



# Pandion Energy AS

Interim financial statements  
(unaudited)

Third quarter 2024



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# 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 (“RBL”) facility 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.







# Financial review

## Revenues

In Q3 2024, the company generated total revenues of USD 51.0 million, a decrease from USD 80.0 million in the same period last year. The lower revenues was mainly driven by a decrease in the volume of oil sold, which was down from 877 kboe in Q3 2023 to 509 kboe in Q3 2024. The decrease in volume is attributed to a significant overlift on the Nova, Valhall and Hod fields during the same period last year.

During Q3 2024, average realised oil price before hedging was USD 85.4 per boe, compared to USD 85.8 per boe achieved in Q3 2023. The average realised gas price in Q3 2024 was USD 67.3 per boe, an increase from USD 60.2 per boe in the same period last year. The combined average realised price for oil, gas and NGL during the quarter was USD 81.6 per boe compared to USD 82.0 per boe achieved in 2023.

## Operating expenses and financial results

In Q3 2024, the company's EBITDAX reached USD 40.4 million, a decrease from USD 58.8 million achieved in the same period last year. The lower EBITDAX can be attributed to the decreased revenues during the quarter partly offset by lower operating expenses.

Operating expenses amounted to USD 10.6 million in Q3 2024 compared to USD 21.2 million in Q3 2023. The high level of operating expenses in Q3 last year was mainly attributed to inventory adjustments necessitated by overlift on the oil-producing fields.

The profit from operating activities came at USD 19.2 million, a decrease from USD 43.4 million in Q3 2023.



# Financial review

## Capital expenditures

Investments in exploration & evaluation assets amounted to USD 3.3 million in Q3 2024, mainly related to preparation of the appraisal campaign on PL 891 Slagugle, evaluation of the PL 929 Ofelia discovery and preparations for PL 1119 Mistral South and PL 1109 Horatio exploration wells.

The company's investments in fixed assets in Q3 2024 amounted to USD 12.6 million, which included USD 11.0 million invested in the Valhall and Hod fields mainly related to the PWP project. The remaining USD 1.6 million is related to Nova field and mainly well intervention activities and preparation for drilling of a new water injection well in Q4.

## Financial position

As of the end of Q3 2024, the company's interest-bearing debt decreased by USD 13 million from Q2 2024, bringing the total to USD 93 million. The debt is comprised of a bond loan of USD 75 million and an RBL drawdown of USD 18 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 September 2024, 62% of the after-tax (18% of pre-tax) crude oil production volumes up to the end of 2025 had been hedged at an average floor price of 54 USD/bbl (USD 52/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 Q3 2024 presented as other income. The loss amounted to USD 0.1 million.





# Operational review

## Valhall and Hod fields

In the third quarter the Valhall & Hod fields operated with a high plant uptime and continued production with a very short backlog on wells intervention. As result production efficiency was above 90 percent and the production increased to 5.4 thousand barrels of oil equivalents per day net to Pandion Energy.

During the quarter, the rig Noble Invincible successfully completed a campaign to permanently plugging and abandonment (P&A) of eight legacy wells at the Hod A platform. The final phase of this P&A campaign with removal of the conductors will be performed as part of the final removal of the Hod A topside and jacket during Q2 2025.

Engineering and construction activities progressed according to plan at all main sites during the third quarter for the Valhall PWP project. This joint development project together with Fenris field, comprising a new processing and wellhead Platform (PWP) which will be bridge-linked to the Valhall central complex.

## Nova field

During Q3 2024, production from the Nova field was 2.0 thousand barrels of oil equivalents per day, net to Pandion Energy. Production efficiency was 82%. Lower production efficiency is mainly a result of eight days of shutdown for the annual Emergency Shutdown (ESD) test and change of turbine at GjØa (host) in September.

The Nova field licence group has compensated the GjØa licence group for deferred production due to the tie-in operations. This volume is currently being redelivered to Nova. The compensation volume in Q3 2024 was 0.2 thousand barrels of oil equivalent per day net to Pandion Energy.

The water injection system at Nova was restarted this quarter after being closed down in Q2 2024 due to integrity issue at GjØa. However, the underlying integrity issue is still causing some limitations on production. Several mitigating measures are currently assessed.

Ongoing preparation is taking place to facilitate the drilling process for a fourth water injector well at Nova, planned for start-up in Q4 2024.



# Operational review

## Exploration and evaluation activities

The licence partnership in PL 1119 is currently planning an exploration well on the Mistral South prospect. The well is planned for spud late Q4 2024. The licence partnership in PL 1109 Horatio is planning an exploration well with expected drilling during Q1 2025. The company holds a 20 per cent interest in both licences.

Ongoing well planning is taking place to facilitate the drilling process of the second appraisal well on the Slagugle discovery (PL 891), planned for drilling in Q1 2025. The company holds a 20 per cent interest in the discovery.

The licence 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.

The company participated in the annual APA 2024 licensing round. The bid deadline was in early September and awards are expected in January 2025.

## 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.





# Statement of income

QUARTERLY			YEAR TO DATE		FULL YEAR	
Q3 2024	Q3 2023	(USD`000)	Note	2024	2023	Restated 2023
50 448	80 330	Revenues		163 660	160 217	223 385
562	(338)	Other income		465	1 614	550
<b>51 009</b>	<b>79 991</b>	<b>Total revenues and income</b>	1	<b>164 125</b>	<b>161 831</b>	<b>223 935</b>
(10 605)	(21 220)	Operating expenses	2	(25 976)	(36 157)	(41 246)
(17 710)	(12 716)	Depreciation, amortisation and net impairment losses	3,4,5	(63 880)	(42 226)	(98 363)
(3 523)	(2 675)	Exploration expenses	2,4	(4 791)	(4 877)	(6 629)
<b>(31 837)</b>	<b>(36 611)</b>	<b>Total expenses</b>		<b>(94 647)</b>	<b>(83 261)</b>	<b>(146 239)</b>
<b>19 173</b>	<b>43 380</b>	<b>Profit from operating activities</b>		<b>69 478</b>	<b>78 570</b>	<b>77 695</b>
226	215	Interest income		672	475	2 002
(3 261)	(4 581)	Interest expenses		(13 166)	(14 769)	(18 996)
(2 004)	(126)	Other financial expenses		(5 734)	(9 464)	(10 556)
<b>(5 039)</b>	<b>(4 492)</b>	<b>Net financial items</b>	6	<b>(18 228)</b>	<b>(23 758)</b>	<b>(27 550)</b>
<b>14 134</b>	<b>38 889</b>	<b>Profit before income tax</b>		<b>51 250</b>	<b>54 813</b>	<b>50 145</b>
(8 020)	(21 575)	Income tax	7	(55 499)	(55 821)	(88 009)
<b>6 113</b>	<b>17 314</b>	<b>Net income (loss)</b>		<b>(4 249)</b>	<b>(1 008)</b>	<b>(37 864)</b>



# Statement of financial position

## Assets

<i>(USD`000)</i>	Note	30.09.2024	Restated 31.12.2023
Goodwill	4,5	26 638	26 638
Intangible assets	4,5	92 010	85 230
Property, plant and equipment	3,5	621 528	624 637
Prepayments and financial receivables		1	119
Right-of-use assets		1 148	775
<b>Total non-current assets</b>		<b>741 325</b>	<b>737 398</b>
Inventories		11 897	7 881
Trade and other receivables	8	48 644	39 528
Financial assets at fair value through profit or loss		217	1 507
Cash and cash equivalents		21 285	30 428
<b>Total current assets</b>		<b>82 043</b>	<b>79 344</b>
<b>Total assets</b>		<b>823 368</b>	<b>816 742</b>





# Statement of financial position

## Equity and liabilities

<i>(USD`000)</i>	Note	30.09.2024	Restated 31.12.2023
Share capital		13 591	13 591
Other paid-in capital		100 640	100 640
Other equity		(13 012)	(8 763)
<b>Total equity</b>	9	<b>101 218</b>	<b>105 467</b>
Deferred tax liability		321 744	293 203
Asset retirement obligations	10	216 556	216 803
Borrowings	11	91 869	106 619
Long term lease debt		876	530
Long term provision		-	2 189
<b>Total non-current liabilities</b>		<b>631 045</b>	<b>619 344</b>
Asset retirement obligations – short term	10	8 509	22 778
Trade, other payables and provisions	12	43 496	47 415
Tax Payable		38 618	21 189
Financial liabilities at fair value through profit or loss		303	363
Short term lease debt		179	185
<b>Total current liabilities</b>		<b>91 105</b>	<b>91 931</b>
<b>Total liabilities</b>		<b>722 150</b>	<b>711 275</b>
<b>Total equity and liabilities</b>		<b>823 368</b>	<b>816 742</b>



# Statement of cash flows

(USD`000)	Note	YEAR TO DATE		FULL YEAR
		Q3 2024	Q3 2023	Restated 2023
Income before tax		51 250	54 813	50 145
Depreciation, amortisation and net impairment losses	3	63 880	42 277	98 436
Expensed capitalised exploration expenses	4	2 323	1 626	2 463
Accretion of asset removal liability	6,10	6 430	5 425	7 111
(Increase) decrease in value of operational financial asset		(30)	82	(414)
Net financial expenses	6	11 798	18 332	20 439
Interest and fees paid		(7 191)	(11 731)	(16 102)
(Increase) decrease in working capital		(22 657)	(25 075)	(14 910)
Net income tax received/(paid)		(9 060)	-	47 554
<b>Net cash flow from operating activities</b>		<b>96 743</b>	<b>85 750</b>	<b>194 723</b>
Payment for removal and decommissioning of oil fields	10	(20 947)	(12 403)	(17 421)
Investments in furniture, fixtures and office machines	3	-	(138)	(138)
Investments in oil and gas assets	3	(60 835)	(41 430)	(60 078)
Investments in exploration and evaluation assets	4	(9 103)	(9 650)	(24 355)
<b>Net cash flow from investing activities</b>		<b>(90 885)</b>	<b>(63 621)</b>	<b>(101 992)</b>
Proceeds from borrowings		13 000	-	-
Repayments of borrowings		(28 000)	(25 000)	(83 500)
<b>Net cash flow from financing activities</b>		<b>(15 000)</b>	<b>(25 000)</b>	<b>(83 500)</b>
<b>Net change in cash and cash equivalents</b>		<b>(9 142)</b>	<b>(2 871)</b>	<b>9 231</b>
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		21 285	18 325	30 428









# 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:

Revenues	QUARTERLY		YEAR TO DATE		FULL YEAR
	Q3 2024	Q3 2023	2024	2023	2023
<i>(USD`000)</i>					
Oil	43 528	75 297	149 893	139 828	197 795
Gas	6 609	3 550	13 270	16 194	21 259
NGL	311	1 483	498	4 195	4 330
<b>Total revenues</b>	<b>50 448</b>	<b>80 330</b>	<b>163 660</b>	<b>160 217</b>	<b>223 385</b>
<b>Other income</b>	<b>Q3 2024</b>	<b>Q3 2023</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
<i>(USD`000)</i>					
Realised gain/(loss) on oil derivates	(116)	(295)	(464)	(729)	(1 016)
Unrealised gain/(loss) on oil derivates	175	(241)	60	34	423
Other*	503	198	868	2 309	1 143
<b>Total other income</b>	<b>562</b>	<b>(338)</b>	<b>465</b>	<b>1 614</b>	<b>550</b>

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



# Note 2

## Operating and exploration expenses

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

	QUARTERLY		YEAR TO DATE		FULL YEAR
	Q3 2024	Q3 2023	2024	2023	2023
<b>Operating Expenses</b>					
<i>(USD`000)</i>					
Production cost	8 171	7 305	22 807	22 680	30 716
Tariff and transportation cost	2 750	1 937	6 640	8 402	10 593
Other cost	1 429	1 498	2 552	3 483	5 111
<b>Operating expenses based on produced volumes</b>	<b>12 350</b>	<b>10 740</b>	<b>31 999</b>	<b>34 565</b>	<b>46 421</b>
Adjustment for over/underlift (-)	(622)	10 480	(3 353)	1 592	586
Change in value of deferral settlements	(1 124)	-	(2 671)	-	(5 760)
<b>Operating expenses based on sold volumes</b>	<b>10 605</b>	<b>21 220</b>	<b>25 976</b>	<b>36 157</b>	<b>41 246</b>
Total produced volumes (boe `000)	683	708	2 167	2 232	3 031
Production costs per boe produced (USD/boe)	12	10	11	10	10
Operating expenses per boe produced (USD/boe)	18	15	15	15	15
<b>Exploration expenses</b>					
<i>(USD`000)</i>					
Expensed cost, seismic and studies	-	-	140	140	140
Expensed cost, general and administrative	1 288	1 207	2 328	3 111	4 026
Expensed exploration expenditures previously capitalised	2 235	1 468	2 323	1 626	2 463
<b>Total exploration expenses</b>	<b>3 523</b>	<b>2 675</b>	<b>4 791</b>	<b>4 877</b>	<b>6 629</b>





# Note 3

## Property, plant and equipment

<i>(USD`000)</i>	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)
<b>Carrying amount at 31 December 2023 (restated)</b>	<b>624 482</b>	<b>155</b>	<b>624 637</b>
Cost at 1 January 2024	816 922	453	817 375
Additions	60 835	-	60 835
Cost at 30 September 2024	877 757	453	878 210
Accumulated depreciation and impairments 1 January 2024	(192 441)	(298)	(192 739)
Depreciation	(52 180)	(64)	(52 243)
Impairments	(11 700)	-	(11 700)
Accumulated depreciation and impairments 30 September 2024	(256 320)	(362)	(256 682)
<b>Carrying amount at 30 September 2024</b>	<b>621 437</b>	<b>91</b>	<b>621 528</b>
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

<i>(USD`000)</i>	<b>Technical Goodwill</b>	<b>Exploration and evaluation assets</b>	<b>Total</b>
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)
<b>Carrying amount at 31 December 2023 (restated)</b>	<b>26 638</b>	<b>85 230</b>	<b>111 868</b>
Cost at 1 January 2024	124 785	138 993	263 778
Capitalised licence costs	-	9 103	9 103
Cost at 30 September 2024	124 785	148 096	272 881
Accumulated depreciation and impairments at 1 January 2024	(98 147)	(53 763)	(151 910)
Expensed exploration expenditures previously capitalised	-	(2 323)	(2 323)
Accumulated depreciation and impairments at 30 September 2024	(98 147)	(56 086)	(154 233)
<b>Carrying amount at 30 September 2024</b>	<b>26 638</b>	<b>92 010</b>	<b>118 648</b>

\* 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/reversal 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. Prior period impairment of goodwill is not subject to reversal.

In Q3 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 further impairment is required on 30 September 2024, Pandion Energy has used a combination of Brent forward curve in 2025 and 2026, a mean of market participant view for 2027 to 2029 and 70.0 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 of 30 September 2024.

	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Brent oil price, USD/boe, in real 2024 terms	70	71	71	72	73	70
Currency rates, USD/NOK	10,5	10,5	10,3	10,1	9,9	9,7

No further impairments or reversal have been recognised in Q3 2024.



# Note 6

## Financial items

(USD`000)	QUARTERLY		YEAR TO DATE		FULL YEAR
	Q3 2024	Q3 2023	2024	2023	2023
Interest income	226	215	672	475	2 002
<b>Total interest income</b>	<b>226</b>	<b>215</b>	<b>672</b>	<b>475</b>	<b>2 002</b>
Interest expenses	(2 918)	(4 465)	(12 786)	(13 355)	(17 242)
Interest on lease debt	(27)	(20)	(213)	(60)	(80)
Capitalised interest cost, development projects	93	35	121	76	121
Amortised loan costs	(409)	(131)	(288)	(1 429)	(1 795)
<b>Total interest expenses</b>	<b>(3 261)</b>	<b>(4 581)</b>	<b>(13 166)</b>	<b>(14 768)</b>	<b>(18 996)</b>
Net foreign exchange losses	(512)	982	901	(2 974)	(4 467)
Foreign exchange gains/losses on derivative financial instruments	645	500	(149)	(874)	1 143
Accretion expenses	(2 144)	(1 751)	(6 430)	(5 425)	(7 111)
Other financial expenses	8	143	(56)	(190)	(121)
<b>Total other financial expenses</b>	<b>(2 004)</b>	<b>(126)</b>	<b>(5 734)</b>	<b>(9 464)</b>	<b>(10 556)</b>
<b>Net financial items</b>	<b>(5 039)</b>	<b>(4 492)</b>	<b>(18 228)</b>	<b>(23 758)</b>	<b>(27 550)</b>



# Note 7

## Taxes

<i>(USD`000)</i>	QUARTERLY		YEAR TO DATE		FULL YEAR
	Q3 2024	Q3 2023	2024	2023	Restated 2023
Profit before tax	14 143	38 889	51 250	54 813	50 145
Income tax	(8 020)	(21 575)	(55 499)	(55 821)	(88 009)
<b>Effective tax rate</b>	<b>57%</b>	<b>55%</b>	<b>108%</b>	<b>102%</b>	<b>176%</b>

The deviation from the statutory tax rate of 78% in Q3 2024 is primarily due to currency movements of the tax balances due to fluctuations in the exchange rate between NOK and USD.





# Note 8

## Trade and other receivables

<i>(USD`000)</i>	<b>30.09.2024</b>	<b>31.12.2023</b>
Trade receivables	14 101	13 536
Accrued income from sale of petroleum products	10 587	9 387
Value deferral settlements	7 134	4 463
Other receivables, mainly balances with licence operators	16 821	12 141
<b>Trade and other receivables</b>	<b>48 644</b>	<b>39 528</b>



# Note 9

## Equity and Shareholders

<i>(USD`000)</i>	Share Capital	Other paid-in capital	Retained earnings	Total equity
<b>Shareholders' equity at 1 January 2023</b>	<b>13 591</b>	<b>100 640</b>	<b>29 103</b>	<b>143 333</b>
Restated net profit (loss) for the period	-	-	(37 864)	(37 864)
<b>Shareholders' equity at 31 December 2023 after restatement*</b>	<b>13 591</b>	<b>100 640</b>	<b>(8 761)</b>	<b>105 467</b>
Net profit (loss) for the period	-	-	(4 249)	(4 249)
<b>Shareholders' equity at 30 September 2024</b>	<b>13 591</b>	<b>100 640</b>	<b>(13 012)</b>	<b>101 218</b>

\* 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 September 2024.



# Note 10

## Asset retirement obligations (ARO)

(USD`000)

<b>Asset retirement obligations at 1 January 2023</b>	<b>162 591</b>
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
<b>Asset retirement obligations at 31 December 2023 (restated)</b>	<b>239 582</b>
Incurred removal cost	(20 947)
Accretion expenses	6 430
<b>Asset retirement obligations at 30 September 2024</b>	<b>225 065</b>
Non-current portion at 30 September 2024	216 556
Current portion at 30 September 2024	8 509

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

<i>(USD'000)</i>	<b>Facility currency</b>	<b>Utilised amount</b>	<b>Interest</b>	<b>Maturity</b>	<b>Carrying amount</b>
At 30 September 2024	USD	75 000	9.75%	June 2026	74 472
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)

<i>(USD'000)</i>	<b>Facility currency</b>	<b>Utilised amount</b>	<b>Undrawn facility*</b>	<b>Interest</b>	<b>Maturity</b>	<b>Carrying amount</b>
At 30 September 2024	USD	18 000	182 000	SOFR + 3.5%	April 2029	16 397
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)	30.09.2024	31.12.2023
1 to 5 years*	94 000	109 000
<b>Total</b>	<b>94 000</b>	<b>109 000</b>

\* 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

<i>(USD`000)</i>	<b>30.09.2024</b>	<b>31.12.2023</b>
Trade payables	1 219	1 107
Share of payables in licences	30 145	23 279
Overlift of petroleum	2 204	1 637
Other non-trade payables, accrued expenses and provisions*	9 928	21 392
<b>Trade, other payables and provisions</b>	<b>43 496</b>	<b>47 415</b>

\* 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.

## 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.

<b>Net debt</b>	Gross interest-bearing debt less cash and cash equivalents and current financial investments
<b>EBITDAX</b>	Earnings before interest, tax, depreciation, amortization, impairment and exploration expenses
<b>Corporate sources</b>	Cash balance, revenues, equity and external funding
<b>Corporate uses</b>	Operating expenditures, capital expenditures, abandonment expenditures, general and administration costs, exploration costs, acquisition costs and financing costs