



Vår Energi ASA: Q4 2022 and Capital Markets Update

Sandnes, Norway, 16 February 2023: Vår Energi (OSE: VAR, the “Company”) today reports financial results for the fourth quarter and full year 2022. The Company is also hosting its first capital markets update (CMU) to present its strategy for growth and long-term value creation founded on a de-risked path to more than 50% production increase by end-2025, sustained high value generation beyond, ESG leadership and attractive shareholder returns.

The Company reported USD 2 374 million in total income for the fourth quarter of 2022, bringing total income for the full year 2022 to USD 9 828 million, an increase of 62% from 2021 primarily due to higher oil and gas prices. Profit before taxes was USD 1 793 million in the quarter (+67% compared to last quarter) while USD 5 856 million for the full year compares to USD 2 647 million in 2021.

Cash flow from operations (CFFO) was USD 443 million in the quarter and USD 5 682 million for the full year. A dividend of USD 290 million (NOK 1.225 per share) for the third quarter was paid in November and USD 300 million (NOK 1.226 per share) for the fourth quarter will be distributed in March. The company further plans to distribute a dividend of USD 270 million for the first quarter 2023. For 2023, Vår Energi plans to distribute dividends of approximately 30% of CFFO after tax.

Q4 and 2022 highlights

- Continued safe operations, no serious incidents in the quarter
- Production of 214 kboepd in the fourth quarter, stable from the third quarter, full-year 2022 production of 220 kboepd within the revised guided range
- Production guidance for 2023 of 210-230 kboepd
- Average weighted realised price of USD 115 per boe in the quarter (oil USD 87 per boe, gas USD 182 per boe)
- Fourth quarter and full-year production cost of USD 14.1 per boe and USD 13.5 per boe, respectively, within the guided range for the full year
- Full-year 2023 production cost expected at USD 14.5 – 15.5
- 2022 exploration success rate of 57%, adding approximately 65 million boe (mboe) of resources including the Vår Energi-operated Lupa discovery, the largest on the NCS for the year
- Project portfolio progressing according to plan, including PDO for the partner-operated Verdande project
- Successful issue of USD 2 billion of five- and ten-year bonds in the US debt market in the fourth quarter
- Continued strong balance sheet with leverage ratio at 0.3x at year-end 2022

- The Board declared dividend of NOK 1.226 per share for the fourth quarter, totalling USD 300 million, to be distributed on 3 March
- Total dividend distribution for 2022 of USD 1 075 million

2023 CMU highlights – growth and value creation

- On track for production of above 350 kboepd by end-2025 based on 17 sanctioned projects with the majority well into execution with committed investments, including the key projects Balder X, Johan Castberg and Breidablikk
- A long-term ambition of sustaining production and high value creation beyond 2025, supported by operational excellence, a high-value project portfolio, world-class exploration capabilities and value accretive M&A
- A clear path to net zero for operated assets by 2030 (scope 1 and 2)
- Attractive dividend policy maintained supported by resilient cash flow generation

"Today, Vår Energi celebrates one year as a listed company. In that brief period, we have delivered strong cash generation and attractive dividends. We have also progressed our development projects and are firmly on track for the end-2025 production and cost targets. Our exploration team yet again delivered world-class results and we are proud to be the operator of the largest discovery on the NCS in 2022. We expect a continued high activity level for 2023 as we work to realise our full potential and deliver more than 50% production growth towards end-2025 and lay the foundation for sustained high value creation beyond that," said Torger Rød, the CEO of Vår Energi.

Webcast and conference call today 10:00 CET

The Company's Q4 and CMU presentation followed by Q&A will be transferred via live webcast from 10:00 CET hosted by CEO Torger Rød and CFO Stefano Pujatti.

You can follow the webcast with supporting slides, available on:
<http://cmu.plaii.no/>

The report, presentation material and webcast will be available at www.varenergi.no.

About Vår Energi

Vår Energi is a leading independent upstream oil and gas company on the Norwegian continental shelf (NCS). We are committed to deliver a better future through responsible value driven growth based on over 50 years of NCS operations, a robust and diversified asset portfolio with ongoing development projects, and a strong exploration track record. Our ambition is to be the safest operator on the NCS, the partner of choice, an ESG leader and a net-zero producer (Scope 1 and 2) by 2030. Vår Energi has more than 900 employees and equity stakes in 36 fields producing net 220,000 boe per day in 2022. We have our headquarters outside Stavanger, Norway, with offices in Oslo and Hammerfest. To learn more, please visit varenergi.no.

Contact

Investor relations

Ida Marie Fjellheim, Head of Investor Relations
+47 90509291
ida.fjellheim@varenergi.no

Media relations

Andreas Wulff, Communication Manager
+47 92616759
andreas.wulff@varenergi.no

This announcement may include projections and other "forward-looking" statements within the meaning of applicable securities laws. Any such projections or statements reflect the current views of Vår Energi AS ("Var Energi") about further events and financial performance. No assurances can be given that such events or performance will occur as projected and actual results may differ materially from these projections. Var Energi undertakes no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this announcement.

This information is considered to be inside information pursuant to the EU Market Abuse Regulation and is subject to the disclosure requirements pursuant to Section 5-12 the Norwegian Securities Trading Act. This stock exchange release was published by Ida Fjellheim, Head of Investor Relations at Vår Energi ASA, on 16 February 2023 at 07:00 CET.