, Axel Lundin. The other board member, Jonas Rydell, was on the former board and represents the largest minority shareholder.

Objective and strategy

Concedo's ambition is to have one of the best exploration teams on the NCS, capitalizing on the team's excellent knowledge of leads and unmapped resources on the NCS and working in areas aligned with the team's strengths. Value has been created by selling discoveries prior to development, thus avoiding capital-intensive investments in field development. With a new main owner with access to capital, some producing assets may be acquired, and some discoveries may be developed into production. However, Concedo's strategy will still be to preserve its financial strength and be regarded as an attractive partner by other oil & gas companies, and at the same time consider selling discoveries when this is appropriate.

Health, safety and the environment

The Company ensures that all its activities are carried out without causing harm to people or the environment. Safeguarding people, the environment and financial assets is an integral part of the management system and daily operations. The activities caused no spills, injuries or accidents in 2023.

As a licensee on the NCS, Concedo bears responsibility for, and makes conscious choices designed to minimize, risks to itself and its partners. The Company actively supports operators prior to drilling by providing expertise and experience to prevent undesirable incidents.

As of today, Concedo holds only exploration licences. In the future, however, the Company may take part in the production of oil and gas. Also, the Company is currently a licence holder as opposed to an operator, and Concedo therefore needs to work with an operator responsible for the overall day-to-day operations, including information and reporting. The active partnership is carried out by practicing the see-to-it duty as described in the Norwegian Petroleum legislation guidelines.

A key part of the strategy includes aligning the Company's investment criteria to ensure that new growth opportunities are evaluated with regards to CO₂ emission aspects. The evaluation of climate risk is important to sustain a resilient asset portfolio.

The working environment is considered good, and the Company makes continuous efforts to improve it further. During the COVID-19 pandemic, Concedo, like most employers, introduced a flexible working environment, with staff alternating between working from home and in the office as instructed by the authorities. This flexible way of working was appreciated by the employees and survived the pandemic. The sick leave in 2023 was 72 days or 2.2% of the total working hours.

Sustainability and responsibility

It is an integral part of Concedo's business to ensure respect for human rights, take responsibility as an employer, minimize impact on the environment, fight corruption and ensure a transparent corporate culture when dealing with all stakeholders. This is a necessary and natural part of the way the Company conducts its business operations. CSR (corporate social responsibility) is part of the Company's management system. The Company has reviewed its management system with respect to the GDPR (EU General Data Protection Regulation) and CSR.

Corporate governance

Concedo's management system is based on NUES (the Norwegian Code of Practice for Corporate Governance). In December 2022, the Company decided to incorporate the Norwegian Transparency Act into its management system. The Act came into force on 1 July 2022 and applies to larger enterprises but will also apply to Concedo if annual licence sale revenues exceed NOK 70 million. In addition, the Act will apply to all NCS operators. To satisfy the Act's requirements, the Company will publish a status statement on its website and in its annual report each year, ref. Note 22 to the financial statements.

The Board of Directors held 10 meetings in 2023. Key strategic and operational issues that were discussed include:

- The process of evaluating strategic alternatives for the Company and its assets, which started in late spring 2022
- Renewal for a further two years of the amended and restated exploration financing facility agreement, which expired on 31 December 2022
- The offer from Attica to acquire a minimum of 90.1% of the shares in Concedo, announced on 7 June 2023 and completed on 7 September
- The APA 2023 application
- The private placement of NOK 180 million directed towards existing shareholders in Attica and the subsequent private placement of NOK 179 million directed towards Attica
- The process of farming into two exploration licences from Longboat JAPEX Norge AS
- Development planning of PL 882 Dugong

Attica has established a directors' and officers' liability insurance for both Attica and Concedo which, within the framework of the insurance wording, covers the personal liability board members may incur as a director or the chief executive officer according to applicable law.

Research and development

Concedo is a member of FORCE (Forum for Improved Exploration, Sustainable Recovery, and Energy Efficiency & Environment), which was established in 1995 by the Norwegian Offshore Directorate (previously the Norwegian Petroleum Directorate) to stimulate industrial cooperation to improve exploration processes and enhance the recovery of resources on the NCS.

Over the years, the Company has evaluated many new exploration technologies and chosen the ones most suitable for the different exploration areas.

Concedo is also an active participant in Offshore Norway's (previously the Norwegian Oil and Gas Association) exploration manager network and the Norwegian Oil Company Scout Group.

Management and employee salaries

The Board of Concedo has prepared guidelines for determining the salaries and other remuneration of the Company's management and employees.

Gender equality

At the end of 2023, Concedo had 13 employees - two women and 11 men. The Board of Directors has three members, all men. Concedo is committed to gender equality, equal conditions, respect for cultural diversity and the equal treatment of all employees.

Financial performance

Financial statements are prepared in accordance with the Norwegian Private Limited Companies Act, Accounting Act and generally accepted accounting principles in Norway. To the best of the Directors' knowledge, there are no circumstances of significance for assessing the Company's position as of 31 December 2023 or the result for 2023 that are not set forth in the annual report and financial statements. The Directors believe the financial statements give a true presentation of Concedo's financial position as of 31 December 2023 and of the result and cash flows for the fiscal year.

Financing

A two-year NOK 350 million exploration financing facility agreement with Sparebank 1 SR-Bank was established in 2019. At the end of 2020, the agreement was extended for another two years until the year-end 2022. In September 2022, the existing agreement was amended and restated due to the new tax system that was introduced in June 2022 and came into effect from 1 January 2022. In March 2023, the amended and restated agreement was renewed until the year-end 2024.

Business office

Concedo has a five-year lease on its existing offices in Asker that expires at the end of 2026. The lease was renewed for five years in 2021.

Revenues and profits

Concedo made an operating loss of NOK 389.8 million in 2023. The year's loss after tax was NOK 88.4 million. The result includes no sale of licences. The exploration costs consist of the Company's licence costs, direct seismic costs and other operating exploration expenses. Costs related to preparations for drilling exploration wells are recognized in the balance sheet. The capitalized cost related to drilling depends on whether commercial resources are discovered. The costs related to successful wells are capitalized, while costs related to dry wells and sub-commercial discoveries are expensed. In 2023, Concedo expensed the PL 815 Goddo discovery well drilled in 2019 and relinquished the licence.

Balance sheet and liquidity

At the year-end 2023, the Company's book equity amounted to NOK 218.0 million, equal to an equity ratio of 38.6%. As of 31 December 2023, the Company had interest-bearing debt of NOK 91.8 million, all related to the exploration financing facility. At the same date, the Company had cash and cash equivalents of NOK 177.1 million and a tax refund claim equal to NOK 222.5 million. Included in the tax refund claim is the tax value of significant seismic costs, booked in 2023 and paid in January 2024.

Cash flow

The cash flow from operating activities in 2023 was NOK -102.8 million. This includes expensed exploration costs of NOK 79.5 million, a tax refund of NOK 66.7 million and a net increase in working capital of NOK 143.6 million. The cash flow from investment activities was NOK -0.1 million, while the cash flow from financing-activities was NOK 240.5 million, mainly due to NOK 179 million in new equity and the net increase in interest-bearing debt of NOK 51.6 million during the year. The net cash flow in 2023 was NOK 137.6 million.

Distribution of profit

No dividend was paid in 2023.

Payments/refund of tax and payments to governments

In accordance with section 3-3 d) of the Norwegian Accounting Act, companies engaged in activities within the extractive industries shall, annually, prepare and publish information about their payments to governments at country and project level, ref. Note 20 to the annual financial statements.

Going concern

The financial statements have been prepared based on the going concern assumption. In compliance with section 3-3a of the Norwegian Accounting Act, the Board confirms that the requirements for a going concern have been satisfied. The Company's equity position was strengthened in Q4 2023 by a capital increase of NOK 179 million directed towards the holding company Attica Exploration AS. It is therefore the Board's opinion that the Company will have sufficient funds to support its operations throughout the year. The Board will consider the capital situation at the end of the year in connection with the drilling programme for 2025.

Operational risks

Concedo's historical strategy has primarily been to obtain revenues through the sale of interests in discoveries. Key risks and uncertainties in the Company's operations and financials have been related to the execution of exploration activities and the potential proceeds from the sale of discoveries.

The most important risks associated with exploration activities are the size of potential discoveries and probability of making discoveries. These risks are handled as an integral part of the Company's operational procedures. The risks associated with potential proceeds from the sale of discoveries consist of both factors that the company can influence and factors that the company cannot influence. The quality of potential discoveries is linked to the Company's choice of exploration wells to be drilled, while the market's interest in buying the discoveries that are made is mainly affected by factors beyond the Company's control.

If Concedo succeeds in acquiring producing assets, revenues will come from production. The Company will also consider participating in field development projects. Potential production and field development operations will introduce new risk elements for the Company.

Financial risks

The Company has cash reserves and outstanding tax refunds, and the amended and renewed exploration financing facility agreement provides financial flexibility until 2025. Going forward, the main financial risks are associated with access to more equity and renewal of the exploration financing facility agreement with Sparebank 1 SR-Bank later this year. With a new large, competent, and long-term investor as the main shareholder, the risk of being unable to raise new equity is lower than before. However, the availability of exploration financing remains subject to the banks' appetite for this niche product, and Sparebank 1 SR-Bank is currently the only alternative in the market. Other debt financing is available in the financial market, i.e. high-yield bonds, but replacing bank financing with bonds would significantly increase the Company's financial costs.

The Directors are monitoring the Company's liquidity and have a close dialogue with the shareholders in the holding company Attica, while the management has a close dialogue with SR-Bank.

The Company has few receivables, so the risk of the debtors or partners being unable to fulfil their obligations to Concedo is low.

Market risks

Concedo is exposed to market risks related to oil and gas prices, interest levels, and US dollar exchange rates. The risk associated with oil and gas prices is handled separately in a later paragraph.

The Company has interest-bearing debt and is affected by changes in interest-rate levels. The level of interest

rates is linked to the situation in the international and Norwegian economy. Interest rates are currently high, but the downward trend in inflation, both internationally and in Norway, makes it highly likely that interest rates will decrease in the long term.

Some purchases of seismic data and some well costs are invoiced and paid in US dollars. The USD/NOK exchange rate may change between the invoicing and payment dates. The Board and management have previously evaluated the situation related to USD versus NOK and decided not to hedge the currencies. At present, Concedo therefore does not have any contracts to hedge market risks. Revenues from the sale of discoveries are often oil-linked, with an indirect USD exposure.

Risk of low oil and gas prices

Low oil and gas prices have some positive effects for Concedo, as exploration costs tend to be significantly reduced, mainly due to lower rig rates. However, low prices also reduce the prices obtained for the sale of oil and gas discoveries. In the longer term, stable and quite high oil and gas prices are desirable, as this will increase and stabilize the value of oil and gas discoveries and make it easier to sell such discoveries at acceptable prices.

Compared to 2022, the Brent oil price was quite stable in 2023. In the first four months of the year, the oil price fluctuated in the range of USD 75-80 per bbl. In late spring and early summer, the oil price was stable at around USD 75 per bbl before it started to increase in late June. It then trended upwards and peaked at approx. USD 95 per bbl in late September before trending downwards to just below USD 80 per bbl at the year-end.

The European gas price showed a completely different trading pattern than in 2022. In early January, the gas price was approx. USD 130 per boe. It then trended downwards to approx. USD 45 per boe in early June. During the first three weeks of June, it increased to approx. USD 70 per boe before decreasing to approx. USD 45 per boe in mid-July. It then trended upwards to approx. USD 90 per boe in mid-October before trending downwards to just above USD 55 per boe at the year-end.

Russia's ongoing war against Ukraine has been an eye-opener regarding European dependency on Russian gas. The European countries are now focusing on reducing their dependency on this gas, including by building floating LNG import terminals in Germany. The first terminal was opened in December 2022, and several terminals were opened in 2023. The new terminals, combined with less demand for LNG from China during the year, contributed to European gas prices being quite "normal" in 2023. Going forward, due to the energy shortage and war in Europe and great compatibility between energy sources for power production, the risk of long-term very low oil and gas prices is less than it has been for many years. However,

oil and gas prices are volatile, and nobody knows what the prices will be in the future. For the time being, OPEC+ (OPEC plus Russia) seems to be playing a key role in stabilizing oil prices at a fairly high level, i.e. in the range of USD 70-90 per barrel.

Political risks

Over the past 50 years, activity on the NCS has created huge value, helped by a stable and predictable political framework, with supportive governments and broad parliamentary support for the oil & gas industry. In recent years, there has been growing scepticism to the oil & gas industry among politicians and climate activists, especially related to new acreage and the exploration tax regime. There is therefore an increasing risk that the regulatory scheme for the oil & gas industry will be changed.

The last time politicians changed the Norwegian petroleum taxation system was in June 2022. Just before the election in September 2021, the right-of-centre government headed by the Conservative Party proposed certain amendments to the taxation system. The new government, a coalition consisting of the Labour Party and Centre Party, supported the proposed tax changes and the amendments to the petroleum taxation system were approved by parliament in June the year after.

This illustrates that there is political risk associated with conducting exploration activities on the NCS. It also illustrates that the main petroleum policy lines in Norway are supported by all the major parties.

Russia's war against Ukraine has led to a more positive view of the Norwegian oil & gas industry. The rapid reduction in the volume of Russian gas sold to Europe in 2022 contributed to an energy shortage in Europe and occasionally very high gas prices. The strong compatibility between energy sources and Norway's participation in the European power grid ensured that high European power prices also spread to Norway. Suddenly, people in Norway understood the importance of the Norwegian oil & gas industry in their everyday lives, and some of the scepticism towards the industry decreased.

The political focus on the Norwegian oil & gas industry is now to "develop, not wind down". Hopefully, this focus will last for the next few decades.

Future exploration activity

Important factors for maintaining the exploration activity on the NCS are good availability of acreage, access to infrastructure and data coverage. Significant exploration success in the future depends on a combination of improved knowledge, the use of new seismic technologies and the application of advanced digital analytics. Concedo has implemented and targeted these areas for its future exploration success.

New discoveries provide the basis for continued activity, create major spin-offs for the rest of society, and will be important for future value creation. Concedo works hard to support technological progress within exploration. Digitalization provides better data and tools which contribute to increased geological understanding and enable the identification of new exploration concepts. The Company trusts that these efforts will reduce the exploration risk and increase the number of discoveries. Its focus on exploration alone puts Concedo in a unique position.

Concedo's exploration portfolio normally contains 10-15 licences due to annual licensing round awards and drop decisions. New opportunities are identified all the time. The Company will continue to pursue the conversion of its licence portfolio prospects into drilling decisions.

The future commercial development of Dugong looks promising. Concedo will continue to participate in the annual licensing round work to maintain a good portfolio. In addition, the Company will continue to evaluate exploration farm-in opportunities, like the one offered by Longboat JAPEX Norge in the autumn of 2023, and enter into some selected farm-in agreements.

Financially, the strategy will still be to maintain strength and flexibility, making it possible to optimize Concedo's assets. If possible, the Company will also acquire some producing assets to establish a cash flow to finance all or parts of the exploration and appraisal costs. This would involve raising new equity and new debt.

Asker, 11 April 2024



Torstein Sanness
Chairman



Axel Lundin
Director



Jonas Rydell
Director



Geir Lunde
CEO

Financial statements

Concedo AS

Profit and Loss Account 2023

Figures are given in the Norwegian currency NOK

	Note	2023	2022
Exploration expenses	2	-344 993 716	-17 094 050
Payroll and related cost	3	-26 995 691	-26 642 768
Depreciation on fixed and intangible assets	4	-161 359	-259 952
Other operating expenses	5	-17 641 638	-14 347 561
Total operating expenses		-389 792 404	-58 344 331
Operating profit/loss		-389 792 404	-58 344 331
Other interest received		2 883 047	1 264 475
Other financial income		10 474 309	228 506
Total financial income		13 357 356	1 492 981
Other interest paid		-11 767 517	-8 482 643
Other financial expenses		-4 583 413	-436 100
Total financial expenses		-16 350 930	-8 918 743
Net financial items		-2 993 574	-7 425 761
Pre-tax profit/loss on ordinary activities		-392 785 978	-65 770 093
Tax cost on profit on ordinary activities	6	304 346 881	47 187 472
Ordinary profit/loss		-88 439 097	-18 582 621
Income/loss for the year		-88 439 097	-18 582 621
Allocations			
Other reserves	10	-88 439 097	-18 582 621
Total		-88 439 097	-18 582 621

Concedo AS

Balance Sheet as of 31 December 2023

Figures are given in the Norwegian currency NOK

ASSETS	Note	2023	2022
Fixed assets			
Intangible assets			
Capitalised exploration expenses and licences	4,16,17,18	113 319 199	192 866 457
Total intangible assets		113 319 199	192 866 457
Tangible fixed assets			
Furniture, fixtures & machinery	4	152 625	157 044
Total tangible fixed assets		152 625	157 044
Total fixed assets		113 471 824	193 023 501
Current assets			
Receivables			
Other receivables	7	273 483 736	80 797 885
Total receivables		273 483 736	80 797 885
Bank deposits, cash-in-hand etc.	8	177 141 967	39 520 933
Total bank deposits, cash-in-hand etc.		177 141 967	39 520 933
Total current assets		450 625 703	120 318 818
Total assets		564 097 527	313 342 319

Concedo AS

Balance Sheet as of 31 December 2023

Figures are given in the Norwegian currency NOK

SHAREHOLDERS' EQUITY AND LIABILITIES	Note	2023	2022
EQUITY			
Paid-in capital			
Share capital	9,10	3 076 995	3 076 662
Treasury shares	10	-	-158 379
Share premium	10	35 772 531	35 754 139
Other paid in capital	10	192 124 786	3 372 785
Total paid-in capital		230 974 311	42 045 207
Retained earnings			
Other reserves	10	-13 010 082	75 429 015
Total retained earnings		-13 010 082	75 429 015
Total equity		217 964 229	117 474 222
Long-term liabilities			
Provisions for liabilities and charges			
Deferred tax	6	63 101 885	144 968 631
Total provisions for liabilities and charges		63 101 885	144 968 631
Total long-term liabilities		63 101 885	144 968 631
Current liabilities			
Owed to credit institutions	11,12	91 800 000	40 249 987
Trade creditors	13	175 161 810	890 591
Unpaid government charges etc.		3 126 911	2 084 729
Other current liabilities	14	12 942 691	7 674 158
Total current liabilities		283 031 412	50 899 466
Total liabilities		346 133 297	195 868 097
Total Equity and Liabilities		564 097 527	313 342 319

Asker, 11 April 2024


 Torstein Sanness
 Chairman of
 the Board


 Axel Lukas Lundin
 Director


 Jonas Ulrik Rydell
 Director


 Geir Lunde
 CEO

Concedo AS

Cash Flow Statement 2023

Figures are given in the Norwegian currency NOK

	Note	2023	2022
OPERATING ACTIVITIES			
Pre-tax result		-392 790 740	-65 770 093
Adjustments for reconciling current year's result with cash flow from operating activities:			
Depreciation, amortisation and write-downs		161 359	259 952
Capitalised exploration costs expensed		79 467 986	-
Other items having no cash effect – subscription rights		-	-
Tax reimbursement received in period		66 744 210	201 304 916
Change in working capital (except for cash and cash equivalents):			
(Increase) reduction in trade debtors and other receivables		-36 945 164	11 710 784
Increase (reduction) in trade creditors and other current debts		180 581 934	-34 693 550
Cash flow from operating activities		-102 780 415	112 812 009
INVESTMENT ACTIVITIES			
Investments in fixed assets	4	-156 940	-
Net reduction of capitalised exploration licenses due to reduced licence costs	4	79 272	2 544 735
Cash flow spent on investment activities		-77 668	2 544 735
FINANCING ACTIVITIES			
Share issue	10	179 000 003	30 018 724
Sale of treasury shares	10	9 929 101	-
New interest-bearing short-term debt	11	91 800 000	40 230 000
Repayments short-term debt	11	-40 249 987	-188 500 000
Cash flow spent on financing activities		240 479 117	-118 251 276
Net increase (reduction) in cash and cash equivalents		137 621 034	-2 894 532
Cash and cash equivalents at beginning of year		39 520 933	42 415 465
Cash and cash equivalents at end of year		177 141 967	39 520 933

Note 1

Accounting Principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway. Concedo AS is a private limited company with its main office in Asker, Norway. The Company is included in the consolidated financial statements of the parent company Attica Exploration AS. The consolidated financial statements of the parent company, Attica Exploration AS, may be obtained at the company's registered address at Torvveien 1, 1383 Asker, which is the same address as Concedo's office.

Main principles for valuing and classifying assets and liabilities

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

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

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

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

Interests in oil and gas licenses

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

Accounting for exploration costs

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

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

Receivables

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

Bank deposits, cash in hand, etc.

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

Revenue

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

Expenses

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

Foreign currency

Functional currency and presentation currency
The company's functional and presentation currency is Norwegian kroner (NOK).

Transactions in foreign currency

Foreign currency transactions are translated into NOK using the exchange rates at the transaction date. Monetary balances in foreign currencies are translated into NOK at the exchange rates on the date of the balance sheet. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Leasing agreements

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

Pensions

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

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

Taxes

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

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

Cash flow analysis

The cash flow analysis is prepared using the indirect method.

Note 2

Exploration costs

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

	2023	2022
Expensed capitalized exploration (1)	79 467 986	0
Direct seismic costs (2)	240 934 791	1 394 740
Other operating exploration expenses	24 590 938	15 699 311
Total	344 993 716	17 094 050

(1) Expensed capitalized exploration in 2023 is related to impairment of PL 815. Aker BP, on behalf of the PL 338 partnership, submitted a field development plan for Trolldhaugen (Rolvnes) in December 2022. 21 March 2023 the company announced that it has notified the Norwegian Ministry of Petroleum and Energy that it does not accede to the development plan and has discontinued the Trolldhaugen project. The execution of the Trolldhaugen project was subject to the performance of an extended well test (EWT) which had been producing since August 2021. The experience from the EWT had resulted in a reduction in the expected recoverable volume, and the project was no longer considered to have sufficient financial robustness. PL 338 is the neighbouring license to PL 815, containing the Goddo

discovery. Trolldhaugen has a reservoir which is quite similar to Goddo. Considering the new information from PL 338 the licensees decided to relinquish PL 815. The license was relinquished in November.

(2) Direct seismic costs are mainly related to purchase of new Licensed data and "Change-of-Control" costs to seismic companies to "transfer of Licensee's right to use Licensed Data", due to the offer from Attica Exploration AS in June, which resulted in a new majority shareholder in Concedo.

Exploration expenses and other eligible expenses for tax refunds amount to NOK 309 867 545 in 2023 (2022: NOK 55 453 761).

Note 3

Payroll costs, number of employees, benefits etc.

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

Payroll costs	2023	2022
Salaries	21 187 773	21 222 265
Employers payroll tax	3 739 467	3 336 493
Pension costs	1 836 604	1 939 591
Other benefits	231 846	144 420
Total	26 995 691	26 642 768

Number of man-years employed during the financial year	13	14
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Remuneration paid to directors and management	Salary	Pension costs	Other remuneration
Geir Lunde (CEO)	2 201 081	101 753	36 098
Erik Sverre Jenssen (Chairman) - from 01.01.2023 to 14.11.2023			150 000
Torstein Sanness (Chairman) - from 14.11.2023 to 31.12.2023			0
Jonas Rydell (Director)			100 000
Axel Lundin (Director) - from 14.11.2023 to 31.12.2023			0
Leif Christian Kvaal (Director) - from 01.01.2023 to 14.11.2023			100 000
Nirav Dagli (Director) - from 01.01.2023 to 14.11.2023			100 000
Sandra Crane (Director) - from 01.01.2023 to 14.11.2023			100 000

The CEO has a severance pay contract under which he, if he leaves at the company's request, is entitled to salary for 6 months after his period of notice expires. Senior executives receive a basic salary, adjusted annually. The company's senior executives participate in the general arrangements applicable to all the company's employees as regards pension plans and other payments in kind, such as subsidized fitness centre fees and newspapers.

Guidelines and adherence to the guidelines in 2023
It is the company's ambition to offer competitive salaries and other benefits for all employees. No incentive and bonus scheme has been established for 2023.

Guidelines for 2024
It is the company's ambition to offer competitive salaries and other benefits for all employees. The Board will consider the establishment of a Bonus System for all employees for 2024. The Bonus System will be tied to exploration success and may be modified at the Boards discretion at the end of every year.

Note 4

Tangible/ Intangible assets

	Furniture & Fixtures	Plant & Machinery	License interests, exploration wells	Total
Cost at 1 January	4 743 421	77 725	192 866 457	197 687 603
Additions in licenses (net reduction due to reduced costs in one license.	156 940	-	-79 272	77 668
Expensed dry wells, previously capitalised			-79 467 986	-79 467 986
Disposals			-	-
Cost 31 December	4 900 361	77 725	113 319 199	118 297 285
Acc. depreciation at 1 January	4 586 377	77 725		4 664 102
Current year's depreciation	161 359	-		161 359
Acc. Depreciation 31 December	4 747 736	77 725		4 825 461
Book value as of 31 December	152 625	-	113 319 199	113 471 824

Note 5

Other operating expenses

Annual rental for non-capitalised assets amounts to NOK 1 437 466 (2022: 1 341 277), which relates to rent for the office premises in Asker. The tenancy was renewed in 2021 for five years starting 01.11.2021.

Auditor

Remuneration for Deloitte AS is as follows (excl. VAT):

	2023	2022
Statutory audit	271 420	219 240
Audit-related services	32 260	114 063
Certification services	39 250	84 000
Total	342 930	417 303

Note 6

Income tax

Income tax for the current year is calculated as follows:

	2023	2022
Adjustment for tax refund earlier years	4 762	-
Change in deferred tax	-81 866 746	19 561 500
Tax value of petroleum costs and tax losses (See Note 12)	-222 484 897	-66 748 972
Tax on ordinary income	-304 346 881	-47 187 472

Reconciling nominal and actual tax rates:

	2023	2022
Pre-tax profit/loss	-392 785 978	-65 770 093
Anticipated income tax at nominal rate (22%)	-86 412 915	-14 469 420
Anticipated income tax at special surtax rate (56.004%)	-219 975 859	-36 833 883
Tax effect of following items:		
Adjustment for tax earlier years	4 762	0
Non-deductible expenses	288 752	50 576
Non taxable income, 78.004%	0	0
Tax effect of interest on loss for carrying forward (22%/56%)	0	-187 149
Change in tax rate	0	7 802
Effect of surtax (56.004%)	1 748 379	4 244 602
Income tax	-304 346 881	-47 187 472
Effective tax rate	77,5 %	71,7 %

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

	2023		2022	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Exploration expenses and license costs	0	88 158 830	0	150 190 445
Provisions for liabilities	0	0	75 864	0
Loss to be carried forward	25 056 945	0	5 145 950	0
Total	25 056 945	88 158 830	5 221 814	150 190 445
Of which netted	-25 056 945	-25 056 945	-5 221 814	-5 221 814
Net deferred tax asset/ liability	0	63 101 885	0	144 968 631

Profit from oil and gas operations on the Norwegian shelf is taxed in accordance with the Norwegian Petroleum Tax Act. A special 56.004% surtax is levied in addition to the ordinary 22% corporate tax. The taxpayer may claim payment from the government for the tax value of direct and indirect expenses (with the exception of financing expenses) for petroleum activities, provided

that the sum does not exceed the year's loss on, respectively, ordinary income in the shelf tax district and the basis for surtax.

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

Note 7

Other receivables

For the 2023 tax assessment the company claims reimbursement of the tax value of petroleum costs and tax loss totalling NOK 222 484 897 (2022: NOK 66 748 972).

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

Note 8

Bank deposits

Bank deposits, cash in hand etc. includes non-distributable withheld tax in the sum of NOK 1 853 972 (2022: NOK 1 197 934)

and a rental deposit of NOK 1 021 525 (2022: NOK 1 014 270.)

Note 9

Share capital and shareholders

As of 31.12.2023, the company's share capital consisted of one class of shares, all of which bear the same voting rights. Acquisition of shares by purchase or as a gift or by any other means requires board approval.

	Number of shares	Nominal value	Book value
Shares	14 838 678	0.2073631	3 076 995
Total	14 838 678		3 076 995

Shareholders as of 31.12.2023	Shares	Ownership
Attica Exploration AS	14 838 678	100 %
Total number of shares	14 838 678	100 %

Shares owned in Concedo AS indirectly by Directors and CEO:

Name	Position	Number of shares
Geir Lunde (1)	CEO	2,3 %
Torstein Sanness (1)	Chairman of the Board	0,3 %
Axel Lundin (1)	Director	23,1 %
Jonas Rydell (1)	Director	0,0 %

(1) Post registration of the non-registered capital increase of NOK 180 000 002 in Attica Exploration AS as of 31 December 2023. The capital increase was registered in the Brønnøysund Register Centre 10 January.

Note 10

Equity

	Share capital	Treasury shares	Share premium	Other paid in capital	Other	Total
Equity at 1 January 2023	3 076 662	-158 379	35 754 139	3 372 785	75 429 015	117 474 222
Share issue	332		18 392	-18 724		-0
Non-registered capital increase (1)				179 000 003		179 000 003
Treasury shares sold (2)		158 379	-	9 770 722		9 929 101
Dividends and repayment if paid-in capital				-	-	-
Current year's profit/(loss)					-88 439 097	-88 439 097
Equity at 31 December 2023	3 076 995	-	35 772 531	192 124 786	-13 010 082	217 964 229

(1) The capital increase of NOK 179 000 003, equal to 13 769 231 shares, was registered in the Brønnøysund Register Centre 15 January.

(2) As of 31 December 2022, Concedo held 763 777 own shares. All own shares are sold in 2023.

Note 11

Debt to financial institutions

The company has a credit line for NOK 350 000 000 in SpareBank 1 SR-Bank ASA. The interest rate is NIBOR plus a margin of 3,25 %.

Withdrawals are limited to 95% of the annual tax value of Deficit Amount. Repayments coincide with the reimbursement of exploration expenses from the tax authorities. Concedo signed in March 2023 a new Exploration Financing Facility agreement for two years utilisation (2023 and 2024) and one year extension for repayment.

As of 31 December 2023 loan amount totalled NOK 91 800 000, while the annual tax reimbursement is estimated to NOK 222 484 897, see note 8. 95% of the estimated annual tax reimbursement amounts to NOK 211 360 652.

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

Note 12

Financial market risk

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

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

Note 13

Trade creditors

Trade creditors are mainly related to direct seismic costs, i.e. purchase of new Licensed Data.

Note 14

Other current liabilities

	2023	2022
Working capital liabilities in joint ventures	10 163 853	4 606 305
Wages, holiday pay and bonus	2 284 074	2 306 675
Accrued expenses	494 764	663 921
Other current liabilities	0	97 257
Total	12 942 691	7 674 158

Note 15

Sponsorships

In line with the company's Anti-bribery and corruption procedures the information on sponsorships shall be given in the notes of the Annual report. In 2023 the company sponsored the following:

Asker Fotball	10 000	Frelsesarmeen	10 000
Asker Skøyteklubb	6 000	Norges Blindforbund	6 573
Asker Svømmeklubb	5 000	Petroleum Fotballklubb Trondheim	5 000
Bergstuderendes Forening	10 000	Støtteforeningen for Kreftrammede	10 000

Note 16

Licences

North Sea

PL 882/B (15%): In blocks 33/6 and 34/4. Neptune Energy is Operator. Awarded in APA 2016 and APA 2021. Dugong oil discovery made in 2020. BoK PL 882 30 June 2024. DoD PL 882 B 11 March 2024. Several concepts for Dugong tie-in to Snorre have been evaluated in the feasibility study and BoK (DG1) was passed in January 2024. A \$6 letter asking for capacity at the Snorre facilities has been sent. Estimated Dugong production start-up is H2 2029. PL 882 B will be relinquished.

PL 1096 (10%): In block 25/11. Vår Energi is Operator. Awarded in APA 2020. DoD 19 February 2024. Interpretation of reprocessed seismic completed. Extra check of potential seismic anomalies has been carried out by both the operator and Concedo. The license will be relinquished.

Barents Sea

PL 901 (20%): In blocks 7122/5, 7122/6 and 7123/4. Vår Energi is Operator. Awarded in APA 2016. Rødhette oil and gas discovery made in 2021. BoK 10 February 2024. The partnership got one year license extension

to evaluate the consequences of the Countach oil discovery in PL 229 south of Rødhette. The license will be relinquished.

PL 1075 (40%): In blocks 7123/4, 5. Vår Energi is Operator. Awarded in APA 2019. DoD 14 February 2024. The partnership got one year license extension to evaluate the consequences of the Countach oil discovery in PL 229 south of Rødhette. The license will be relinquished.

PL 1168 (50%): In blocks 7121/8, 9 and 7122/7. Vår Energi is Operator. Awarded in APA 2021. DoD 11 March 2024. The partnership got one year license extension. The Operator needed to integrate EM data in their evaluation and carry out further studies of seismic velocities. The geophysical work is supporting the David prospect. The technical team will propose increased volumes, increased CoS and possibly increased chance of oil versus gas. Concedo is positive to a drilling decision now, but the Operator needs some more time to conclude. The partnership will therefore apply for another one year license extension..

Note 17

Relinquished Licences

North Sea

PL 1043/B (30%): In blocks 25/7 and 25/8. Vår Energi is Operator. Awarded in APA 2019 and APA 2021. DoD 14 February 2023. The licenses were relinquished in February.

PL 989 (30%): In block 36/7. Wintershall Dea is Operator. Awarded in APA 2018. DoD 1 September 2023. The license expired 31 August.

PL 815 (20%): In block 16/5. Aker BP is Operator. Awarded in APA 2015. Goddo oil discovery made in

2019. BoK 5 February 2024. The license was relinquished in November.

PL 784 (20%): In blocks 25/3, 6. Aker BP is Operator. Awarded in APA 2014. DoD 6 February 2024. The license was relinquished in December.

Barents Sea

PL 1074 (20%): In blocks 7121/10, 11, 12 and 7122/10. Vår Energi is Operator. Awarded in APA 2019. DoD 14 February 2023. The license was relinquished in January.

Note 18

Transferred Licences

North Sea

PL 992 (30%): In blocks 33/6, 9. Neptune Energy is Operator. Awarded in APA 2018. DoD 1 September 2023.

Neptune and Concedo withdrew from the license 30 August. Petrolia continues as licensee and must find a new license partner.

Note 19

Awarded Licences (APA 2022)

North Sea

PL 1176 (40%): In block 30/9. Aker BP operator. DoD 17 February 2025. Seismic mapping is ongoing.

Note 20

Payments/refund of tax and payments to Government

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

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

	2023	2022
Tax refund received	68 423 786	201 304 916
Interest on Tax refund, received	1 679 576	923 796
Payments of other fees	-1 541 602	-1 039 060
Total payments/refund to/from the Norwegian Government	68 561 760	201 189 652

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

Note 21

Going concern

The financial statements have been prepared based on the going concern assumption. In compliance with section 3-3a of the Norwegian Accounting Act, the Board confirms that the requirements for a going concern have been satisfied. The Company's equity position was strengthened in Q4 2023 by a capital raising of NOK 179 million directed towards the holding

company Attica Exploration AS. It is therefore the Board's opinion that the Company will have sufficient funds to support its operations throughout the year. The Board will consider the capital situation at the end of the year in connection with the drilling programme for 2025.

Note 22

Transparency Act

Concedo has implemented the Transparency Act into its management procedures by including the Board resolution into its Corporate Social Responsibility

procedure. The resolution and the report for 2023 is published on the Company's website.

Note 23

Subsequent events

The Company's equity position was strengthened in Q4 2023 by a capital raising of NOK 179 million directed towards the holding company Attica Exploration AS. 13 769 231 new shares were registered and distributed in January 2024, increasing the total number of shares in Concedo AS to 28 607 909. All shares are owned by Attica Exploration AS.

In December the Company entered into agreements with Longboat JAPEX Norge AS regarding farm-in into two exploration licences, PL 1049 and PL 1182 S. The transactions were completed 31 January 2024. In PL 1049, which contains the Jasmine and Sjøkreps prospects, Concedo has acquired a 15% interest. Payment will be carry of parts of Longboat JAPEX's

exploration costs in the licence in 2024 (15% of Longboat JAPEX's remaining 25% interest). In PL 1182 S, which contains the Kjøttkake prospect, Concedo has also acquired a 15% interest. Payment will be carry of Longboat JAPEX's costs for drilling the Kjøttkake exploration well, up to a cap above the dry well budget costs (Longboat JAPEX remaining interest 15%). Drilling of PL 1182 S (Kjøttkake) is scheduled for September/October 2024.

In January 2024, Concedo was awarded two APA 2023 licences in the northern North Sea; one with DNO as operator in PL 1209, and one with Neptune (now acquired by Vår Energi) as operator in PL 1211.

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To the General Meeting of Concedo AS

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Concedo AS (the Company), which comprise the balance sheet as at 31 December 2023, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the report on payments to governments.

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Organisasjonsnummer: 980 211 282

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Independent auditor's report
Concedo AS

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 11 April 2024
Deloitte AS

Lars Atle Lauvsnes
State Authorised Public Accountant

Identification

 Lauvsnes, Lars Atle



Artificial Intelligence in

Chemical research and materials science

AI aids in predicting molecular structures and properties, which can expedite the development of new materials and chemicals. This includes battery technologies, catalysts for carbon capture and storage, as well as the development of more sustainable materials.

Board of Directors



Torstein Sanness
Chairman

Consultant and boardmember of several companies. Former Man. Dir. of Lundin Norway AS and boardmember of Lundin Energy AB.



Axel Lundin
Director

CEO of Attica Exploration. Former employee at International Petroleum Corp. and Lundin Energy.



Jonas Rydell
Director

Investor and investment consultant. Advisor to Elliott, London.



Hilde Alnæs
Senior Geophysicist

Has a broad background in geology and geophysics from the University of Tromsø, Svalbard, and the University of Oslo which she holds a master's degree in applied Geophysics.



Morten Hedemark
HSEQ and Operational Manager

Has a background in well operations and petroleum technology. Mr Hedemark graduated from Heriot-Watt University in 1987.



Anders G. Finstad
Senior Geophysicist

Has 15 years' experience in the oil industry. He graduated from the Royal School of Mines, London and University of Oslo.



Jens Fredrik Kolnes
Exploration Geophysicist

Recently graduated from the department of geoscience at the University of Oslo. Jens has been with us since the summer of 2019, and has mainly been working on geophysical related topics.

Employees



Geir Lunde
Managing Director

CEO, has more than 30 years' experience in exploration, geology and seismic interpretation. He graduated in petroleum prospecting from NTH, the Norwegian University of Science and Technology, in 1978.



Ane Marta Skaug Rasmussen
Senior Geologist

Has a master's degree in petroleum geology and geophysics from the University of Oslo. She has experience of exploration and prospect evaluation, applications for both numbered and TFO licensing rounds as well as licence work on the Norwegian continental shelf.



Tommi Rautakorpi
Senior Geologist

Has an academic background from Åbo Akademi University and the University of Oslo. He has 15 years of experience from the industry, covering both mineral and oil exploration.



Arild Andresen
Commercial Manager

Has more than 30 years' experience within drilling and well operations, business development, financing and strategy. He graduated in petroleum engineering from NTH in 1990 and in business from NHH in 1996.



Erik Klausen
HSEQ Advisor

HSE manager, has more than 30 years' experience in developing oil and gas projects on the Norwegian shelf. He graduated in engineering from Heriot-Watt University in 1976.



Elisabet Malmquist
Geological Advisor

Has more than 30 years' experience from the oil and gas industry. She has worked as a geologist within exploration covering the whole Norwegian shelf. Ms Malmquist graduated with a MSc degree in Geology from Stockholm University in 1983.



Sebastian Scheel Rey
Senior Geophysicist

Graduated with a master's degree in applied geophysics from the University of Oslo in 2003, and has more than 15 years of experience as an exploration geoscientist.



Enric Leon
Senior Geologist

Geologist, has experience in exploration activities. He graduated as a geologist from Barcelona University in 1992. He took his master's degree in petroleum geology/geophysics at the University of Oslo in 2007.



Ole Herman Fjelltnun
Chief Reservoir Geologist

Has over 25 years' experience as an exploration and reservoir geologist. He graduated in geology from NTH, the Norwegian University of Science and Technology, in 1981.



Juergen Schlaf
Senior Geologist

Has 15 years' experience from the industry and has worked for a range of companies. He has an academic background in carbonate sedimentology and sequence stratigraphy from the University of Vienna (Austria).



Dirk van der Wel
Principal Production Geologist

Principal production geologist in reservoir evaluation, has experience in prospect valuation, reservoir evaluation and applied geostatics. He graduated in geology and mineralogy from the University of Oslo in 1974.



Børre Hauge Eriksen
Senior Explorationist
(Employed from March 2024)

Børre Hauge Eriksen graduated from the University of Oslo in 2003 with Master's Degree in Structural Geology. He has more than 15 years of experience internationally in ExxonMobil, Marathon Oil and Cantium.



Artificial Intelligence in

Climate science

AI assists researchers in analyzing vast datasets on climate change, from satellite imagery to temperature logs, to better understand and predict climatic shifts. This includes modeling weather patterns, monitoring deforestation, and studying biodiversity.

