PANDION ENERGY

Pandion Energy AS

Interim financial statements (unaudited)

Second quarter 2024

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Content

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 based on 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 7 February 2022, 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 2023.

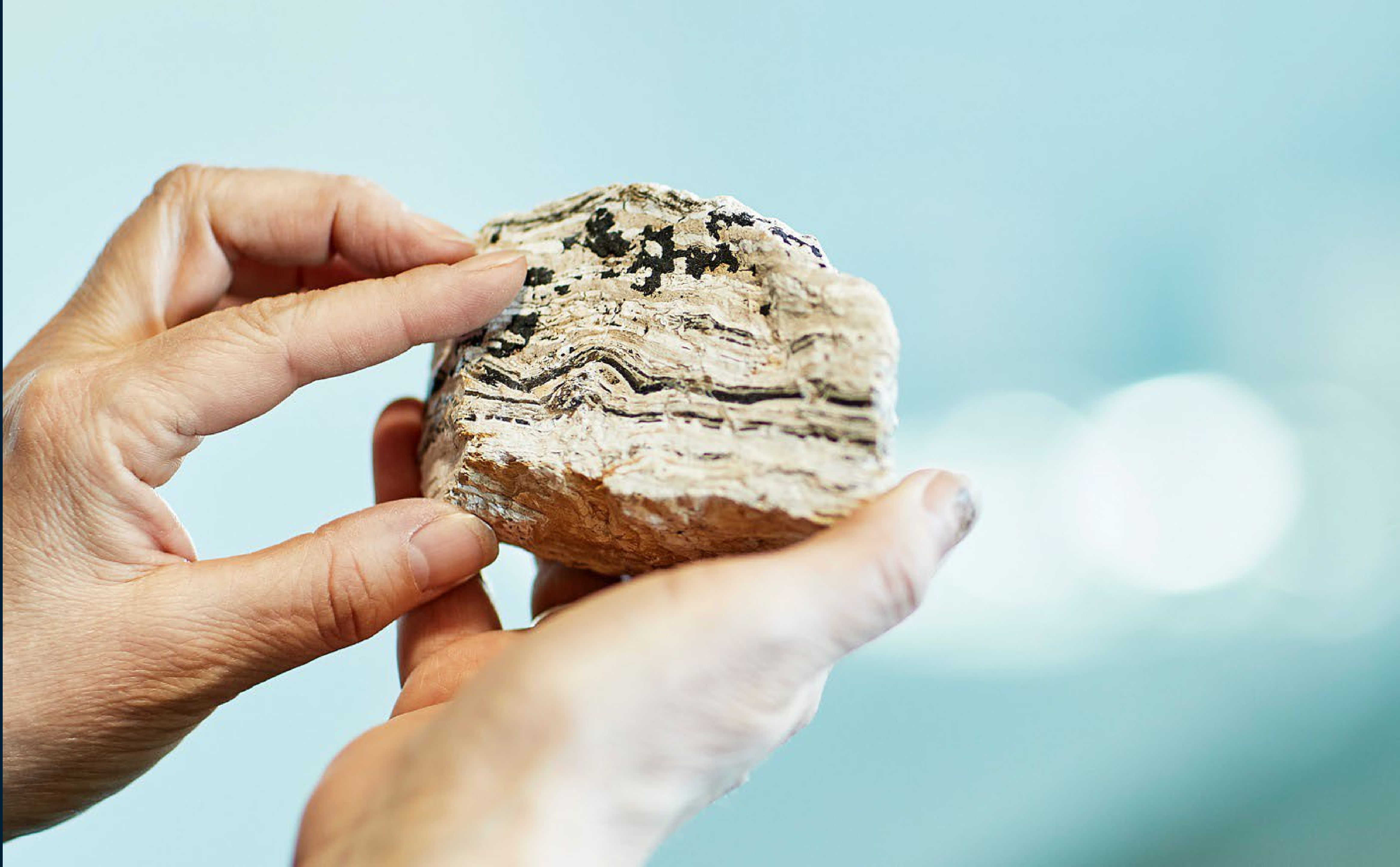
The accounting policies adopted are in all aspects consistent with those followed in the preparation of the financial statements of the company for the year ending 31 December 2023, except from the change in the accounting policy for abandonment provisions made in Q1 2024. In line with the development in industry practice with regards to the interpretation of the relevant guidelines in IAS 37, the company has changed the discount rate for calculating abandonment provisions so that this no longer includes a credit element. Comparative figures have been restated accordingly. As a result, the company has recorded the difference between the remeasured abandonment provision and the historical abandonment provision on 1 January 2023 as an adjustment to property, plant and equipment. The increased property, plant and equipment has led to an impairment charge of goodwill in the income statement in 2023.

For further detailed information on accounting principles, please refer to the financial statements for 2023.

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

06



Financial review

Revenues

In Q2 2024, the company generated total revenues of USD 58.7 million, an increase from USD 29.1 million in the same period last year. The higher revenues was mainly driven by an increase in the volume of oil sold, which rose from 282 kboe in Q2 2023 to 627 kboe in Q2 2024. The increase in volume is attributed to a significant underlift on both Nova and Valhall and Hod fields during the same period last year.

During Q2 2024, average realised oil price before hedging was USD 87.7 per boe, compared to USD 84.5 per boe achieved in Q2 2023. The average realised gas price in Q2 2024 was USD 59.1 per boe, a decrease from USD 68.1 per boe in the same period last year. The combined average realised price for oil, gas and NGL during the quarter was USD 84.5 per boe compared to USD 78.5 per boe achieved in Q2 2023.

Operating expenses and financial results

In Q2 2024, the company's EBITDAX reached USD 50.8 million, an increase form USD 29.2 million achieved in the same period last year. The higher EBITDAX can be attributed to the increased revenues during the quarter partly offset by higher operating expenses.

Operating expenses amounted to USD 7.5 million in Q2 2024 compared to USD 1 million in Q2 2023. The low level of operating expenses in Q2 last year was mainly attributed to inventory adjustments necessitated by underlift on the oil-producing fields.

The profit from operating activities came at USD 21.5 million, an increase from USD 13.1 million in Q2 2023.

Although the company's EBITDAX increased by USD 21.6 million in Q2 2024, an impairment loss on the Nova field partly offset the gains. This resulted in a profit from operating activities of USD 21.5 million, compared to USD 13.1 million in Q2 2023. The impairment loss was driven by contingent considerations settled during the quarter.

Financial review

Capital expenditures

Investments in exploration & evaluation assets amounted to USD 5.8 million in first quarter 2024, mainly related to preparation of the appraisal campaign on PL 891 Slagugle and evaluation of the PL 938 Calypso and PL 929 Ofelia discoveries.

The company's investments in fixed assets in Q2 2024 amounted to USD 48.2 million, which included USD 24.5 million invested in the Valhall and Hod fields. The investments mainly comprises the PWP project, as well as well intervention activities. The remaining USD 23.7 million is made up of payment of contingent considerations and planning of a new water injector well, both related to the Nova field.

Financial position

As of the end of Q2 2024, the company's interest-bearing debt decreased by USD 2 million from Q1 2024, bringing the total to USD 106 million. The debt is comprised of a bond loan of USD 75 million and an RBL drawdown of USD 31 million. Overall, the company maintains its strong financial position with a leverage ratio of only 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 June 2024, 53% of the after-tax (15% of pre-tax) crude oil production volumes up to the end of Q2 2025 had been hedged at an average floor price of 54 USD/bbl (USD 52.1/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 Q2 2024 presented as other income. The loss amounted to USD 0.2 million.

Operational review

Valhall and Hod fields

During the second quarter, production from Valhall field averaged 5.0 thousand barrels of oil equivalents per day, net to Pandion Energy with a production efficiency of 80 percent.

The project to permanently plug and abandon the eight old wells on the Hod A platform is progressing according to plan. The Noble Invincible rig is used to carry out these activities.

Engineering and construction activities are progressing according to plan at all main sites for the Valhall PWP project. This 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.

Nova field

During Q2 2024, production from the Nova field averaged 3.2 thousand barrels of oil equivalents per day, net to Pandion Energy (including compensation volume). Production efficiency was 94%.

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 Q2 2024 was 0.8 thousand barrels of oil equivalent per day net from Pandion Energy.

An integrity issue at Gjøa caused the water injection (WI) system at Nova to be closed. Work has been ongoing to assess mitigating measures, and the WI system was reinstated end July. A rig to drill a fourth water injector well at Nova in the second half of 2024 has been secured. In addition, perforation of the W-1 AH water injector started as scheduled in the quarter. These two measures will further increase injectivity at the field and are expected to increase oil production. A fourth oil producer at Nova is under evaluation.

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

Operational review

Exploration and evaluation activities

The license partnership of PL 1119 is currently planning an exploration well on the Mistral South prospect. The well is planned for drilling in Q4 2024, and the operator has secured the Deepsea Atlantic rig for the drilling operation. The company holds a 20 per cent interest in the license.

Ongoing well planning is taking place to facilitate the drilling process for the second appraisal well for the Slagugle discovery (PL 891), planned for drilling in Q4 2024 The operator has secured the Deepsea Yantai rig for the drilling operation. The company holds a 20 per cent interest in the discovery.

The license partnership of PL 929 is currently working with post well analysis for development of the Ofelia discoveries. Given the proximity to Gjøa and the operator's development track record, this is a candidate for a fast track, cost-effective and low-carbon development together with other discoveries in the area.

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.

Responsibility statement

We confirm, to the best of our knowledge, that the interim financial statements for the period from 1 January to 30 June 2024 have been prepared in accordance with simplified IFRS pursuant to the Norwegian Accounting Act §3-9 and generally accepted accounting practice in Norway and give a true and fair view of the assets, liabilities and financial position and result of Pandion Energy AS. The notes are an integral part of the interim financial statements.

We also confirm, to the best of our knowledge, that the operational and financial review includes a fair presentation of important events that have occurred during the first six months of the financial year and their impact on the financial statements and the company's position, and a description of the principal risks and uncertainties for the remaining six months of the financial year.

Oslo, Norway, 15 August 2024

The Board of Directors and CEO of Pandion Energy AS

Alan John Parsley
Chairman of the Board

Jason Aun Minn Cheng
Board Member

Jan Christian Ellefsen
CEO/ Board Member

Roberta Wong
Board Member

Hege Peters
Board Member

Interim financial statements

Statement of income

QUARTERLY				YEAR TO DATE		FULL YEAR
						Restated
Q2 2024	**Q2 2023**	*(USD`000)*	**Note**	**2024**	**2023**	**2023**
58 729	29 064	Revenues		113 213	79 887	223 385
(406)	1 072	Other income		(97)	1 952	550
58 323	**30 137**	**Total revenues and income**	1	**113 116**	**81 839**	**223 935**
(7 528)	(986)	Operating expenses	2	(15 371)	(14 938)	(41 246)
(29,277)	(15 082)	Depreciation, amortisation and net impairment losses	3,4,5	(46,170)	(29 510)	(98 363)
(43)	(1 021)	Exploration expenses	2	(1 269)	(2 202)	(6 629)
(36,848)	**(17 090)**	**Total expenses**		**(62,810)**	**(46 649)**	**(146 239)**
21,475	**13 047**	**Profit from operating activities**		**50,305**	**35 190**	**77 695**
271	161	Interest income		446	260	2 002
(6 346)	(4 939)	Interest expenses		(9 905)	(10 188)	(18 996)
(1 492)	(3 772)	Other financial expenses		(3 730)	(9 338)	(10 556)
(7 567)	**(8 549)**	**Net financial items**	6	**(13 189)**	**(19 266)**	**(27 550)**
13,908	**4 498**	**Profit before income tax**		**37,116**	**15 924**	**50 145**
(18,846)	(11 371)	Income tax	7	(47,479)	(34 246)	(88 009)
(4,938)	**(6 874)**	**Net income (loss)**		**(10,362)**	**(18 322)**	**(37 864)**

Statement of financial position

Assets

(USD`000)	Note	30.06.2024	Restated 31.12.2023
Goodwill	4,5	26 638	26 638
Intangible assets	4,5	90 948	85 230
Property, plant and equipment	3,5	626 637	624 637
Prepayments and financial receivables		1	119
Right-of-use assets		1 215	775
Total non-current assets		**745 440**	**737 398**
Inventories		11 315	7 881
Trade and other receivables	8	43 450	39 528
Financial assets at fair value through profit or loss		330	1 507
Cash and cash equivalents		21 322	30 428
Total current assets		**76 417**	**79 344**
Total assets		**821 856**	**816 742**

Statement of financial position

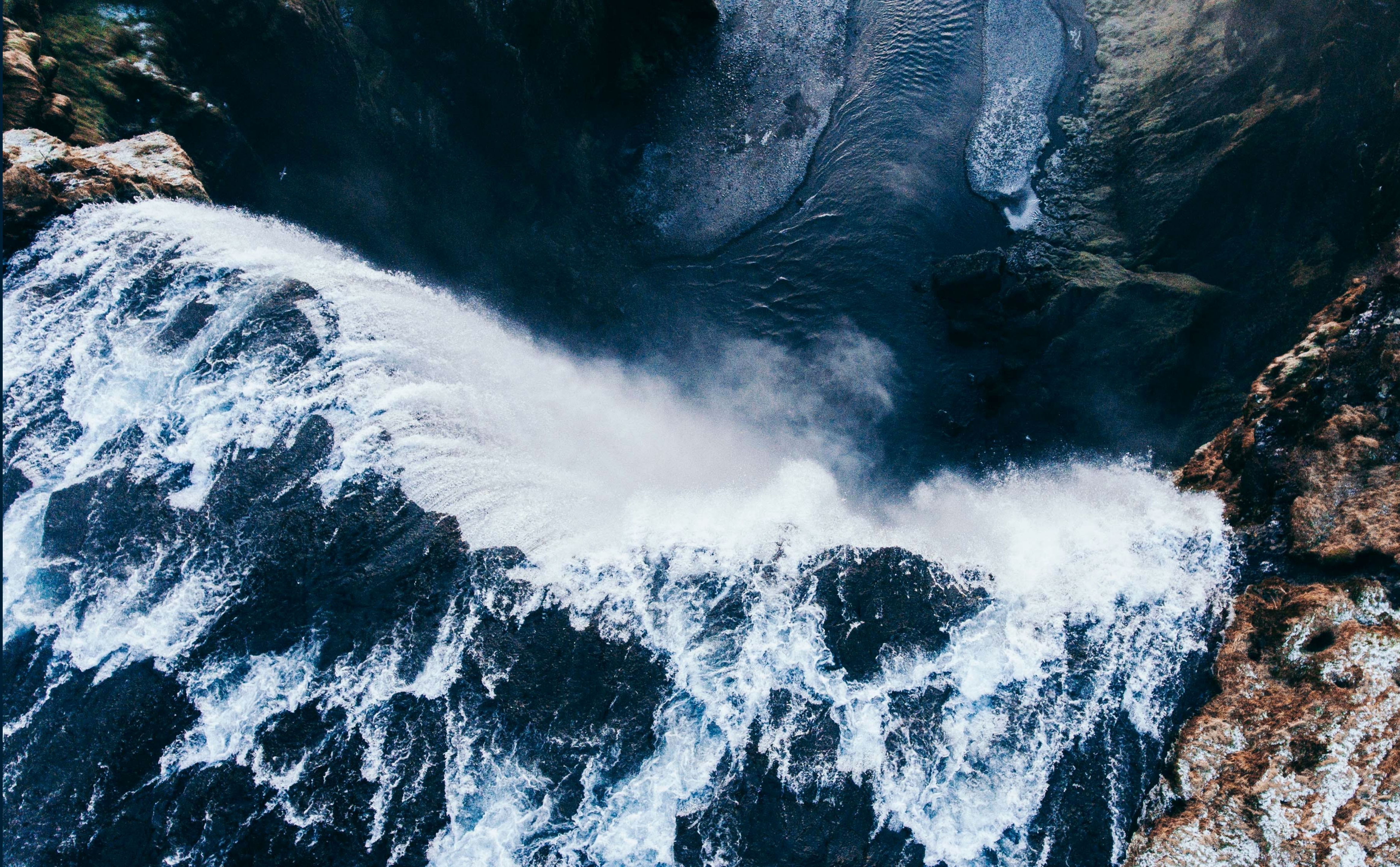
Equity and liabilities

(USD`000)	Note	30.06.2024	Restated 31.12.2023
Share capital		13 591	13 591
Other paid-in capital		100 640	100 640
Other equity		(19,125)	(8 763)
Total equity	9	**95,105**	**105 467**
Deferred tax liability		318,871	293 203
Asset retirement obligations	10	216 289	216 803
Borrowings	11	104 460	106 619
Long term lease debt		925	530
Long term provision		-	2 189
Total non-current liabilities		**640 544**	**619 344**
Asset retirement obligations – short term	10	13 265	22 778
Trade, other payables and provisions	12	39 258	47 415
Tax Payable	7	33 036	21 189
Financial liabilities at fair value through profit or loss		477	363
Short term lease debt		170	185
Total current liabilities		**86 207**	**91 931**
Total liabilities		**726 751**	**711 275**
Total equity and liabilities		**821 856**	**816 742**

Statement of cash flows

(USD`000)	Note	YEAR TO DATE Q2 2024	Q2 2023	FULL YEAR Restated 2023
Income before tax		37,116	15 924	50 145
Depreciation, amortisation and net impairment losses	3	46,170	29 538	98 436
Expensed capitalised exploration expenses	4	88	158	2 463
Accretion of asset removal liability	6,10	4 286	3 674	7 111
(Increase) decrease in value of operational financial asset		109	(278)	(414)
Net financial expenses	6	8 903	15 592	20 439
Interest and fees paid		(6 048)	(8 898)	(16 102)
(Increase) decrease in working capital		(20 335)	(15 703)	(14 910)
Net income tax received		(9 060)	-	47 554
Net cash flow from operating activities		**61 230**	**40 007**	**194 723**
Payment for removal and decommissioning of oil fields	10	(14 314)	(8 186)	(17 421)
Investments in furniture, fixtures and office machines	3	-	(138)	(138)
Investments in oil and gas assets	3	(48 215)	(26 531)	(60 078)
Investments in exploration and evaluation assets	4	(5 807)	(5 364)	(24 355)
Net cash flow from investing activities		**(68 335)**	**(40 220)**	**(101 992)**
Proceeds from borrowings		13 000	-	-
Repayments of borrowings		(15 000)	-	(83 500)
Net cash flow from financing activities		**(2 000)**	**-**	**(83 500)**
Net change in cash and cash equivalents		**(9 105)**	**(213)**	**9 231**
Cash and cash equivalents at the beginning of the period		30 428	21 197	21 197
Cash and cash equivalents at the end of the period		21 322	20 983	30 428

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		YEAR TO DATE		FULL YEAR
Revenues	**Q2 2024**	**Q2 2023**	**2024**	**2023**	**2023**
(USD`000)					
Oil	54 985	23 475	106 365	64 531	197 795
Gas	3 585	4 953	6 661	12 645	21 259
NGL	158	637	187	2 711	4 330
Total revenues	**58 729**	**29 064**	**113 213**	**79 887**	**223 385**

Other income	**Q2 2024**	**Q2 2023**	**2024**	**2023**	**2023**
(USD`000)					
Realised gain/(loss) on oil derivates	(241)	(218)	(348)	(434)	(1 016)
Unrealised gain/(loss) on oil derivates	149	169	(114)	275	423
Other*	(314)	1 121	365	2 111	1 143
Total other income	**(406)**	**1 072**	**(97)**	**1 952**	**550**

*Other mainly comprises expected insurance settlement and change in estimate of contingent considerations

Note 2

Operating and exploration expenses

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

	QUARTERLY		YEAR TO DATE		FULL YEAR
Operating Expenses	**Q2 2024**	**Q2 2023**	**2024**	**2023**	**2023**
(USD`000)					
Production cost	7 924	6 338	14 636	15 380	30 716
Tariff and transportation cost	2 205	2 777	3 890	6 466	10 593
Other cost	(504)	833	1 123	1 985	5 111
Operating expenses based on produced volumes	**9 625**	**9 949**	**19 649**	**23 826**	**46 421**
Adjustment for over/underlift (-)	(1 309)	(8 963)	(2 731)	(8 888)	586
Change in value of deferral settlements	(788)	-	(1 547)	-	(5 760)
Operating expenses based on sold volumes	**7 528**	**986**	**15 371**	**14 938**	**41 246**
Total produced volumes (boe '000)	743	799	1 496	1 524	3 031
Production costs per boe produced (USD/boe)	11	8	10	10	10
Operating expenses per boe produced (USD/boe)	13	12	13	16	15

Exploration expenses	**Q2 2024**	**Q2 2023**	**2024**	**2023**	**2023**
(USD`000)					
Expensed cost, seismic and studies	140	140	140	140	140
Expensed cost, general and administrative	(130)	806	1 041	1 904	4 026
Expensed exploration expenditures previously capitalised	33	75	88	158	2 463
Total exploration expenses	**43**	**1 021**	**1 269**	**2 202**	**6 629**

Note 3

Property, plant and equipment

(USD`000)	**Oil and gas assets**	**Tools and equipment***	**Total**
Cost at 1 January 2023	683 257	315	683 573
Additions	46 363	138	46 363
Asset removal obligation - new or increased provisions	2 618	-	2 618
Asset removal obligation - change of estimate	42 932	-	42 932
Asset removal obligation - change in accounting policy**	41 751	-	41 751
Cost at 31 December 2023 (restated)	816 922	453	817 375
		-	
Accumulated depreciation and impairments 1 January 2023	(130 578)	(225)	(130 803)
Depreciation	(61 863)	(73)	(61 936)
Accumulated depreciation and impairments 31 December 2023	(192 441)	(298)	(192 739)
Carrying amount at 31 December 2023 (restated)	**624 482**	**155**	**624 637**
Cost at 1 January 2024	816 922	453	817 375
Additions	48 215	-	48 215
Cost at 30 June 2024	865 137	453	865 590
Accumulated depreciation and impairments 1 January 2024	(192 441)	(298)	(192 739)
Depreciation	(34 470)	(44)	(34 514)
Impairments	(11 700)	-	(11 700)
Accumulated depreciation and impairments 30 June 2024	(238,611)	(342)	(238 953)
Carrying amount at 30 June 2024	**626 527**	**111**	**626 637**
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

**Reference is made to the description of change in the accounting principle for abandonment provision. Following the change in accounting principle, the comparative figures have been restated accordingly.

Note 4
Intangible assets

(USD`000)	**Technical Goodwill**	**Exploration and evaluation assets**	**Total**
Cost at 1 January 2023	124 785	114 638	239 423
Capitalised licence costs	-	24 355	24 355
Cost at 31 December 2023	124 785	138 993	263 778
Accumulated depreciation and impairments at 1 January 2023	(61 647)	(51 300)	(112 947)
Expensed exploration expenditures previously capitalised	-	(2 463)	(2 463)
Impairment - change in accounting policy *	(36 500)	-	(36 500)
Accumulated depreciation and impairments at 31 December 2023	(98 147)	(53 763)	(151 910)
Carrying amount at 31 December 2023 (restated)	**26 638**	**85 230**	**111 868**
Cost at 1 January 2024	124 785	138 993	263 778
Capitalised licence costs		5 807	5 807
Cost at 30 June 2024	124 785	144 800	269 585
Accumulated depreciation and impairments at 1 January 2024	(98 147)	(53 763)	(151 910)
Expensed exploration expenditures previously capitalised		(88)	(88)
Accumulated depreciation and impairments at 30 June 2024	(98 147)	(53 851)	(151 998)
Carrying amount at 30 June 2024	**26 638**	**90 948**	**117 587**

*Reference is made to the description of change in the accounting principle for abandonment provision. See also note 5

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 Q2 2024, 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 30 June 2024, Pandion Energy has used a combination of Brent forward curve from the second half of 2024 to the end of 2025, a mean of market participant view for 2026 to 2029 and 71.4 USD per boe in real terms from 2030 and onwards. An inflation rate of 2 per cent per annum and a discount rate of 9 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 30 June 2024.

	H2 2024	2025	2026	2027	2028	2029	2030
Brent oil price, USD/boe, in real 2024 terms	85	79	73	72	71	72	71
Currency rates, USD/NOK	10,6	10,6	10,3	10,0	9,6	9,3	9,0

In Q2 2024, an impairment loss of USD 11.7 million was recognised on the Nova field. This is linked to contingent considerations settled during the quarter, after reflecting the above-mentioned updated macro assumptions. No further impairments of oil and gas assets and related intangible assets or technical goodwill were recognised in Q2 2024.

Note 6

Financial items

(USD`000)	QUARTERLY Q2 2024	Q2 2023	YEAR TO DATE 2024	2023	FULL YEAR 2023
Interest income	271	161	446	260	2 002
Total interest income	**271**	**161**	**446**	**260**	**2 002**
Interest expenses	(6 753)	(4 510)	(9 867)	(8 890)	(17 242)
Interest on lease debt	(27)	(20)	(187)	(40)	(80)
Capitalised interest cost, development projects	76	(2)	28	41	121
Amortised loan costs	358	(407)	122	(1299)	(1 795)
Total interest expenses	**(6 346)**	**(4 939)**	**(9 905)**	**(10 188)**	**(18 996)**
Net foreign exchange losses	27	(1 416)	1 413	(3 956)	(4 467)
Foreign exchange gains/losses on derivative financial instruments	638	(332)	(793)	(1 375)	1 143
Accretion expenses	(2 141)	(1 806)	(4 286)	(3 674)	(7 111)
Other financial expenses	(15)	(217)	(64)	(334)	(121)
Total other financial expenses	**(1 492)**	**(3 772)**	**(3 730)**	**(9 338)**	**(10 556)**
Net financial items	**(7 567)**	**(8 549)**	**(13 189)**	**(19 266)**	**(27 550)**

Note 7
Taxes

Income tax for Q2 2024 is estimated at USD 18.9 million, compared to USD 11.4 million in Q2 2023. The effective tax rate for Q2 2024 was 135%, down from 253% in Q2 2023. The deviation from the statutory tax rate of 78% in Q2 2024 is primarily due to the impairment of assets without recognized deferred tax and financial items subject to a lower tax rate.

Note 8
Trade and other receivables

(USD`000)	**30.06.2024**	**31.12.2023**
Trade receivables	18 540	13 536
Accrued income from sale of petroleum products	133	9 387
Value deferral settlements	6 010	4 463
Other receivables, mainly balances with licence operators	18 767	12 141
Trade and other receivables	**43 450**	**39 528**

Note 9

Equity and Shareholders

(USD`000)	**Share Capital**	**Other paid-in capital**	**Retained earnings**	**Total equity**
Shareholders' equity at 1 January 2023	**13 591**	**100 640**	**29 103**	**143 333**
Restated net profit (loss) for the period	-	-	(37 864)	**(37 864)**
Shareholders' equity at 31 December 2023 after restatement*	**13 591**	**100 640**	**(8 761)**	**105 467**
Net profit (loss) for the period	-	-	(10,362)	**(10,362)**
Shareholders' equity at 30 June 2024	**13 591**	**100 640**	**(19,125)**	**95,105**

*Relates to the change in principle regarding the discount rate that is used for calculating the value of the abandonment provisions, see page 5.

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 at 30 June 2024.

Note 10

Asset retirement obligations (ARO)

(USD`000)

Asset retirement obligations at 1 January 2023	**162 591**
New or increased provisions	2 618
Asset removal obligation - change of estimate	42 932
Incurred removal cost	(17 421)
Effect of change in the accounting policy	41 751
Accretion expenses	7 111
Asset retirement obligations at 31 December 2023 (restated)	**239 582**
Incurred removal cost	(14 314)
Accretion expenses	4 286
Asset retirement obligations at 30 June 2024	**229 554**
Non-current portion at 30 June 2024	216 289
Current portion at 30 June 2024	13 265

Reference is made to the description of change in the accounting principle for abandonment provision. Following the change in accounting principle, the comparative figures have been restated accordingly. The calculations for 2023 and 2024 assume an inflation rate of 2.0 per cent and a nominal discount rate before tax (risk-free) of 4.0 per cent.

Note 11
Borrowings

Senior unsecured bond

(USD'000)	**Facility currency**	**Utilised amount**	**Interest**	**Maturity**	**Carrying amount**
At 30 June 2024	USD	75 000	9.75%	June 2026	74 358
At 31 December 2023	USD	75 000	9.75%	June 2026	74 132

The company has a senior unsecured bond of USD 75 million with a tenor of 4 years and maturity date 3 June 2026. The bond is listed on Nordic ABM.

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 June 2024	USD	31 000	169 000	SOFR + 3.5%	April 2029	29 102
At 31 December 2023	USD	33 000	167 000	SOFR + 3.5%	April 2029	31 486

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

The RBL facility includes a “Spring maturity clause”, which mandates the refinancing of the senior unsecured bond 175 days before the maturity date of the current bond loan (10 December 2025). If this requirement is not met, the RBL will become due on that same date.

*) Calculated out of facility size of USD 200 million. Credit approved borrowing base as of 31 March 2024 is USD 98 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 a commitment fee is subordinate to the rights and claims of the RBL banks and holders of the Pandion Energy Bond.

Maturity profile on total borrowings based on contractual undiscounted cash flows

(USD`000)	**30.06.2024**	**31.12.2023**
Less than 12 months	-	-
1 to 5 years *)	107 000	109 000
Over 5 years	-	-
Total	**109 000**	**109 000**

*) The RBL facility is classified as a borrowing with a maturity of 1 to 5 years. The final maturity date is defined as the earlier of either 1 April 2029 or 175 days prior to the maturity date of the current bond loan (10 December 2025), as per the "Spring maturity clause."

Note 12

Trade, other payables and provisions

(USD`000)	**30.06.2024**	**31.12.2023**
Trade payables	1 785	1 107
Share of payables in licences	26 623	23 279
Overlift of petroleum	2 429	1 637
Other non-trade payables, accrued expenses and provisions*	8 421	21 392
Trade, other payables and provisions	**39 258**	**47 415**

* 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. Based on management’s best judgement of probability, no provision was made for potential liability related to the claim. During the second quarter of 2024, the company received the final arbitral award, which included a liability for the company to pay contingent considerations. The liability has been paid, and the company maintains its strong financial position following the payment.

Note 14
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.

Net debt	Gross interest-bearing debt less cash and cash equivalents and current financial investments
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