PANDION ENERGY

Pandion Energy AS

Interim financial statements (unaudited)

First quarter 2023

Disclaimer

The information given in this presentation is meant to be correct, reliable and adequate, and is compiled by Pandion Energy AS's competent team. You may use the information for your own purpose. However, if the information is found to be incomplete, inaccurate or even wrong, Pandion Energy AS is not responsible and does not cover any costs or loss occurred related to the given information.

The information contained in this Presentation may include results of analyses from a quantitative model that may represent potential future events that may or may not be realized, and is not a complete analysis of every material fact relating to the company or its business. This Presentation may contain projections and forward looking statements. The words “believe”, “expect”, “could”, “may”, “anticipate”, “intend” and “plan” and similar expressions identify forward-looking statements. All statements other than statements of historical facts included in the Presentation, including, without limitation, those regarding the Financial information, the company’s financial position, potential business strategy, potential plans and potential objectives, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the company’s actual results, performance, achievements and value to be materially different from any future results, performance, achievements or values expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the company’s present and future business strategies and the environment in which the company will operate in the future. No warranty or representation is given by the company or any of the Managers as to the reasonableness of these assumptions. Further, certain forward-looking statements are based upon assumptions of future events that may not prove to be accurate. The contents of this Presentation are not to be construed as financial, legal, business, investment, tax or other professional advice. Each recipient should consult with its own financial, legal, business, investment and tax adviser as to financial, legal, business, investment and tax advice.

This Presentation is governed by Norwegian law. Any dispute arising in respect of this Presentation is subject to the exclusive jurisdiction of Norwegian courts with Oslo District Court as exclusive legal venue.

Content

Introduction

General information

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

- The amended and restated reserve based lending facility (“RBL”) agreement dated 2 June 2022
- Bond terms for senior unsecured bond dated 2 June 2022

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 2022.

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 ending 31 December 2022.

For further detailed information on accounting principles, please refer to the financial statements for 2022.

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.

Summary of the quarter

Financial review

Revenues

In Q1 2023, the company generated total revenues of USD 50.8 million, an increase from USD 42.4 million in the same period last year. The higher revenues was driven by an substantial increase in the volume of oil sold, which rose from 314 kboe in Q1 2022 to 490 kboe in Q1 2023. This increase in volume can be attributed to the successful completion of the Hod field development project in April 2022, which resulted in increased production from the Hod field. Additionally, lifted volumes at Valhall & Hod fields also contributed to the higher volumes sold. The revenues from increased volumes were partly offset by lower realised prices during the quarter.

During Q1 2023, average realised oil price before hedging was USD 83.1 per boe, which represents a significant decrease from the USD 107.6 per boe achieved in Q1 2022. The average realised gas price in Q1 2023 was USD 101.4 per boe, up from USD 92.5 per boe in the same period last year. The combined average realized price for oil, gas and NGL during the quarter was USD 82.3 per boe, which is lower than the USD 101.9 per boe achieved in Q1 2022.

Operating expenses and financial results

In Q1 2023, the company’s EBITDAX reached USD 37.8 million, an increase form USD 32.6 million achieved in the same period last year. The higher EBITDAX can be attributed to the increased revenues during the quarter, which were driven by higher oil volumes sold, partially offset by higher operating expenses.

Operating expenses amounted to USD 14 million in Q1 2023, up from USD 9.4 million in Q1 2022. The increase was mainly due to additional operating expenses related to the acquired Nova field, as well as inventory adjustments.

Although the company's EBITDAX increased in Q1 2023, higher depreciation expenses offset the gains, resulting in a profit from operating activities at the same level as Q1 2022, which was USD 22 million. The increased depreciation expenses were mainly driven by the higher production levels at Valhall and Hod, as well as the acquisition of the Nova field.

Financial review

Capital expenditures

Investments in exploration & evaluation assets amounted to USD 2.9 million in first quarter 2023 mainly related to appraisal activities on PL 891 Slagugle and PL 929 Ofelia.

The company's investments in fixed assets in Q1 2023 amounted to USD 12.7 million, which included USD 8.7 million invested in the Valhall and Hod fields. The majority of this investment was allocated to well interventions, the Sulphate Removal Unit project, and the Valhall PWP project, which are aimed at increasing the fields' production capacity and operational efficiency. An additional USD 4 million was invested in the Nova field, mainly related to the planning and equipment to a side-track water injection well, with plans to commence drilling in Q2 2023. These investments reflect the company's continued commitment to investing in strategic projects that will enhance its operational performance and drive future growth.

Financial position

As of the end of Q1 2023, the company's interest-bearing debt remained unchanged from the end of Q4 2022, totalling USD 191.5 million. The debt is comprised of a bond debt of USD 75 million and an RBL drawdown of USD 116.5 million. Overall, the company maintains its strong financial position with a leverage ratio of only 1.0x net debt/EBITDAX.

Financial risk management

In order to reduce the risk related to oil price fluctuations, the company has established an oil price hedging programme.

At the end of March, 53% of the after-tax (15% of pre-tax) crude oil production volumes up to the end of 2023 had been hedged at an average floor price of 53 USD/bbl (USD 50.6/bbl net of costs).

Further hedging contracts were entered into during April 2023, and currently 41% of the after-tax production up to second quarter of 2024 has been hedged. Additional positions may be added to the program going forward, however, the structure, amounts and levels of any further hedging will depend on how the market for commodity derivatives develops.

The company has recognised a realised loss from hedging in Q1 2023 presented as other income. The loss amounted to USD 0.2 million.

Operational review

Valhall and Hod fields

During the first quarter, production from Valhall field averaged 6.3 thousand barrels of oil equivalents per day, net to Pandion Energy. This is an improvement from the previous quarter due to strong well performance and a production efficiency of 91%. The underlying causes to this positive trend include the successful stimulation and intervention campaign that took place in 2022, as well as reduced intervention back-log and enhanced ability to handle and recover from situations with well instability.

The Noble Integrator rig continued to support the stimulation and intervention activities at Valhall, aimed at bringing more wells up to their full production potential. Towards the end of the first quarter, the rig was moved to Hod to embark on the first phase of a campaign to permanently plug and abandon eight wells at the old Hod A platform. The second phase of this campaign is planned to commence in the second half of 2023 with the rig Noble Invincible.

A new infill well on Valhall Flank North passed final investment decision in the quarter. Planned production start is late 2023.

In December 2022, A Plan for Development and Operations (PDO) for a new, centrally located production and wellhead platform (PWP), was submitted to the MPE. This is a joint development with the Fenris HPHT gas field, which will be tied back to the PWP installation. In first quarter 2023, the MPE submitted a proposition for the project to the Norwegian parliament (Stortinget) and a resolution is expected before the end of the spring session.

The PWP project has now entered the execution phase with the start of detailed engineering and procurement activities. Total recoverable resources for Valhall are estimated to 70 mmboe with production expected to start in 2027.

The project also marks another key step in the modernisation of Valhall, allowing operations to continue for decades after parts of the existing infrastructure have been phased out in 2028. In addition, the project significantly increases the gas processing capacity at Valhall making it the natural hub for future gas discoveries in the area.

The development will leverage Valhall's existing power from shore system with minimal emissions, estimated at less than 1 kg CO_2/boe.

Operational review

Exploration and evaluation activities

In January 2023, Pandion Energy AS was awarded two licences under the 2022 APA (Award in Predefined Areas) licence round on the Norwegian Continental Shelf:

- **License PL 1180** located in the Greater Gjøa area in the North Sea, the company was offered a 30 percent interest in the license
- **License PL 1149B** additional acreage to PL 1149 located west of the Nova field in the North Sea. Pandion hold a 30 percent interest in the license

The company is currently planning to appraise last year's Ofelia discovery in Q3 2023, and ongoing well planning is taking place to facilitate the appraisal process.

Nova field

During Q1 2023, Production from the Nova field averaged 1.8 thousand barrels of oil equivalents per day, net to Pandion (including compensation volume).

The Nova field licence group is obligated to compensate the Gjøa licence group for deferred production due to the tie-in operations. The compensation shall be paid in kind by the Nova group's own production. The compensation volume in Q1 2023 was 376 barrels of oil equivalent per day net from Pandion.

Issues with the water injection wells continue to impact overall production output. To increase production, A side-track drilling operation is scheduled to commence in Q2 2023 to improve the location of one of the injector wells and increase its effectiveness.

Additional actions to improve water injection on the Nova field is currently being evaluated, including the drilling of a fourth water injector. A drilling rig for the operation, which is scheduled to take place in the first half of 2024 has been secured.

This efforts demonstrate the company`s commitment to optimising the field`s production and maximising its long-term value.

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), and/or to seek business combinations that may cater for further, profitable growth.

Interim financial statements

12

Statement of income

31 March 2023

(USD`000)	Note	Q1 2023	Q1 2022	2022
Revenues		50 823	42 381	213 137
Other income		880	(346)	2 368
Total revenues and income	1	**51 703**	**42 035**	**215 505**
Operating expenses		(13 951)	(9 407)	(47 430)
Depreciation, amortisation and net impairment losses	2,4	(14 427)	(8 190)	(35 275)
Exploration expenses		(1 181)	(2 437)	(15 111)
Total expenses		**(29 560)**	**(20 034)**	**(97 816)**
Profit from operating activities		**22 143**	**22 001**	**117 689**
Net financial items	5	(10 717)	(4 620)	(26 836)
Profit before income tax		**11 426**	**17 381**	**90 854**
Income tax	6	(22 875)	(11 094)	(82 588)
Net profit (loss)		**(11 449)**	**6 287**	**8 266**

Statement of comprehensive income

31 March 2023

(USD`000)	**Q1 2023**	**Q1 2022**	**2022**
Net profit (loss)	(11 449)	6 287	8 266
Items that may be subsequently reclassified to the Statement of income			
Net gain/losses arising from hedges recognised in OCI	-	657	14 126
Net amount reclassified to profit and loss	-	84	(11 728)
Tax on items recognised over OCI	-	(163)	(527)
Other comprehensive income	-	578	1 871
Total comprehensive income (loss)	**(11 449)**	**6 865**	**10 137**

Statement of financial position

31 March 2023

Assets

(USD`000)	Note	31.03.2023	31.03.2022	31.12.2022
Goodwill	3,4	63 138	63 138	63 138
Intangible assets	3,4	66 202	48 694	63 339
Property, plant and equipment	2,4	551 074	441 064	552 770
Prepayments and financial receivables		115	137	122
Right-of-use assets		966	456	982
Total non-current assets		**681 495**	**553 489**	**680 351**
Inventories		7 020	8 459	9 914
Trade and other receivables		34 322	36 386	19 005
Financial assets at fair value through profit or loss		20	269	951
Tax receivable - short term	6	43 834	25 000	51 433
Cash and cash equivalents		14 639	14 998	21 197
Total current assets		**99 835**	**85 110**	**102 499**
Total assets		**781 329**	**638 601**	**782 850**

Statement of financial position

31 March 2023

Equity and liabilities

(USD`000)	Note	31.03.2023	31.03.2022	31.12.2022
Share capital		13 591	13 591	13 591
Other paid-in capital		100 640	100 640	100 640
Other equity		17 652	25 831	29 104
Total equity	7	**131 883**	**140 061**	**143 334**
Deferred tax liability		244 222	135 688	225 903
Asset retirement obligations	8	151 331	182 644	154 751
Borrowings	9	189 216	45 334	188 324
Long term lease debt		672	191	729
Long term provision		1 255	-	3 512
Total non-current liabilities		**586 696**	**363 857**	**573 218**
Asset retirement obligations - short term	8	9 818	9 275	7 840
Trade, other payables and provisions		52 068	29 834	57 477
Borrowings - short term	9	-	87 762	-
Hedging derivatives		-	6 909	-
Financial liabilities at fair value through profit or loss		680	641	786
Short term lease debt		184	262	197
Total current liabilities		**62 751**	**134 683**	**66 300**
Total liabilities		**649 447**	**498 540**	**639 518**
Total equity and liabilities		**781 329**	**638 601**	**782 850**

Statement of cash flows

31 March 2023

(USD`000)	Note	Q1 2023	Q1 2022	2022
Income before tax		11 426	17 381	90 854
Depreciation, amortisation and net impairment losses	2	14 440	8 205	35 327
Expensed capitalised exploration expenses	3	83	(3)	3 472
Accretion of asset removal liability	5,8	1 868	1 817	7 484
(Increase) decrease in value of operational financial asset		(182)	(195)	(15 534)
Net financial expenses	5	8 849	2 803	19 352
Interest and fees paid		(2 547)	(2 063)	(19 583)
(Increase) decrease in working capital		(21 494)	(13 508)	5 776
Net income tax received		-	3 691	26 553
Net cash flow from operating activities		**12 442**	**18 127**	**153 701**
Payment for removal and decommissioning of oil fields	8	(3 310)	(1 359)	(7 284)
Investments in furniture, fixtures and office machines	2	-	(30)	(87)
Investments in oil and gas assets	2	(12 744)	(20 713)	(66 469)
Investments in exploration and evaluation assets	3	(2 946)	(5 758)	(36 155)
Acquisition of oil and gas assets		-	-	(109 956)
Net cash flow from investing activities		**(19 000)**	**(27 859)**	**(219 951)**
Proceeds from borrowings		-	4 080	241 080
Repayments of borrowings		-	(1 189)	(175 472)
Net cash flow from financing activities		-	**2 891**	**65 608**
Net change in cash and cash equivalents		**(6 557)**	**(6 841)**	**(642)**
Cash and cash equivalents at the beginning of the period		21 197	21 839	21 839
Cash and cash equivalents at the end of the period		14 639	14 998	21 197

Notes to the interim financial statements

Note 1

Segment information and disaggregation of revenue

All revenues are generated from activities on the Norwegian continental shelf, and derives from sale of 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:

Revenues	**Q1 2023**	**Q1 2022**	**2022**
(USD`000)			
Oil	41 057	33 825	171 036
Gas	7 692	6 000	37 098
NGL	2 074	2 557	5 004
Total revenues	**50 823**	**42 381**	**213 137**

Other income	**Q1 2023**	**Q1 2022**	**2022**
(USD`000)			
Realised gain/(loss) on oil derivates	(216)	(173)	(853)
Unrealised gain/(loss) on oil derivates	106	(173)	(318)
Other*	990	-	3 539
Total other income	**880**	**(346)**	**2 368**

*Other comprises change in estimate of the contingent additional considerations in relation to acquisition of ONE-Dyas Norge AS

Note 2

Property, plant and equipment

(USD`000)	Oil and gas assets	Tools and equipment*	Total
Carrying amount at 1 January 2022	**428 471**	**55**	**428 527**
Additions	66 469	87	66 556
Addition through asset acquisition*	119 233	-	119 233
Asset removal obligation - new or increased provisions	4 524	-	4 524
Asset removal obligation - change of estimate	(43 020)	-	(43 020)
Transfers from intangible assets	12 277	-	12 277
Depreciation	(35 275)	(52)	(35 327)
Carrying amount at 31 December 2022	**552 680**	**91**	**552 770**
Additions	12 744	-	12 744
Depreciation	(14 427)	(13)	(14 440)
Carrying amount at 31 March 2023	**550 996**	**78**	**551 074**
Estimated useful lives (years)	UoP	3-10	

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

*Addition of the Nova field (10%) through the acquisition and merger of ONE-Dyas Norge AS. The transaction was recognised as an asset acquisition under IAS 16 “Property, Plant and Equipment”

Note 3
Intangible assets

(USD`000)	Technical Goodwill	Exploration and evaluation assets	Total
Carrying amount at 1 January 2022	**63 138**	**42 933**	**106 071**
Capitalised licence costs	-	36 155	36 155
Expensed exploration expenditures previously capitalised	-	(3 472)	(3 472)
Transfers to tangible assets	-	(12 277)	(12 277)
Carrying amount at 31 December 2022	**63 138**	**63 339**	**126 477**
Capitalised license costs	-	2 946	2 946
Expensed exploration expenditures previously capitalised	-	(83)	(83)
Carrying amount at 31 March 2023	**63 138**	**66 202**	**129 340**

Note 4
Impairments

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.

In Q1 2023, two categories of impairment tests have been performed:

- Impairment test of oil and gas assets and related intangible assets
- Impairment test of technical goodwill

When assessing whether an impairment write-down is required at 31 March 2023, Pandion Energy has used a combination of Brent forward curve from the April 2023 to the end of 2024, a mean of market participant view for 2025 and 2026 and 69 USD per boe in real terms from 2027 and onwards. An inflation rate of 2 per cent per annum and a discount rate of 10 per cent have been applied to calculate the future post-tax cash flows. Below is an overview of the key assumptions applied for impairment testing purposes as at 31 March 2023.

	2023	2024	2025	2026	2027
Brent Oil price, USD/boe, in real 2023 terms	84	77	83	80	70
Currency rates, USD/NOK	10,4	10,3	10,1	9,8	9,5

No impairments of oil and gas assets and related intangible assets or technical goodwill were recognised in Q1 2023.

Note 5
Financial items

(USD`000)	Q1 2023	Q1 2022	2022
Net foreign exchange gains (losses)	(2 539)	(231)	(1 989)
Foreign exchange gains/losses on derivative financial instruments	(1 043)	245	(954)
Interest income	99	3	381
Amortised loan costs	(892)	(233)	(2 938)
Accretion expenses	(1 868)	(1 817)	(7 484)
Interest expenses	(4 357)	(2 582)	(13 080)
Other financial items	(117)	(6)	(771)
Net financial items	**(10 717)**	**(4 620)**	**(26 836)**

The rise in interest expenses in Q1 2023 compared to Q1 2022 can be attributed to higher borrowings resulting from the acquisition of ONE-Dyas Norge in the previous year, along with an increase in interest rates.

The increase in amortised loan costs during Q1 2023, compared to the same period in the previous year, can be attributed to the recognition of capitalised loan costs related to the refinancing of the Reserve-Based Lending (RBL) and senior unsecured bond debt in the second quarter of 2022.

Note 6
Taxes

Income tax for Q1 2023 is estimated at USD 22.9 million, a significant increase from USD 11.1 million in Q1 2022. This is due to USD/NOK currency fluctuations during the respective periods, resulting in an effective tax rate of 200% in Q1 2023 compared to 64% in Q1 2022.

The tax calculation is based on the new tax petroleum system enacted in June 2022 with effect from 1 January 2022. According to the new rules, the special petroleum tax (56%) is converted into a cash based tax with an immediate deductions for expenses incurred. The tax value of new losses (both exploration losses and other losses) in the special tax base is refunded. As part of the transition to the new tax regime, tax value of historical losses and utilised uplift will be settled as part of tax assessment for 2022.

(USD`000)	
Tax payable from current year profit	(4 556)
Tax receivable from prior years tax losses and uplift	48 390
Total tax receivable at 31.03.2023	**43 834**

Note 7
Equity and Shareholders

(USD`000)	Share Capital	Other paid-in capital	Other reserves	Retained earnings	Total equity
Shareholders' equity at 1 January 2022	**11 110**	**103 120**	**(1 871)**	**20 837**	**133 196**
Share capital decrease – unregistered	2 481	(2 481)	-	-	**-**
Net profit for the period	-	-	-	8 266	**8 266**
Other comprehensive income (loss) for the period	-	-	1 871	-	**1 871**
Shareholders' equity at 31 December 2022	**13 591**	**100 640**	**-**	**29 103**	**143 333**
Net profit (loss) for the period	-	-	-	(11 449)	**(11 449)**
Shareholders' equity at 31 March 2023	**13 591**	**100 640**	**-**	**17 652**	**131 883**

Share capital of NOK 9,119,212.94 comprised 911,921,294 of shares at a nominal value of NOK 0.01. Pandion Energy Holding AS owns all 911,921,294 shares as at 31 March 2023.

Note 8

Asset retirement obligations (ARO)

(USD`000)	
Asset retirement obligations at 1 January 2022	**191 461**
New provision through asset acquisition*	9 427
New or increased provisions	4 524
Incurred removal cost	(7 284)
Asset removal obligation - change of estimate	(6 138)
Effects of change in the discount rate	(36 882)
Accretion expenses	7 483
Asset retirement obligations at 31 December 2022	**162 591**
Incurred removal cost	(3 310)
Accretion expenses	1 868
Asset retirement obligations at 31 March 2023	**161 150**
Non-current portion 31 March 2023	151 331
Current portion 31 March 2023	9 818

The calculations assume an inflation rate of 2.0 per cent and a nominal rate before tax of 5.0 per cent. The decrease in estimated ARO is mainly due to increased discount rate.

*Addition from the Nova field (10%) through the acquisition and merger of ONE-Dyas Norge AS

Note 9
Borrowings

Unsecured bond

(USD'000)	Facility currency	Utilised amount	Interest	Maturity	Carrying amount
At 31 March 2023	USD	75 000	9.75%	June 2026	73 792
At 31 December 2022	USD	75 000	9.75%	June 2026	73 680

The company has accomplished a bond issue of USD 75 million with a tenor of 4 years during second quarter of 2022. The purpose of the new bond issue is refinancing of the NOK 400 million senior unsecured bond as well as general corporate purposes. The bond of NOK 400 million has been redeemed in June 2022.

The financial covenants are as follows:

- Leverage ratio: Net debt to EBITDAX not greater than 3.5x
- Minimum liquidity: Not less than USD 10 million

Note 9
Borrowings cont.

Reserve base lending facility agreement (RBL)

(USD'000)	Facility currency	Utilised amount	Undrawn facility*)	Interest	Maturity	Carrying amount
At 31 March 2023	USD	116 500	83 500	SOFR + 3.5%	April 2029	114 424
At 31 December 2022	USD	116 500	83 500	SOFR + 3.5%	April 2029	113 643

The RBL facility is at USD 200 million with an additional uncommitted accordion option of USD 200 million. The interest rate is floating 1-6 months SOFR with 3.5% margin. In addition, a commitment fee is paid for unused credits.

The financial covenants are as follows:

- Leverage ratio: Net debt to EBITDAX not greater than 3.5x
- Minimum liquidity: Not less than USD 10 million and
- Liquidity test: 12 months test to demonstrate a 1.1:1 ratio of corporate sources to uses
- Funding test: Up to first oil for any developments to demonstrate a 1:1 ratio of corporate sources
- Exploration spending: After tax cost on a yearly basis, maximum the higher of USD 20 million or 10% of EBITDAX unless the after tax cost is funded by permitted distribution or new equity injections

*)Calculated out of facility size of USD 200 million. Credit approved borrowing base as of 30 September 2022 is USD 158 million.

Note 9

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:

	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)	31.03.2023	31.12.2022
Less than 12 months	-	-
1 to 5 years *)	192 500	192 500
Over 5 years	-	-
Total	**192 500**	**192 500**

*) The RBL facility is classified as a borrowing with maturity 1 to 5 years according to the final maturity date defined as the earliest of 1 April 2029 and the date falling 6 months prior to the maturity date of the current bond debt (5 December 2025) ("Spring maturity clause").

Note 10
Other commitments and contingencies

The company has secondary obligation for removal cost of offshore installations related to 20% share in the divested the Duva field. The obligation is limited to approximately USD 5.6 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 Norwegian continental shelf on a par with other oil companies.

As of end 31 March 2023, the company was not subject to any legal disputes.

Note 11
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