



Pandion Energy AS

Interim financial statements
(unaudited)

Third quarter 2021



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Content

04 Introduction

General information
Accounting principles

06 Summary of the quarter

Financial review
Hedging
Operational review
Other activities

12 Interim financial statements (unaudited)

Statement of income
Statement of comprehensive income
Statement of financial position
Statement of cash flows

18 Notes to the interim financial statements

Notes 1 – 12

33 Alternative performance measures



Introduction

General information

These interim financial statements for Pandion Energy AS (“Pandion Energy” or “the company”) have been prepared to comply with:

- The revolving exploration finance facility agreement dated 13 November 2017
- The borrowing base facility agreement dated 9 April 2018
- Bond terms for senior unsecured bond dated 3 April 2018

These interim financial statements have not been subject to review or audit by independent auditors.



Accounting principles

These interim financial statements have been prepared on the basis of simplified IFRS pursuant to the Norwegian Accounting Act §3-9 and regulations regarding simplified application of IFRS issued by the Norwegian Ministry of Finance on 3 November 2014, thus the interim financial statements do not include all information required by simplified IFRS and should be read in conjunction with financial statements of the company for the period ending 31 December 2020.

The accounting policies adopted are in all aspects consistent with those followed in the preparation of the financial statements of the company for the year ended 31 December 2020.

For further detailed information on accounting principles, please refer to the financial statements for 2020.

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. In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.





Financial review

Total revenues was USD 34.0 (21.3 in Q3 20) million, mainly related to sale of hydrocarbons from the Valhall and Hod fields. The increased revenue was impacted by higher commodity prices with an average realised oil price before hedging of USD 74.4 (USD 43.7 in Q3 2020) per bbl partly offset by lower oil volume sold (408 kboe in Q3 2021 compared to 450 in Q3 2020). The reduction is due to lower production during the quarter.

EBITDAX amounted to USD 25.0 million (15.9 in Q3 2020) with the increase compared to Q3 2020 mainly driven by higher commodity prices. Profit from operating activities was USD 17.2 million (-3.4 in Q3 2020). In addition to the increased EBITDAX the increased profit is driven by lower exploration expenses. The reduction in exploration expenses from the comparative period related mainly to a write down of an exploration well in Q3 2020.

The operating expenses including production expenses, inventory movements and tariff and transportation expenses amounted to USD 9.0 (5.5 in Q3 2020) million.

The increase from the comparative period is mainly attributable to increased production expenses at Valhall due to increased well maintenance related to chalk influx, as well as increased power costs and stronger Norwegian Krone. In addition sales quantities has been higher than production quantities and reduced inventory during Q3 2021 compared to inventory increase in Q3 2020.

Investments in fixed assets during Q3 amounted to USD 22.8 million driven by investments in the Valhall & Hod fields, mainly Hod Development project and stimulation and intervention activities on Valhall.

The company's interest-bearing debt was USD 171.1 million at the end of the third quarter, down from USD 172.3 million at the end of the second quarter of 2021.



Financial review

Pandion Energy has a robust and diversified capital structure made up of committed equity and a debt financing pack. USD 190 million has been committed from Kerogen, of which USD 109 million has been injected as of 30 September 2021 in addition to injected capital from the Pandion Energy team.

The debt financing package includes a Reserve Based Lending Facility of USD 150 million (the “RBL facility”), and a senior Unsecured Bond Loan of NOK 400 million (the “Unsecured Bond”). The current borrowing base in the RBL facility is USD 150 million. The company has also extended the Exploration Finance facility (“EFF”) of NOK 400 million by one year. The EFF can be drawn until 31.12.2021 with repayment in Q4 2022.

The arrangement with negative tax instalment means that the refund of the tax value of losses incurred in 2020 and 2021 will be refunded in advance of the tax assessment on a running basis through the instalment tax regime, and provide the company with a significant liquidity boost and unique investment conditions. During the third quarter of 2021 Pandion Energy received tax refunds of USD 6.8 million.



Hedging

In order to reduce the risk related to oil price fluctuations, the company has established an oil price hedging programme. At the end of September 2021, Pandion Energy had put in place a hedging programme until end of 2022. The hedging program is based on a combination of put options and collar structures.

At the end of September, 48% of after tax (14% of pre tax) crude oil production volumes has been hedged up to the end of 2022 at an average floor price of 46.3 USD/bbl (USD 43.5/bbl net of costs). Additional positions may be added to the program going forward, however, the structure, amount and levels of any further hedging will depend on how the market for commodity derivatives develops.

Current hedging positions is sufficient to cover the current hedging requirements in the RBL agreement.

The company has recognised a realised loss from hedging in Q3 2021 presented as other income, the loss amounted to USD 0.2 million.



Operational review

Valhall and Hod fields

Third quarter production from Valhall was 4.6 thousand barrels of oil equivalents per day net to Pandion, down eight percent from the previous quarter. The reduction in produced volumes was a result of planned downtime related to installation of Hod facilities and by chalk influx in several wells necessitating well intervention activities.

During the quarter, the Maersk Invincible jack-up rig finalised drilling of the third well in the Flank North infill well campaign. Upon completion at Flank North, the rig moved to the Hod field development to commence a six-well program.

The Hod field development is progressing as planned with the jacket and topsides safely installed in early July and August, respectively. The offshore work related to tie-in to existing facilities at Valhall and subsea installation campaigns has also been initiated.

The Maersk Reacher jack-up rig arrived at Valhall during the third quarter. The rig will contribute to accelerating stimulation and intervention activity and bring more wells up to their full production potential.

Planning of the Valhall NCP (New Central Platform) project continued in the third quarter. The project will add new slots for further development of the Valhall Area. Valhall is targeting a concept select decision in the fourth quarter of 2021 and final investment decision in the fourth quarter of 2022.



Other activities

Pandion Energy will continue to be an active and responsible partner in driving value in high quality assets on the Norwegian Continental Shelf. As part of this, the company actively searches for and evaluates opportunities to make value-accretive investments (e.g. through acquisitions, farm-ins, licencing rounds, swaps or other) and to divest assets to realise value created in its existing portfolio (e.g. through sale, farm-downs, swaps or other).





Statement of income

30 September 2021

QUARTERLY				YEAR TO DATE		FULL YEAR
Q3 2021	Q3 2020	(USD`000)	Note	2021	2020	2020
34 478	22 027	Revenues	8	95 454	61 401	76 675
0	0	Gains from sale of assets		0	35 951	35 341
(451)	(715)	Other income	8	(1 842)	5 225	4 554
34 027	21 312	Total revenues and income		93 612	102 577	116 570
(9 019)	(5 473)	Operating expenses		(26 530)	(24 570)	(27 436)
(6 275)	(7 631)	Depreciation, amortisation and net impairment losses	1,3	(20 693)	(52 762)	(90 941)
(1 548)	(11 599)	Exploration expenses		(10 696)	(16 171)	(20 878)
(16 841)	(24 703)	Total expenses		(57 919)	(93 502)	(139 255)
17 185	(3 391)	Profit from operating activities		35 693	9 075	(22 685)
(3 674)	(2 035)	Net financial items	7	(13 578)	(13 137)	(16 159)
13 512	(5 426)	Profit before taxes		22 115	(4 062)	(38 844)
(10 813)	7 358	Income tax		(15 731)	11 012	29 411
2 699	1 932	Net income		6 384	6 950	(9 433)



Statement of comprehensive income

30 September 2021

QUARTERLY				YEAR TO DATE	FULL YEAR
Q3 2021	Q3 2020	(USD`000)	Note	2021	2020
2 699	1 932	Net income		6 384	6 950
					(9 433)
		<i>Items that may be subsequently reclassified to the Statement of income</i>			
(663)	328	Net gain/losses arising from hedges recognised in OCI		(961)	(2 014)
1 667	520	Net amount reclassified to profit and loss		2 744	1 507
(221)	(187)	Tax on items recognised over OCI		(392)	112
783	661	Other comprehensive income		1 391	(396)
3 482	2 593	Total comprehensive income		7 775	6 555
					(9 465)



Statement of financial position

30 September 2021

Assets

(USD`000)	Note	30.09.2021	30.09.2020	31.12.2020
Tax receivables from exploration refund		21 484	14 919	0
Goodwill	2,3	63 138	93 442	63 138
Intangible assets	2,3	76 450	46 843	57 984
Property, plant and equipment	1,3	378 930	331 668	345 298
Prepayments and financial receivables		137	126	140
Right-of-use assets	9	564	817	731
Total non-current assets		540 702	487 814	467 291
Inventories		7 980	5 877	9 376
Trade and other receivables		20 202	10 521	13 805
Financial assets at fair value through profit or loss		444	1 220	2 451
Tax receivable - short term	10	45 336	41 134	56 891
Cash and cash equivalents		20 174	22 520	16 846
Total current assets		94 135	81 271	99 369
Total assets		634 837	569 085	566 660



Statement of financial position

30 September 2021

Equity and liabilities

(USD`000)	Note	30.09.2021	30.09.2020	31.12.2020
Share capital		114 230	113 825	114 230
Other equity		19 839	28 084	12 064
Total equity	4	134 069	141 909	126 294
Deferred tax liability	10	136 982	53 851	73 783
Asset retirement obligations	5	153 109	158 333	160 936
Borrowings	6	132 335	148 007	127 501
Hedging derivatives		9 199	13 889	8 793
Long term lease debt	9	370	654	555
Total non-current liabilities		431 994	374 733	371 569
Asset retirement obligations - short term	5	6 184	14 104	12 737
Trade, other payables and provisions		28 201	21 502	31 024
Borrowings - short term	6	32 270	15 939	24 168
Financial liabilities at fair value through profit or loss		1 910	694	653
Short term lease debt	9	209	204	215
Total current liabilities		68 773	52 444	68 798
Total liabilities		500 768	427 177	440 367
Total equity and liabilities		634 837	569 085	566 660



Statement of cash flows

30 September 2021

(USD`000)	Note	YEAR TO DATE		FULL YEAR
		Q3 2021	Q3 2020	2020
Income before taxes		22 115	(4 062)	(38 844)
Depreciation, amortisation and net impairment losses	1,3	20 739	52 824	91 018
Expensed capitalised exploration expenses	2	6 013	8 880	9 574
Accretion of asset removal liability	5,7	4 556	4 693	6 176
(Gains) losses on sales of assets		0	(35 951)	(35 341)
Deferred tax liability on sale of assets		0	0	6 899
(Increase) decrease in value of financial asset at fair value through profit or loss		3 912	(5 225)	(4 554)
(Increase) decrease operational financial asset		(586)	5 163	5 460
Net financial expenses	7	9 022	8 444	9 983
Interest and fees paid		(7 371)	(7 909)	(11 420)
(Increase) decrease in working capital		(8 768)	(20 167)	(17 612)
Income tax received		36 609	10 514	50 158
Net cash flow from operating activities		86 241	17 203	71 498
Payment for removal and decommissioning of oil fields	5	(18 937)	(5 865)	(16 737)
Capital expenditures and investments in furniture, fixtures and office machines	1	(38)	(18)	(18)
Capital expenditures and investments in oil and gas assets	1	(54 333)	(52 533)	(62 995)
Capital expenditures and investments in exploration and evaluation assets	2	(24 480)	(11 819)	(30 482)
Cash flow from divestments		0	59 377	59 428
Net cash flow from investing activities		(97 787)	(10 859)	(50 805)
Increase interest bearing obligations, loans and borrowing		22 374	32 726	42 676
Decrease interest bearing obligations, loans and borrowing		(7 500)	(67 440)	(93 818)
Proceeds from capital distribution		0	333	738
Net cash flow from financing activities		14 874	(30 381)	(50 404)
Net change in cash and cash equivalents		3 328	(24 037)	(29 711)
Cash and cash equivalents at the beginning of the period		16 846	46 557	46 557
Cash and cash equivalents at the end of the period		20 174	22 520	16 846





Note 1

Property, plant and equipment

(USD`000)	Oil and gas assets	Tools and equipment*	Total
Carrying amount at 1 January 2020	285 441	152	285 594
Additions	62 995	18	63 013
Disposals	0	(20)	(20)
Asset removal obligation - change of estimate	10 625	0	10 625
Transfers from intangible assets	15 457	0	15 457
Depreciation	(29 294)	(76)	(29 371)
Carrying amount at 31 December 2020	345 224	74	345 298
Additions	54 333	38	54 370
Depreciation	(20 693)	(46)	(20 739)
Carrying amount at 30 September 2021	378 864	65	378 930
Estimated useful lives (years)	UoP	3-10	

Production plants oil and gas are depreciated according to unit of production method (UoP).

* Depreciation of tools and equipment is allocated to development, operational and exploration activities based on registered time writing.



Note 2

Intangible assets

(USD`000)	Goodwill	Exploration and evaluation assets	Total
Carrying amount at 1 January 2020	124 785	52 583	177 368
Acquisition	0	1 251	1 251
Capitalised licence costs	0	30 217	30 217
Expensed exploration expenditures previously capitalised	0	(9 574)	(9 574)
Impairment	(61 647)	0	(61 647)
Disposals	0	(1 036)	(1 036)
Transfers to tangible assets	0	(15 457)	(15 457)
Carrying amount at 31 December 2020	63 138	57 984	121 122
Acquisition	0	6 926	6 926
Capitalised license costs	0	17 554	17 554
Expensed exploration expenditures previously capitalised	0	(6 013)	(6 013)
Carrying amount at 30 September 2021	63 138	76 450	139 588

The amount of Goodwill entirely relates to the acquisition of interest in the Valhall and Hod oil fields.

Expensed exploration expenditures in 2021 is related to drilling of Eidsvoll exploration well, reported dry in January 2021.



Note 3

Impairments

The remaining goodwill as at 30 September 2021 amounted to USD 63.1 million and consists of technical goodwill related to the requirement to recognise deferred tax for the difference between the assigned fair values and the related tax base by purchase of Valhall & Hod fields. Prior period impairment of goodwill is not subject to reversal.

Technical goodwill is tested for impairment separately for Valhall & Hod fields which gave rise to the technical goodwill. The carrying value of Valhall & Hod fields consists of the carrying values of the oil field assets plus associated technical goodwill. When deferred tax liabilities from the acquisitions decreases as a result of depreciation, more technical goodwill as a result is exposed for impairment.

Impairment tests of individual cash-generating units are performed when impairment triggers are identified and for goodwill impairment is tested annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Following the increased oil price environment during 2021 no impairment indicators have been identified at the end of third quarter 2021 and the company has not recognised any impairment in Q3 2021.



Note 4

Equity and Shareholders

(USD`000)	Share Capital	Other reserves	Retained earnings	Total equity
Shareholders' equity at 1 January 2020	113 491	(3 446)	24 975	135 021
Share capital increase	738	0	0	738
Net income for the period	0	0	(6 954)	(6 954)
Other comprehensive income (loss) for the period	0	(32)	0	(32)
Shareholders' equity at 31 December 2020	114 230	(3 478)	15 542	126 294
Net income for the period	0	0	6 384	6 384
Other comprehensive income (loss) for the period	0	1 391	0	1 391
Shareholders' equity at 30 September 2021	114 230	(2 087)	21 926	134 069

Share capital of NOK 918,578,319.45 comprised 911,921,294 of shares at a nominal value of NOK 1.0073.

Pandion Energy Holding AS owns all 911,921,294 shares as at 30 September 2021. The company is included in the consolidated financial statements of the parent company Pandion Energy Holding AS.

A Subscription and Investment Agreement between Pandion Energy Holding and Kerogen has been executed for USD 190 million in equity, of which USD 109 million has been injected as of 30 September 2021 in addition to capital from the Pandion Energy team.

The capital of USD 190 million is committed to Pandion Energy Holding AS and can be drawn upon approval of the Board of company. Kerogen has further a right, however not an obligation to provide additional funds in an amount up to USD 110 million, resulting in an aggregate funding up to USD 300 million.



Note 5

Asset retirement obligations

(USD`000)

Asset retirement obligations at 1 January 2020	173 609
New or increased provisions	6 486
Asset removal obligation - change of estimate	4 139
Amounts charged against asset retirement obligations	(16 737)
Accretion expenses	6 176
Asset retirement obligations at 31 December 2020	173 673
Amounts charged against asset retirement obligations	(18 937)
Accretion expenses	4 556
Asset retirement obligations at 30 September 2021	159 293
Non-current portion 30 September 2021	153 109
Current portion 30 September 2021	6 184

The calculations assume an inflation rate of 2.0 per cent and a nominal rate before tax of 4.0 per cent.



Note 6

Borrowings

Revolving exploration loan facility

(USD'000)	Facility currency	Utilised amount	Undrawn facility	Interest	Maturity	Carrying amount
At 30 September 2021	NOK	45 564	0	NIBOR + 1.75 %	Dec 2022	45 369
At 31 December 2020	NOK	24 529	22 350	NIBOR + 1.75 %	Dec 2021	24 168

The total credit limit for the company at 30 September 2021 was TNOK 400 000.

The company signed a Revolving Exploration Finance Facility Agreement ("EFF") on 13 November 2017 of TNOK 400 000. The facility is made available through the banks SEB and BNP Paribas, with SEB as lead manager. The EFF can be drawn until 31.12.2021 with repayment in Q4 2022.

Unsecured bond

(USD'000)	Facility currency	Utilised amount	Interest	Maturity	Carrying amount
At 30 September 2021	NOK	49 566	10.61%	April 2023	43 986
At 31 December 2020	NOK	49 566	10.61%	April 2023	45 077

The bond is an unsecured bond of 400 million NOK and runs from April 2018 to April 2023. Utilised amount in USD reflects the exchange rate at the inception date for the bond. The bond has been swapped into USD using a cross currency swap, removing all foreign exchange risk both on coupons and notional. The interest payments have been fixed using an interest rate swap. The fixed all in rate after the swaps is 10.61%. The bond has similar covenants as the RBL facility.



Note 6

Borrowings cont.

Reserve base lending facility agreement (RBL)

(USD'000)	Facility currency	Utilised amount	Undrawn facility	Interest	Maturity	Carrying amount
At 30 September 2021	USD	76 000	74 000	LIBOR + 3.25%	July 2026	74 249
At 31 December 2020	USD	83 500	66 500	LIBOR + 3.5%	July 2026	81 424

The RBL facility was established in 2018 and is a senior secured seven-year facility. In 2019 the RBL lenders approved to postpone the Final Maturity Date from 9 April 2025 to 1 July 2026. The facility is at USD 150 million with an additional uncommitted accordion option of USD 150 million. The interest rate is from 1-6 months LIBOR plus a margin of 3.25%. The margin was reduced from 3.5% to 3.25% per annum due to the Company delivering positive cash flow for a twelve months preceding period to the accounting end date of the second quarter Financial statements. In addition, a commitment fee is paid for unused credits.

The financial covenants are as follows:

- Net debt to EBITDAX not to exceed 3.5x
- Corporate sources to corporate uses applying a ratio of 1.1 to 1 for the next 12 months period
- Corporate sources to corporate uses applying a ratio of 1 to 1 for the period up to estimated first oil of any development assets
- Minimum cash balance of 10 million USD
- Exploration spending after tax on a yearly basis restricted to the higher of 10 million USD and 10% of EBITDAX unless such spending are funded by new cash equity or subordinated shareholder loan.



Note 6

Borrowings cont.

Non-current liabilities to related parties

By entering into a subscription agreement with Kerogen Investment no.28 Pandion Energy has agreed to pay a commitment fee as listed below:

(USD`000)	Facility currency	Loan amount
Kerogen Investment no. 28 Limited	USD	1 000

Kerogen Investments no.28 Limited's rights and claims for such Commitment Fee is subordinated to the rights and claims of all other existing creditors of Pandion Energy.

Maturity profile on total borrowings based on contractual undiscounted cash flows

(USD`000)	30.09.2021	31.12.2020
Less than 12 months	32 465	24 529
1 to 5 years	138 665	49 566
Over 5 years	1 000	84 500
Total	172 130	158 595



Note 7

Financial items

	QUARTERLY		YEAR TO DATE		FULL YEAR
(USD`000)	Q3 2021	Q3 2020	2021	2020	2020
Net foreign exchange gains (losses)	743	1 034	38	(363)	(970)
Foreign exchange gains/losses on derivative financial instruments	(33)	1 220	(209)	1 220	2 451
Interest income	2	2	5	68	314
Amortised loan costs	(272)	(308)	(677)	(752)	(988)
Accretion expenses	(1 516)	(1 568)	(4 556)	(4 693)	(6 176)
Interest expenses	(2 521)	(2 546)	(7 819)	(8 640)	(11 057)
Other financial items	(77)	131	(358)	24	266
Net financial items	(3 674)	(2 035)	(13 578)	(13 137)	(16 159)



Note 8

Segment information and disaggregation of revenue

All revenues are generated from activities on the Norwegian continental shelf (NCS), and derives from Oil, Gas and NGL. As a result, Pandion Energy has decided not to include segment information as this would only state the same financials already presented in the income statement and balance sheet.

The company's revenue is disaggregated as follows:

	QUARTERLY		YEAR TO DATE		FULL YEAR
Revenues	Q3 2021	Q3 2020	2021	2020	2020
(USD`000)					
Oil	30 365	19 653	82 156	52 863	65 312
Gas	3 271	2 300	8 764	6 901	9 658
NGL	841	75	4 534	1 638	1 705
Total revenues	34 478	22 027	95 454	61 401	76 675
Other income	Q3 2021	Q3 2020	2021	2020	2020
(USD`000)					
Realised gain/(loss) on oil derivates	(188)	1 183	(586)	5 667	4 955
Unrealised gain/(loss) on oil derivates	(263)	(1 898)	(1 257)	(442)	(401)
Total other income	(451)	(715)	(1 842)	5 225	4 554



Note 9

Leasing and commitments

Pandion Energy has recognised the lease related to office facilities as a lease after IFRS 16. The original contract runs for five years from 2019 and contains a renewal option for another three years. The lease does not contain any restriction on the company's dividend policy or financing.

The company applies exemption for short term leases (12 months or less) and low value leases. Extension options are included when it, based on management's judgement, is reasonably certain to be exercised. The incremental borrowing rate applied in discounting of the nominal lease debt is 7 per cent. Right-of-use assets are depreciated linearly over the lifetime of the lease contract.

Total lease debt at 01.01.2020	1 253
(USD`000)	
Remeasurement lease liability	30
New lease debt recognised in the period	12
Derecognition of lease liability	(234)
Lease payments	(383)
Interest expense	63
Currency adjustments	29
Total lease debt 31.12.2020	770
Remeasurement lease liability	20
Lease payments	(232)
Interest expense	42
Currency adjustments	(23)
Total lease debt 30.09.2021	578

Nominal lease debt maturity break down	30.09.2021	31.12.2020
(USD`000)		
Within 1 year	277	234
1 to 5 years	350	564
Total	626	798



Note 9

Leasing and commitments cont.

Pandion Energy is a non-operator and recognises its proportionate share of a lease when Pandion Energy is considered to share the primary responsibility for a licence committed liability. This includes contracts where Pandion has co-signed a lease contract, or contracts for which the operator has been given a legally binding mandate to sign the external lease on behalf of the licence partners. Pandion Energy has assessed the lease contracts in its licences and based on Pandion Energy's judgement no leases have been recognized in the balance sheet as of 30 September 2021.

The company has commitments pertaining to its ownership in partner operated oil and gas fields where the operator has entered into lease agreements for rigs in the licence. For Valhall, the operator has entered into a lease agreement for Maersk Invincible, delivered in May 2017. The contract period is five years, with an additional two years option period.

On PL 929 a lease agreement for a rig has been entered into by the operator on behalf of partners to be used for the drilling of the Ofelia prospect in 2022. This lease commitment is not included in the below overview.

Commitments partner licenses rigs	30.09.2021	31.12.2020
(USD '000)		
Within 1 year	5 765	7 384
1 to 5 years	0	3 887
Total	5 765	11 272



Note 10

Tax

Certain temporary changes in the Norwegian Petroleum Tax Law were enacted on 19 June 2020. These changes included a temporary ruling for depreciation and uplift, whereas all investments incurred for income years 2020 and 2021 including 24 per cent uplift can be deducted from the basis for special tax in the year of investment. These changes also apply for all investments according to Plans for Development and Operation delivered within 31 December 2022 and approved within 31 December 2023. In addition, the tax value of any losses incurred in 2020 and 2021 will be refunded from the state. The tax effect of the temporary changes is included as of 30.09.2021 and contributes to increase in deferred tax liabilities and increase in tax receivable – short term.

Note 11

Contingent liabilities and assets

The company has secondary obligation for removal cost of offshore installations related to 20% share in the divested Duva field. The obligation is estimated to nominal value of approximately USD 6.7 million.

Pandion Energy is further required to participate in the approved work programmes for the licences. The company's operations involve risk of damages, including pollution. The company has insured its pro rata liability on the NCS on a par with other oil companies.

The company was not subject to any legal disputes at 30 September 2021.



Note 12

Subsequent events

The company has evaluated subsequent events through the filing of the quarterly report. There have been no such events requiring recognition or disclosures in the financial statements.



Alternative performance measures

Pandion Energy may disclose alternative performance measures as part of its financial reporting as a supplement to the interim financial statements prepared in accordance with simplified IFRS and believes that the alternative performance measures provide useful supplemental information to stakeholders.

EBITDAX Earnings before interest, tax, depreciation, amortization, impairment and exploration expenses

Corporate sources Cash balance, revenues, equity and external funding

Corporate uses Operating expenditures, capital expenditures, abandonment expenditures, general and administration costs, exploration costs, acquisition costs and financing costs