PANDION ENERGY

Pandion Energy AS

Interim financial statements (unaudited)

Fourth quarter 2023

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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

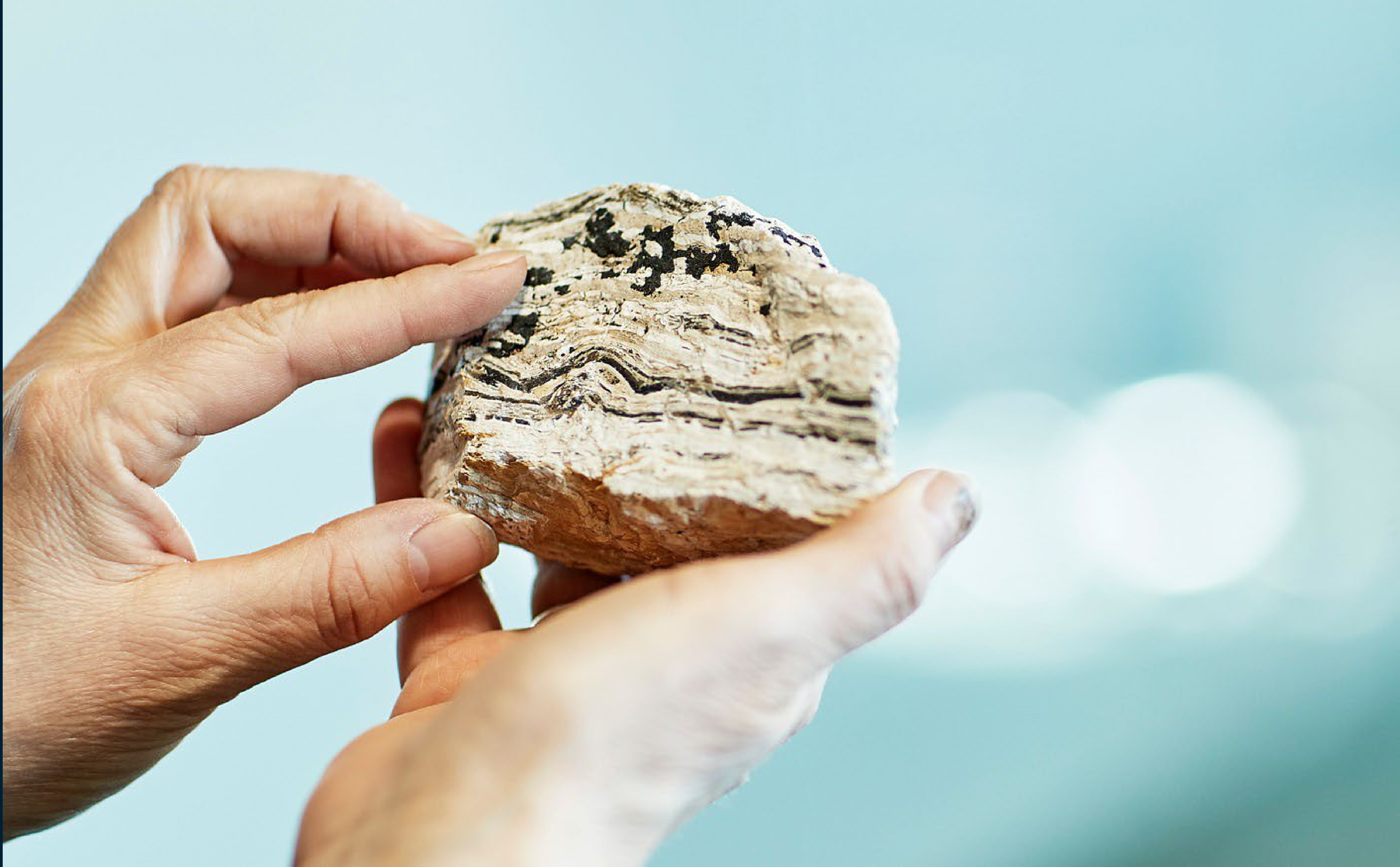
These interim financial statements have been prepared on the basis of simplified IFRS pursuant to the Norwegian Accounting Act §3-9 and regulations regarding simplified application of IFRS issued by the Norwegian Ministry of Finance on 3 November 2014, thus the interim financial statements do not include 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 Q4 2023, the company generated revenues from sale of liquids and natural gas of USD 63.2 million, compared to USD 76.7 million in the same period last year. The lower revenues were mainly driven by decreased oil and gas prices. The volume of oil sold was 682 kboe in Q4 2023 compared to 686 kboe in Q4 2022.

During Q4 2023, average realised oil price before hedging was USD 85.0 per boe, a decrease from the USD 92.4 per boe achieved in Q4 2022. The average realised gas price in Q4 2023 was USD 76.6 per boe, down from USD 169.5 per boe in the same period last year. The combined average realised price for oil, gas and NGL during the quarter was USD 83.6 per boe, compared to USD 98.1 per boe achieved in Q4 2022.

Operating expenses and financial results

In Q4 2023, the company's EBITDAX amounted to USD 57.0 million, a decrease from USD 66.6 million achieved in the same period last year. The lower EBITDAX is mainly explained by lower operating revenues during the quarter.

Operating expenses for the oil and gas sold were recorded at USD 5.1 million in Q4 2023, compared to USD 13.0 million incurred during Q4 2022. Change in over-/underlift inventories and change in value of deferral settlements was the main reason for the decrease in operating expenses compared to the same period last year.

Profit from operating activities was USD 35.6 million (USD 48.2 million in Q4 2022). In addition to decreased EBITDAX the reduced profit was driven by higher depreciation partly offset by lower exploration expenses.

Higher depreciation is primarily linked to revision of reserve estimate and higher production from Nova. The main reason for decrease in exploration expenses is lower costs related to impairment and relinquishment of exploration licenses.

Financial review

Capital expenditures

Investments in exploration & evaluation assets amounted to USD 14.7 million in the fourth quarter of 2023 largely explained by appraisal activities on PL 929 Ofelia.

The company's investments in fixed assets in Q4 2023 amounted to USD 18.6 million, of which USD 16.8 million was invested in the Valhall and Hod fields. Most of this investment was allocated to drilling and workovers on Valhall Flank North, the Sulphate Removal Unit project, and the Valhall PWP project. An additional USD 1.8 million was invested in the Nova field.

Financial position

The company’s interest-bearing debt was USD 108.0 million at the end of the fourth quarter, down from USD 166.5 million at the end of the third quarter of 2023. The debt is comprised of a bond debt of USD 75 million and an RBL drawdown of USD 33 million. The net debt was reduced by USD 70.6 million during the quarter down to USD 77.6 million. The reduction in debt was facilitated by the tax refund for historical losses received during the quarter. Overall, the company maintains its strong financial position with a leverage ratio of 0.4x 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 December, 39% of the after-tax (11% of pre-tax) crude oil production volumes up to the end of 2024 had been hedged at an average floor price of 54 USD/bbl (USD 51.7/bbl net of costs). 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 Q4 2023 presented as other income. The loss amounted to USD 0.3 million.

Operational review

Valhall and Hod fields

During the fourth quarter, production from the Valhall area averaged 5.4 thousand barrels of oil equivalents per day, net to Pandion Energy, an increase from third quarter as the field continued to ramp up production following the unplanned shutdown in the third quarter, and production efficiency improved to 84 per cent.

The Noble Invincible rig finalised drilling of a new infill well on Valhall Flank North in the quarter. Additionally, it completed workovers of two other wells in the area. The rig has now moved to Hod A to begin the second phase of the Hod A plugging and abandonment campaign. The objective is to permanently plug and abandon eight wells at the old Hod A platform.

The Valhall PWP project progressed according to plan in the fourth quarter. The joint development project with Fenris comprises a new centrally located production and wellhead Platform (PWP) bridge-linked to the Valhall central complex. The Fenris gas field will be tied back to the PWP installation. Engineering and procurement activities are on schedule, and fabrication has started at several locations both in Norway and abroad. The PWP bridge is one of the key components currently being manufactured.

The total estimated recoverable resources for Valhall PWP amount to 70 mmboe gross, with production scheduled to begin in 2027. The project also includes a modernisation of Valhall, ensuring continued operations when parts of the current infrastructure are phased out in 2028. The development will leverage Valhall’s existing power-from-shore system, resulting in minimal emissions estimated at less than 1 kilogram of CO_2 per boe.

Operational review

Nova field

During Q4 2023, production from the Nova field averaged 3.3 thousand barrels of oil equivalents per day, net to Pandion Energy (including compensation volume). Production availability was 99%.

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 Q4 2023 was 0.7 thousand barrels of oil equivalent per day net from Pandion Energy.

A side-track drilling operation to improve the effect of one of the injector wells was successfully completed in the previous quarter, leading to improved water injection and increased production. Production at Nova remains somewhat limited by reduced effectiveness of the water injectors. A rig has been secured to drill a fourth water injector well in the second half of 2024 which will enable the operator to target the best location for Nova's fourth water injector and further improve the water injection at the field. Development of a new well for production is currently being evaluated by the licence.

These efforts demonstrate the company's commitment optimising the field's production and maximising it`s long-term value.

Exploration and evaluation activities

On 12 December, Pandion Energy announced the results from the Ofelia appraisal well in PL 929 confirming volumes within the expected range of recoverable reserves. In addition, a new gas discovery was made in the Kyrre formation. PL 929 is located close to the Gjøa field in the Norwegian sector of the North Sea. Pandion Energy holds a 20 per cent participating interest in the licence.

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

Statement of income

QUARTERLY				FULL YEAR	
Q4 2023	**Q4 2022**	(USD`000)	**Note**	**2023**	**2022**
63 168	76 695	Revenues		223 385	213 137
(1 064)	2 875	Other income		550	2 368
62 104	**79 570**	**Total revenues and income**	1	**223 935**	**215 505**
(5 089)	(12 967)	Operating expenses	2	(41 246)	(47 430)
(19 637)	(12 245)	Depreciation, amortisation and net impairment losses	3,4,5	(61 863)	(35 275)
(1 752)	(6 169)	Exploration expenses	2	(6 629)	(15 111)
(26 479)	**(31 382)**	**Total expenses**		**(109 739)**	**(97 816)**
35 625	**48 188**	**Profit from operating activities**		**114 195**	**117 689**
(3 793)	(3 742)	Net financial items	6	(27 550)	(26 836)
31 833	**44 447**	**Profit before taxes**		**86 645**	**90 854**
(32 188)	(19 429)	Income tax	7	(88 009)	(82 588)
(356)	**25 018**	**Net income (loss)**		**(1 364)**	**8 266**

Statement of comprehensive income

QUARTERLY				FULL YEAR	
Q4 2023	**Q4 2022**	(USD`000)	**Note**	**2023**	**2022**
(356)	25 018	Net income (loss)		(1 364)	8 266
-	-	Net gain/losses arising from hedges recognised in OCI		-	14 126
-	-	Net amount reclassified to profit and loss		-	(11 728)
-	-	Tax on items recognised over OCI		-	(527)
-	-	Other comprehensive income		-	1 871
(356)	**25 018**	**Total comprehensive income (loss)**		**(1 364)**	**10 137**

Statement of financial position

Assets

(USD`000)	Note	31.12.2023	31.12.2022
Goodwill	4,5	63 138	63 138
Intangible assets	4,5	85 230	63 339
Property, plant and equipment	3,5	582 886	552 770
Prepayments and financial receivables		119	122
Right-of-use assets		775	982
Total non-current assets		**732 147**	**680 351**
Inventories		7 881	9 914
Trade and other receivables	8	39 528	19 005
Financial assets at fair value through profit or loss		1 507	951
Tax receivable - short term	7	-	51 433
Cash and cash equivalents		30 428	21 197
Total current assets		**79 344**	**102 499**
Total assets		**811 491**	**782 850**

Statement of financial position

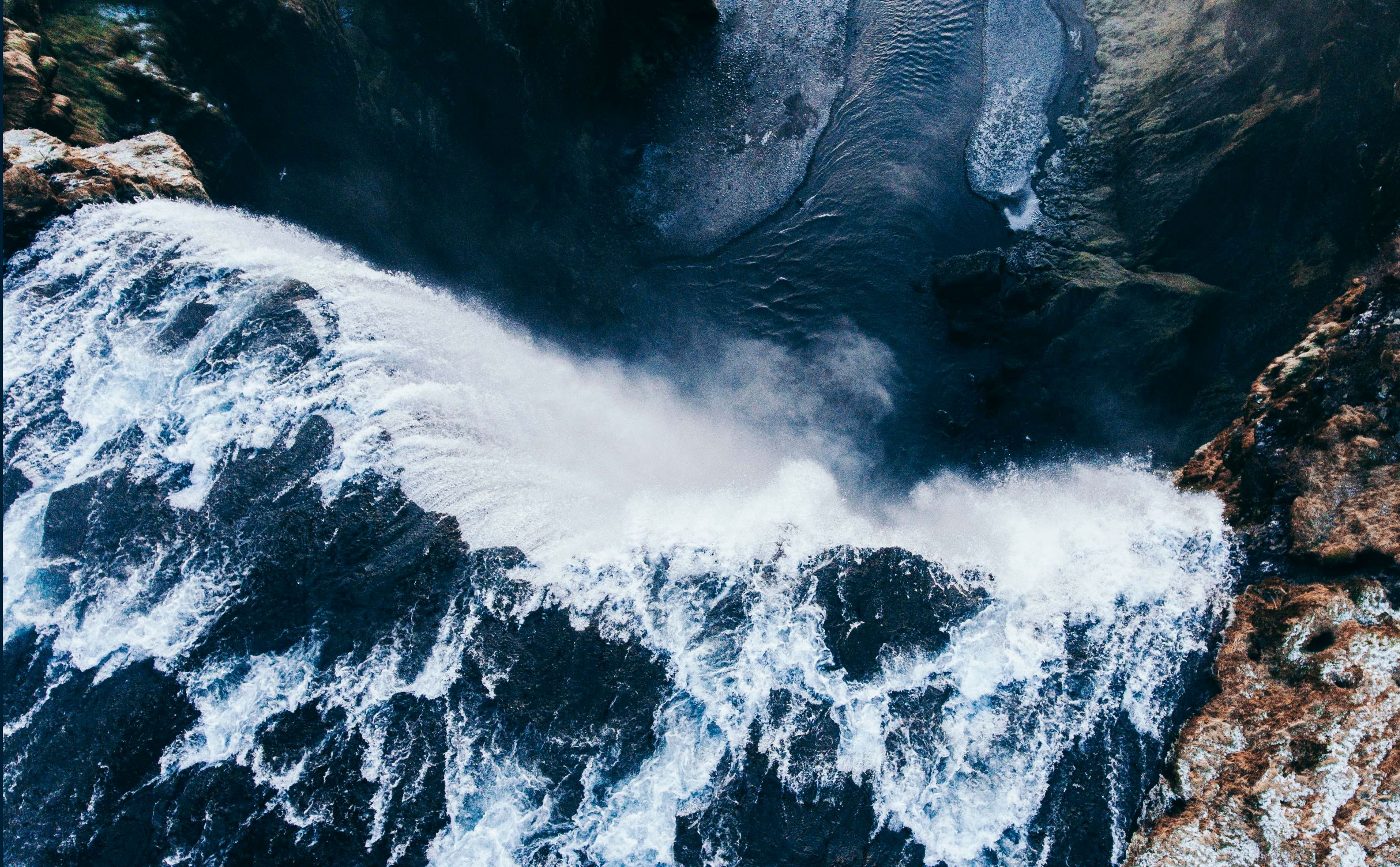
Equity and liabilities

(USD`000)	Note	31.12.2023	31.12.2022
Share capital		13 591	13 591
Other paid-in capital		100 640	100 640
Other equity		27 737	29 104
Total equity	9	**141 967**	**143 334**
Deferred tax liability		293 203	225 903
Asset retirement obligations	10	175 161	154 751
Borrowings	11	106 619	188 324
Long term lease debt		530	729
Long term provision	12	2 189	3 512
Total non-current liabilities		**577 702**	**573 218**
Asset retirement obligations - short term	10	22 669	7 840
Trade, other payables and provisions	12	47 415	57 477
Tax Payable - short term	7	21 189	-
Financial liabilities at fair value through profit or loss		363	786
Short term lease debt		185	197
Total current liabilities		**91 822**	**66 300**
Total liabilities		**669 524**	**639 518**
Total equity and liabilities		**811 491**	**782 850**

Statement of cash flows

(USD`000)	Note	FULL YEAR 2023	2022
Income before tax		86 645	90 854
Depreciation, amortisation and net impairment losses	3	61 936	35 327
Expensed capitalised exploration expenses	4	2 463	3 472
Accretion of asset removal liability	6,10	7 111	7 484
(Increase) decrease in value of operational financial asset		(414)	(15 534)
Net financial expenses	6	20 439	19 352
Interest and fees paid		(16 102)	(19 583)
(Increase) decrease in working capital		(14 910)	5 776
Net income tax received		47 554	26 553
Net cash flow from operating activities		**194 723**	**153 701**
Payment for removal and decommissioning of oil fields	10	(17 421)	(7 284)
Investments in furniture, fixtures and office machines	3	(138)	(87)
Investments in oil and gas assets	3	(60 078)	(66 469)
Investments in exploration and evaluation assets	4	(24 355)	(36 155)
Acquisition of oil and gas assets		-	(109 956)
Net cash flow from investing activities		**(101 992)**	**(219 951)**
Proceeds from borrowings		-	241 080
Repayments of borrowings		(83 500)	(175 472)
Net cash flow from financing activities		**(83 500)**	**65 608**
Net change in cash and cash equivalents		**9 231**	**(642)**
Cash and cash equivalents at the beginning of the period		21 197	21 839
Cash and cash equivalents at the end of the period		30 428	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 (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		FULL YEAR	
Revenues	**Q4 2023**	**Q4 2022**	**2023**	**2022**
(USD`000)				
Oil	57 967	63 335	197 795	171 036
Gas	5 065	12 428	21 259	37 098
NGL	135	932	4 330	5 004
Total revenues	**63 168**	**76 695**	**223 385**	**213 137**

Other income	**Q4 2023**	**Q4 2022**	**2023**	**2022**
(USD`000)				
Realised gain/(loss) on oil derivates	(287)	(228)	(1 016)	(853)
Unrealised gain/(loss) on oil derivates	390	(436)	423	(318)
Other*	(1 166)	3 539	1 143	3 539
Total other income	**(1 064)**	**2 875**	**550**	**2 368**

* Other consists mainly of change in estimate of contingent considerations

Notes to the interim financial statements

Note 2
Exploration and operating expenses

The company's operating and exploration expenses is disaggregated as follows:

	QUARTERLY		FULL YEAR	
Operating expenses	**Q4 2023**	**Q4 2022**	**2023**	**2022**
(USD`000)				
Production cost	(8 036)	(8 985)	(30 716)	(37 402)
Tariff and transportation cost	(2 191)	(3 781)	(10 593)	(9 201)
Change in inventories	1 006	(1 668)	(586)	(65)
Change in value deferral settlements	5 760	3 264	5 760	3 264
Other cost	(1 628)	(1 797)	(5 111)	(4 026)
Total operating expenses	**(5 089)**	**(12 967)**	**(41 246)**	**(47 430)**

Exploration expenses	**Q4 2023**	**Q4 2022**	**2023**	**2022**
(USD`000)				
Expensed cost, seismic and studies	-	-	(140)	(2 729)
Expensed cost, general and administrative	(915)	(2 580)	(4 026)	(8 909)
Expensed exploration expenditures previously capitalised	(837)	(3 588)	(2 463)	(3 472)
Total exploration expenses	**(1 752)**	**(6 169)**	**(6 629)**	**(15 111)**

Note 3

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	46 363	138	46 501
Asset removal obligation - new or increased provisions	2 618	-	2 618
Asset removal obligation - change of estimate	42 932	-	42 932
Depreciation	(61 863)	(73)	(61 936)
Carrying amount at 31 December 2023	**582 731**	**155**	**582 886**
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 4

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	-	24 355	24 355
Expensed exploration expenditures previously capitalised	-	(2 463)	(2 463)
Carrying amount at 31 December 2023	**63 138**	**85 230**	**148 368**

Note 5
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 Q4 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

In the assessment of whether an impairment is required at 31 December 2023, Pandion Energy has used a combination of Brent forward curve from the beginning of 2024 to the end of 2025, a mean of market participant view from 2026 to 2029, and 70 USD per boe in real terms from 2030, An inflation rate of 2 per cent per annum and a discount rate of 9% have been applied to calculate the future post-tax cash flows.

No impairments of oil and gas assets and related intangible assets or technical goodwill were recognised in Q4 2023.

Note 6
Financial items

	QUARTERLY		FULL YEAR	
(USD`000)	**Q4 2023**	**Q4 2022**	**2023**	**2022**
Net foreign exchange gains (losses)	(1 493)	228	(4 467)	(1 989)
Foreign exchange gains/losses on derivative financial instruments	2 018	2 347	1 143	(954)
Interest income	1 527	241	2 002	381
Amortised loan costs	(366)	(574)	(1 795)	(2 938)
Accretion expenses	(1 686)	(2 032)	(7 111)	(7 484)
Interest expenses	(3 862)	(3 981)	(17 201)	(13 080)
Other financial items	69	29	(121)	(771)
Net financial items	**(3 793)**	**(3 742)**	**(27 550)**	**(26 836)**

Note 7

Taxes

Income tax for the full year 2023 is estimated at USD 88 million, an increase from USD 82.6 million for the full year 2022. The effective tax rate in 2023 was 102% compared to 91% in 2022. The difference from the statutory tax rate of 78% in 2023 is mainly related to financial items only deductible in corporate tax, exchange rate effects and depreciation of asset acquisition value with no deferred tax.

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 was settled as part of tax assessment for 2022 during Q4 2023.

Note 8
Trade and other receivables

(USD`000)	**31.12.2023**	**31.12.2022**
Trade receivables	13 536	7 939
Accrued income from sale of petroleum products	9 387	-
Value deferral settlements	4 463	-
Other receivables, mainly balances with licence operators	12 141	11 066
Trade and other receivables	**39 528**	**19 005**

Note 9

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 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	-	-	-	(1 364)	**(1 364)**
Shareholders' equity at 31 December 2023	**13 591**	**100 640**	**-**	**27 739**	**141 967**

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 December 2023.

Note 10

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
Asset removal obligation - change of estimate	(6 138)
Incurred removal cost	(7 284)
Effects of change in the discount rate	(36 882)
Accretion expenses	7 483
Asset retirement obligations at 31 December 2022	**162 591**
New or increased provisions	2 618
Asset removal obligation - change of estimate	42 932
Incurred removal cost	(17 421)
Accretion expenses	7 111
Asset retirement obligations at 31 December 2023	**197 831**
Non-current portion 31 December 2023	175 161
Current portion 31 December 2023	22 669

The calculations assume an inflation rate of 2.0 per cent and a nominal discount rate before tax of 5.0 per cent. The nominal discount rate is composed of a risk-free rate and a credit margin.

The increase in estimated ARO is mainly due to change of estimated rig days and expenses related to P&A activities.

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

Note 11
Borrowings

Unsecured bond

(USD'000)	Facility currency	Utilised amount	Interest	Maturity	Carrying amount
At 31 December 2023	USD	75 000	9.75%	June 2026	74 132
At 31 December 2022	USD	75 000	9.75%	June 2026	73 680

The company 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 was refinancing of the NOK 400 million senior unsecured bond as well as general corporate purposes. The bond of NOK 400 million was 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 11

Borrowings cont.

Reserve base lending facility agreement (RBL)

(USD'000)	Facility currency	Utilised amount	Undrawn facility*)	Interest	Maturity	Carrying amount
At 30 December 2023	USD	33 000	167 000	SOFR + 3.5%	April 2029	31 486
At 31 December 2022	USD	116 500	83 500	SOFR + 3.5%	April 2029	113 643

The RBL facility was established in 2018 and is a senior secured seven-year facility. In June 2022, the company signed an amendment and extension of the facility, with a final maturity date defined as the earlier of 1 April 2029 and the date falling six months prior to the maturity date of the current bond debt. 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 31 December 2023 is USD 116.4 million.

Note 11
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 the RBL banks and holders of the Pandion Bond.

Maturity profile on total borrowings based on contractual undiscounted cash flows

(USD`000)	31.12.2023	31.12.2022
1 to 5 years *)	109 000	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 12
Trade, other payables and provisions

(USD`000)	**31.12.2023**	**31.12.2022**
Trade payables	1 107	5 921
Share of payables in licences	23 279	17 357
Overlift of petroleum	1 637	2 977
Other non-trade payables, accrued expenses and provisions*	21 392	31 221
Trade, other payables and provisions	**47 415**	**57 477**

* Other non-trade payables include accrued public charges and indirect taxes and payroll liabilities.

Note 13

Other commitments and contingencies

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 approximately USD 6 million. No provision has been made for the potential obligation.

In July 2023, Pandion received a request for arbitration. Pandion will respond to the request and defend against the claim. The ultimate liability in respect of this dispute cannot be determined at this time. Based on management's best judgement of probability, no provision has been made for potential liability related to the claim.

Note 14

Subsequent events

In January 2024, Pandion Energy AS was awarded licence PL 1101 B in the 2023 Norwegian APA (Awards in Predefined Areas) Licensing Round on the Norwegian Continental Shelf. PL 1101 B is an additional acreage to PL 1101 located in the northern North Sea. Pandion Energy holds a 20 per cent interest in the licence.

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, amortisation, impairment and exploration expenses
Net debt/ EBITDAX	Net debt at the balance sheet date divided by 12 months rolling EBITDAX
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