

QUARTERLY FINANCIAL REPORT Q4 2024

M VEST ENERGY AS

21/2/2025



MVESTENERGY

TABLE OF CONTENTS

1. EXECUTIVE SUMMARY	3
2. FINANCIAL REPORTS.....	6
3. NOTES TO THE INTERIM FINANCIAL STATEMENTS.....	11
Note 1 Accounting principles	11
Note 2 Tangible fixed assets and intangible assets	12
Note 2 Tangible fixed assets and intangible assets cont.....	13
Note 3 Leasing	14
Note 4 Financial items	15
Note 5 Tax.....	16
Note 6 Trade and other receivables	17
Note 7 Trade, other payables and provisions	17
Note 8 Bonds	18
Note 9 Other Interest-bearing debt	19
Note 10 Equity and shareholders.....	19
Note 11 Cash and cash equivalents.....	20
Note 12 Asset retirement obligations	20
Note 13 Earnings per share.....	20
Note 14 Related party transactions	21
Note 15 Subsequent events	21
Alternative performance measures	21

1. EXECUTIVE SUMMARY

Highlights M Vest Energy 4th quarter

In the 4th quarter M Vest Energy had revenues of 127 MNOK from its licenses, Polarled (5%), Draugen (7,56%), Brage (4,4424%) and Ivar Aasen (0,8%).

No sale of oil from Draugen in Q4 due to delay of physical lifting – underlift will be lifted in 2025. The delay in lifting of 107 kboe directly affects revenues, EBITDA, and profit before and after tax.

EBITDA for the quarter was 83 MNOK.

No serious incidents occurred at any of our assets.

About M Vest Energy

M Vest Energy was founded in 2015. In December 2016, the new energy business was approved as a license holder on The Norwegian Continental Shelf (NCS).

In June 2020, the company acquired a 5% working interest in the Polarled gas pipeline, and in March 2022 the acquisition of working interests in Draugen (7,56%), Brage (4,4424%) and Ivar Aasen (0,8%) was completed.

The company's strategy is to optimize and develop the existing portfolio within the frameworks available. Further, the company is actively working to uncover new opportunities as a result of rapid changes in the sector. This includes investment in production and infrastructure opportunities. M Vest Energy aims at always being in the forefront of technology development, particularly the utilization of the digital arena.

The company shall conduct its business in a way that minimizes footprint on the climate and environment, and especially be in the forefront when it comes to reducing emissions to air and water. ESG is central in the day-to-day operations.

Financial review

Total income in the quarter amounted to MNOK 127.0, (269.3 in 2023). Operating profit for the period was MNOK 15.2 (82.2 MNOK in 2023). The total operating expenses amounted to MNOK 111.8 (187.1 MNOK in 2023). Decrease in operating expenses is in large caused by underlift on Draugen.

Net financial items amounted to MNOK -18.6 (-31.9 MNOK in 2023), where costs of 5.5 MNOK are noncash items related to accretion expenses of asset retirement obligations on the producing assets.

Profit/loss before income tax was MNOK -3.5 (50.3 in 2023). Tax expense amounted to MNOK 9,2 (92.8 in 2023).

Net profit/loss was MNOK -12.7 (-42.5 in 2023).

Total assets at period-end amounted to MNOK 1 374.8 (1 365.6 in 2023). The main reason for the increase is investments on producing assets and development projects, partly offset by depreciations.

The interest-bearing debt was MNOK 391.8 at the end of the quarter, compared to 391.3 MNOK in 2023.

The company's cash flow from operating activities was MNOK 5.7 (148.1 in 2023). Cash flow from investing activities was NOK -69.5 (-73.2 in 2023).

Net cash flow from financing activities was MNOK -14.2 (-96.8 in 2023). The decrease is because of a downpayment of acquisition financing in Q4 2023.

Cash and cash equivalents at the beginning of the period was MNOK 143.2 (91.0 in 2023). At balance sheet date, cash and cash equivalents amounted to MNOK 65.1 (69.0 in 2023), giving a net decrease of MNOK 78.1 (22.0 in 2023.)

Operational review

Draugen (partner 7.56%)

Net production for the quarter was 1 716 boepd. Production efficiency was 93%.

Production optimisation initiatives resulted in a significant ramp-up of gas export from early October and more than doubled the anticipated contribution. A well intervention campaign is planned for the first quarter of 2025.

The Power from Shore development project is progressing and installation of the power cable from shore to Draugen was completed in December. Preparatory work at Draugen is ongoing with start of equipment installation planned for mid-2025. The project will result in average annual reductions of CO2 emissions of 200,000 tonnes from Draugen as well as average annual reductions of NOX emissions of 1,250 tonnes.

Brage (partner 4.4424 %)

Net production for the quarter was 802 boepd. Production efficiency was 94%.

Production volumes were in line with the previous quarter after the successful start-up of the Fensfjord North infill well in November, and increased production following a well intervention in December to offset natural decline. Drilling of exploration and appraisal wells in the Prince prospect and a producer in the Sognefjord East area commenced in November and will continue into the first quarter of 2025.

Ivar Aasen (partner 0.8 %)

Net production for the quarter was 254 boepd. Production efficiency was 95%.

Ivar Aasen delivered stable production and high production efficiency. Maturation of the IOR 2026 campaign is ongoing

Polarled (partner 5%)

We have experienced steady throughput from the connected fields in the quarter, delivering tariff revenues in line with expectations.

Bestla (partner 4.4424 %)

The project is progressing according to plan. The Bestla field will be developed as a two-well tie-back to the Brage field and contains estimated gross recoverable reserves of 24 million boe, production start is expected in the first half of 2027. The plan for development and operation (PDO) was approved by the Ministry of Energy in November

Risks and uncertainty

As an oil and gas company operating on the Norwegian Continental Shelf, exploration results, reserve and resource estimates and estimates for capital and operating expenditures are associated with uncertainty. The production performance of oil and gas fields may be variable over time, and this also affects the tariff income from infrastructure assets. Oil and gas prices are volatile, currently at high levels, but there is risk of reduced prices in the future.

The company is exposed to various forms of financial risks, including, but not limited to, fluctuation in oil prices, exchange rates, interest rates and capital requirements; these are described in the company's annual report and accounts.

2. FINANCIAL REPORTS

INCOME STATEMENT (UNAUDITED)

Amounts in NOK '000		01.01.-31.12.	01.01.-31.12.	Q4	Q4
	Note	2024	2023	2024	2023
Revenues from crude oil and gas sales		723 637	718 744	103 976	247 054
Tariff revenues		90 214	65 947	22 965	22 143
Other income		124	297	58	91
TOTAL INCOME		813 975	784 989	127 000	269 288
Production expenses		212 801	214 683	57 924	68 870
Changes in over/under lift positions		(24 561)	37 674	(49 238)	10 268
Exploration expenses		23 874	25 982	10 314	17 162
Depreciations	2	272 727	171 536	68 251	65 079
Other operating expenses		72 239	73 193	24 584	25 718
Total operating expenses		557 080	523 068	111 836	187 097
Operating profit		256 895	261 921	15 164	82 191
Net financial items	4	(82 635)	(113 212)	(18 630)	(31 864)
Profit/loss before taxes		174 259	148 708	(3 466)	50 327
Tax expense (+)/income (-)	5	176 832	180 732	9 203	92 795
NET PROFIT/LOSS		(2 573)	(32 023)	(12 669)	(42 467)

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

Amounts in NOK '000		01.01.-31.12.	01.01.-31.12.
	Note	2024	2023
ASSETS			
Intangible assets			
Other intangible assets	2	902	1 525
Tangible fixed assets			
Property, plant and equipment	2	1 121 670	1 143 086
Right-of-use assets	2,3	4 250	5 439
Financial investments		14 773	11 523
Total non-current assets		1 141 595	1 161 573
Receivables			
Trade and other receivables	6	130 852	102 016
Stock from joint operations		37 218	33 029
Cash and cash equivalents			
Cash and cash equivalents	11	65 127	68 989
Total current assets		233 198	204 034
TOTAL ASSETS		1 374 793	1 365 607

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

Amounts in NOK '000		01.01.-31.12.	01.01.-31.12.
	Note	2024	2023
EQUITY AND LIABILITIES			
Equity			
Share capital	10	76	76
Share premium		98 137	98 137
Other equity		(177 830)	(175 257)
Total equity		(79 617)	(77 044)
Non-current liabilities			
Deferred tax	5	186 258	169 341
Asset retirement obligations	12	678 658	680 910
Long term bonds	8	-	385 715
Long-term lease debt	3,9	3 035	4 193
Total non-current liabilities		867 951	1 240 159
Current liabilities			
Trade, other payables and provisions	7	77 990	117 661
Short term bonds	8	387 342	-
Income tax payable	5	117 739	83 414
Financial instruments		2 003	68
Short-term lease debt	3,9	1 384	1 350
Total current liabilities		586 459	202 492
Total liabilities		1 454 410	1 442 651
TOTAL EQUITY AND LIABILITIES		1 374 793	1 365 607

STATEMENT OF CASH FLOW (UNAUDITED)

Amounts in NOK '000		01.01.-31.12.	01.01.-31.12.	Q4	Q4
	Note	2024	2023	2024	2023
Profit/loss before taxes		174 259	148 708	(3 466)	50 327
Depreciation	2	272 727	171 536	68 251	65 079
Income tax paid	5	(125 590)	(36 148)	(22 640)	(8 301)
Interest expenses	4	87 742	97 425	21 318	28 440
Changes in inventories, accounts payable and receivables		(70 760)	52 601	(57 720)	12 514
Net cash flow from operating activities		338 378	434 122	5 742	148 060
Disbursements on investments in fixed assets	2	(149)	(714)	-	(514)
Disbursements on investments in licenses	2	(258 126)	(251 862)	(63 371)	(64 724)
Payment for removal and decommissioning of oil fields	12	(15 568)	(16 586)	(6 175)	(1 434)
Cash used on (-)/received from financial investments		(3 250)	(6 513)	-	(6 513)
Net cash flow from investment activities		(277 093)	(275 676)	(69 546)	(73 185)
Interest paid	4	(58 091)	(54 363)	(13 909)	(14 736)
Buyback of own bonds	8	(5 706)	-	-	-
Repayment of seller's credit		-	(76 786)	-	(81 783)
Payments on lease debt	3	(1 349)	(1 297)	(337)	(324)
Net cash flow from financing activities		(65 146)	(132 446)	(14 246)	(96 844)
Net change in cash and cash equivalents		(3 862)	26 000	(78 050)	(21 969)
Cash and cash equivalents at start of period		68 989	42 989	143 177	90 958
Cash and cash equivalents at end of period	11	65 127	68 989	65 127	68 989

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Amounts in NOK '000	Share capital	Share premium	Retained earnings	Total equity
Shareholders' equity at 1 January 2024	76	98 137	(175 257)	(77 044)
Net income for the period	-	-	(2 573)	(2 573)
Shareholders' equity at 31 December 2024	76	98 137	(177 830)	(79 617)
Shareholders' equity at 1 January 2023	76	98 137	(143 233)	(45 020)
Net income for the period	-	-	(32 023)	(32 023)
Shareholders' equity at 31 December 2023	76	98 137	(175 257)	(77 044)

3. NOTES TO THE INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements ("interim financial statements") have been prepared in accordance with Simplified International Financial Reporting Standards, IAS34 "Interim Financial Reporting", thus the interim statements do not include all information required by IFRS and should be read in conjunction with the annual 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. These interim financial statements have not been subject to review or audit by independent auditors.

These interim financial statements were authorized for issue by the company's Board of Directors on 21 February 2024.

Note 1 Accounting principles

The accounting principles used for this interim report are consistent with the principles used in the company's 2023 annual financial statements.

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 expense. Actual results may differ from these estimates.

Note 2 Tangible fixed assets and intangible assets

Tangible fixed assets - amounts in NOK '000	Gas transportation facilities	Production facilities	Office machinery, furniture, and fixtures	Right-of-use assets
2024				
Cost at 1 January 2024	246 190	1 212 649	693	10 176
Additions	(816)	250 101	-	66
Disposals	-	-	-	-
Cost at 31 December 2024	245 375	1 462 750	693	10 242
Accumulated depreciation and impairment at 1 January 2024	(82 467)	(233 448)	(532)	(4 738)
Depreciation for the period	(9 345)	(261 256)	(100)	(1 255)
Disposals	-	-	-	-
Accumulated depreciation and impairment at 31 December 2024	(91 812)	(494 704)	(632)	(5 992)
Carrying amount at 31 December 2024	153 563	968 046	61	4 250

Gas transportation facilities are depreciated over the license period using the straight-line method. Capitalised costs for oil and gas fields in production are depreciated individually using the unit-of-production method. Office machinery etc. are depreciated over their useful life, 3-5 years. Right-of-use assets are depreciated over the contractual obligation period. Polarled is depreciated over the remaining useful life, which is considered to be the same as the license period that expires in 2041.

The interests in infrastructure and production licenses are pledged as security for the bond issue.

Note 2 Tangible fixed assets and intangible assets cont.

Intangible assets - amounts in NOK '000	Software
2024	
Cost at 1 January 2024	3 518
Additions	149
Disposals	-
Cost at 31 December 2024	3 667
Accumulated depreciation and impairment at 1 January 2024	(1 993)
Depreciation for the period	(771)
Disposals	-
Accumulated depreciation and impairment at 31 December 2024	(2 764)
Carrying amount at 31 December 2024	902
2023	
Cost at 1 January 2023	2 828
Additions	690
Disposals	-
Cost at 31 December 2023	3 518
Accumulated depreciation and impairment at 1 January 2023	(1 032)
Depreciation for the year	(961)
Disposals	-
Accumulated depreciation and impairment at 31 December 2023	(1 993)
Carrying amount at 31 December 2023	1 525

Software is depreciated over its useful life, 3 years, using the straight-line method.

Note 3 Leasing

The company has entered into leases for office premises and parking spaces. This is the only significant lease agreement identified by the company. The current office lease agreement terminates 14.05.2028, and the annual lease cost is NOK 1 208 984.

The incremental borrowing rate applied in discounting the lease debt is 3,859%.

Leasing liabilities – amounts in NOK '000	01.01.-31.12.	01.01.-31.12.
	2024	2023
Lease debt at beginning of period	5 543	5 954
New lease debt recognized in the period	-	645
Payments of lease debt	(1 284)	(1 297)
Interest expense on lease debt	161	240
Total lease debt	4 419	5 543
Short-term lease debt	1 384	1 350
Long-term lease debt	3 035	4 193
Total lease debt	4 419	5 543
Lease debt maturity breakdown (NOK)		
Within one year	1 384	1 350
Two to five years	3 035	4 193
After five years	-	-
Total	4 419	5 543

Extension options are included in the lease liability when, based on management's judgement, it is reasonably certain that an extension will be exercised. No such extension options are recognised as of the balance sheet date.

Note 4 Financial items

Amounts in NOK '000	01.01.-31.12.	01.01.-31.12.	Q4	Q4
	2024	2023	2024	2023
Interest income	4 204	1 098	3 085	685
Currency gains	19 208	18 997	2 950	9 332
Total financial income	23 412	20 095	6 035	10 017
Interest expenses	58 091	61 954	13 909	16 750
Interest on lease debt	161	240	37	71
Accretion expense on asset retirement obligation	22 157	27 898	5 539	9 786
Exchange rate losses	19 068	36 191	3 942	13 490
Financial items from billing	(801)	(1 809)	(596)	(954)
Other financial items	7 372	8 833	1 835	2 738
Total financial expenses	106 047	133 307	24 665	41 881
Net financial items	(82 635)	(113 212)	(18 630)	(31 864)

Note 5 Tax

Tax for the period – Amounts in NOK '000	01.01.-31.12.	01.01.-31.12.	Q4	Q4
	2024	2023	2024	2023
Current year tax payable/receivable	164 239	83 414	2 771	54 317
Change in previous year tax payable/receivable	(4 324)	(2 076)	-	(6 177)
Change in current year deferred tax	16 918	99 394	6 432	44 655
Tax expense (+)/income (-)	176 832	180 732	9 203	92 795

Calculated tax payable (-)/tax receivable (+) – Amounts in NOK '000	01.01.-31.12.	01.01.-31.12.	Q4	Q4
	2024	2023	2024	2023
Tax payable/receivable at beginning of period	(83 414)	(40 261)	(137 608)	(45 612)
Current year tax payable/receivable	(164 239)	(83 414)	(2 771)	(54 317)
Tax paid	125 590	38 185	22 640	10 338
Change in previous year tax	4 324	2 076	-	6 177
Net tax payable (-)/receivable (+)	(117 739)	(83 414)	(117 739)	(83 414)
Tax receivable included as current assets (+)	-	-	-	-
Tax payable included as current liability (-)	(117 739)	(83 414)	(117 739)	(83 414)

Specification of deferred tax liability (-)/asset (+) – Amounts in NOK '000	01.01.-31.12.	01.01.-31.12.	Q4	Q4
	2024	2023	2024	2023
Deferred tax liability (-)/asset (+) at beginning of period	(169 341)	(67 910)	(179 826)	(122 649)
Change in current year deferred tax	(16 918)	(101 431)	(6 432)	(46 692)
Net deferred tax liability (-)/asset (+)	(186 258)	(169 341)	(186 258)	(169 341)

Note 6 Trade and other receivables

Specification of trade and other receivables

Amounts in NOK '000	01.01.-31.12.	01.01.-31.12.
	2024	2023
Accounts receivables	7 491	30 630
Underlift	40 682	11 977
Accrued revenue	45 028	19 892
Prepayments	33 078	34 302
VAT receivables	1 152	5 215
Other receivables, including balances with license partners	3 423	-
Totals	130 852	102 016

The receivables all mature within one year.

Note 7 Trade, other payables and provisions

Specification of trade, other payables and provisions

Amounts in NOK '000	01.01.-31.12.	01.01.-31.12.
	2024	2023
Accounts payable	11 489	30 352
Accrued public charges and indirect taxes	2 814	3 298
Payroll liabilities	8 817	9 836
Accrued interest	2 939	2 975
Share of other current liabilities in licenses	48 799	68 878
Overlift	-	-
Other provisions	3 133	2 323
Totals	77 990	117 661

The payables all mature within one year.

Note 8 Bonds

Amounts in NOK '000	Maturity	31.12.2024	31.12.2023
Senior secured bond (22/25)	Dec 2025	387 342	385 715

Book value of the bonds is the present value of future payments, less bonds held by M Vest Energy.

Interest is paid on a quarterly basis. The working interests in infrastructure and production assets are pledged as security for the bond issue. Book value of pledged assets is MNOK 1 120.

The financial covenants comprise of:

- (i) Minimum liquidity of 5% of outstanding Financial Indebtedness
- (ii) Net leverage ratio of maximum 2.5

Note 9 Other Interest-bearing debt

Amounts in NOK '000	31.12.2024	31.12.2023
Long-term lease debt	3 035	4 193
Short-term lease debt	1 384	1 350
Total	4 419	5 543

Note 10 Equity and shareholders

Shareholders	A-shares	B-shares	Total shares
M Vest AS	14 850	45 750	60 600
Jonny Hesthammer AS	6 000	-	6 000
Alpha Sigma AS	4 575	-	4 575
Buena Vida AS	4 575	-	4 575
Total	30 000	45 750	75 750

The company has 30,000 A shares and 45,750 B shares, each with a nominal value of NOK 1.

The A shares carry full economic rights and full voting rights.

The B shares do not have voting rights in the General Assembly but have otherwise equal rights to the A shares.

Equity changes are found in the Statement of Changes in Equity.

Note 11 Cash and cash equivalents

Amounts in NOK '000	31.12.2024	31.12.2023
Bank deposits, unrestricted	60 248	62 784
Bank deposit, employee taxes, restricted	4 879	6 205
Total cash and cash equivalents	65 127	68 989

Note 12 Asset retirement obligations

Amounts in NOK '000	31.12.2024	31.12.2023
Provision at 1 January	680 910	574 402
Changes in provision	(193 654)	95 196
Effects of change in the discount rate	184 813	-
Incurred removal cost	(15 568)	(16 586)
Accretion expenses	22 157	27 898
Asset retirement obligations at 30 June	678 658	680 910

Provisions for asset retirement obligations represent the future expected costs for close-down and removal of oil equipment and production facilities. The provision is based on the company's best estimate. The net present value of the estimated obligation is calculated using a nominal discount rate of 3.859%. Future annual inflation of 2% is assumed. The assumptions are based on the economic environment at balance sheet date. Actual asset retirement costs will ultimately depend upon future market prices for the necessary works which will reflect market conditions at the relevant time. Furthermore, the timing of the close-down is likely to depend on when the field ceases to produce at economically viable rates. This in turn will depend upon future oil and gas prices, which are inherently uncertain.

Note 13 Earnings per share

Earnings per share is calculated by dividing the period's profit attributable to ordinary equity holders of the company by the period's weighted average number of outstanding ordinary shares. There are no option schemes or convertible bonds in the company, meaning there is no difference between the ordinary and diluted earnings per share.

Amounts in NOK	31.12.2024	31.12.2023	Q4 2024	Q4 2023
Profit for the period attributable to ordinary equity holders (KNOK)	(2 573)	(32 023)	(12 669)	(42 467)
The period's average number of ordinary shares	75 750	75 750	75 750	75 750
Earnings per share in NOK	(34)	(423)	(167)	(561)

Note 14 Related party transactions

Expenses to related parties ('000)

Related party	Relation	Q1	Q2	Q3	Q4
Molasset AS	MVE's chair of board is chair of board and owner of Molasset AS	1 140	1 161	989	1 032

The remuneration is related to purchase of consulting services consisting of strategic support, opportunity analyses, financial advice, risk management and IR-services that is not covered by the permanent employees.

Note 15 Subsequent events

In January 2025 MVE was offered two licenses in the APA 2024, PL 1266 and PL 1267. The licenses are located north of the Draugen field, and PL 1267 includes a previous discovery named Cortina.

Alternative performance measures

M Vest 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.

Adjusted EBITDA	Earnings before interest, tax, depreciation, amortization and impairment, adjusted for certain lifting delays, first oil effects and M&A-effects.
EBITDA	Is defined as earnings before interest and other financial items, taxes, depreciation, depletion, amortisation, and impairments.
Net leverage ratio	Is the ratio of Total net debt to adjusted EBITDA.
Total net debt	Total interest-bearing financial indebtedness less liquidity.