

QUARTERLY FINANCIAL REPORT Q3 2021

M VEST ENERGY AS

23/11/2021



M VEST ENERGY

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1. EXECUTIVE SUMMARY

About M Vest Energy

On 12 November 2021 M Vest Energy announced the purchase of 7.56% working interest (WI) in Draugen, 4.4424% WI in Brage, and 0.8% WI in Ivar Aasen from Neptune Energy Norge AS ("Neptune"). In addition to the oil and gas producing fields, the transaction includes a 1.2092% WI in Edvard Grieg oil pipeline and 1.8138% WI in Utsira High gas pipeline. The acquisition will add reserves of 7-8 million barrels of oil equivalents with significant upside potential. For 2022 the expected production is 1,700 – 1,800 barrels of oil equivalents per day. The agreed consideration is equity guaranteed. The guarantee is accepted by the seller Neptune Energy Norge AS. Government approval of the transaction is expected Q1 2022, with effective date being 1 January 2022. Through the transaction, and as of 1 January 2022, M Vest Energy AS will become a fully integrated E&P company with oil and gas production, exploration activity, infrastructure ownership and potential development projects.

M Vest Energy was founded in 2015, and in 2016 the company acquired assets and staff from Atlantic Petroleum Norge AS. In December 2016, the new energy business was approved as a license holder on The Norwegian Continental Shelf (NCS), and in January 2017 M Vest Energy was awarded its first license by the Ministry of Petroleum and Energy in the licensing round.

In June 2020, the company acquired a 5% working interest in the Polarled gas pipeline. The purchase was approved by the Ministry of Finance in August 2020 and the Ministry of Petroleum and Energy in November 2020. In addition to M Vest Energy (5.000%), the partnership in the Polarled Joint Venture consists of Equinor (37.076%), CapeOmega (28.271%), Sval Energi (13.255%), Petoro (11.946%) and ConocoPhillips (4.452%).

In addition to gas volumes from Aasta Hansteen already being transported through Polarled, gas from Dvalin is expected to come on stream H2 2022. The license partners in Linnorm, with estimated recoverable resources of 216 mmboe, are expected to make an investment decision during 2021. On Asterix, another gas discovery in the Norwegian Sea, an investment decision is expected in 2022. The estimated recoverable resources are 158 mmboe. There are also several other undeveloped discoveries in the area that are suitable for transport through Polarled. Fogelberg, Warka, Ørn, Hades/Iris, Dvalin North and Ivory contain around 56 GSM³ of gas, volumes that potentially could be transported through Polarled.

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

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 second quarter 2021 amounted to MNOK 15.6, (0.0 in 2020). The increase is due to the acquisition of a 5% share in the Polarled gas pipeline with completion 30.11.2020. On an annual basis, delayed start-up of Dvalin has an estimated negative impact of 18 MNOK on the revenues, meaning that MVE had expected approximately 4.5 MNOK more in revenues for the third quarter of 2021. Operating loss for the period was MNOK 2.0 (12.2 MNOK in 2020), where the improvement from 2020 was caused by an increase in revenues. The total operating expenses amounted to MNOK 17.6 (12.2 MNOK in 2020). The difference is a consequence of increased exploration activity, and depreciations of the Polarled gas pipeline acquired in Q4 2020.

Net financial items amounted to MNOK -5.8 (-1.8 MNOK in 2020). The increase is due to the bond issue of November 2020, and a reduction in borrowings under the Exploration Financing Facility.

Profit/loss (-) before income tax was MNOK -7,8 (-13,9 in 2020). Tax income/expense (+) amounted to MNOK -1.3 (-8.9 in 2020), whereof tax refund/payable (+) amounted to MNOK -5.1 (-9.0 in 2020). The effective tax rate of 17.3% (63.8% in 2020) deviates from the standard tax rate of 78% mainly due to financial items which are deducted with a lower tax rate, and non-deductible costs.

Net profit/loss (-) was MNOK -6.4 (-5.0 in 2020).

Total assets at period-end amounted to MNOK 315.0 (135.1 in 2020). The main reason for the increase is the acquisition of the 5% interest in Polarled Joint Venture.

M Vest Energy has recognised tax refund of MNOK 53.6 (106.4 in 2020).

The total equity was 0.2 MNOK, (0.1%), up from -75.8 MNOK in Q3 2020. The positive change is driven by the conversion of 98 MNOK of debt to equity that took place in October 2020.

The interest-bearing debt was MNOK 309.6 in Q3 2021, compared to 202.5 MNOK in 2020. The net increase in interest-bearing debt is related to a bond issue of MNOK 275, a conversion of debt to equity of MNOK 98, and a reduced need for financing under the exploration financing facility with SEB.

The company's cash flow from operating activities was MNOK 0.9 (-11.2 in 2020). Cash flow from investing activities was NOK 0.3 (-0.4 in 2020).

Net cash flow from financing activities was MNOK -6.0 (11.2 in 2020).

Cash and cash equivalents at the beginning of the period was MNOK 14.4 (7.3 in 2020). At balance sheet date, cash and cash equivalents amounted to MNOK 9.5 (7.0 in 2020), giving a net decrease of MNOK 4.8 (0.4 in 2020.)

Operational review

The company currently holds ownership in five exploration licenses on the NCS. One of these, PL 528 (Ivory), are currently being evaluated for development and operation (PDO), two are being evaluated for their exploration potential, and in the last two a decision to drop the license is taken. In addition, the company holds a 5% ownership in the Polarled pipeline that transports gas from Aasta Hansteen and surrounding areas to the Nyhamna gas processing plant. The ownership in Polarled is estimated to cover the company's operational expenses.

The initial budgets for Polarled presented by the operator included tariff income from the Dvalin gas field in 2021. Test production on Dvalin showed elevated levels of mercury. These are levels that do not compromise the Polarled pipeline, but are too high for the Nyhamna Gas Plant, where mercury filters need to be installed. M Vest Energy estimate a negative impact on the revenues for 2021 of approximately 18 MNOK due to the delayed start-up. Planned start-up on Dvalin is H2 2022.

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 effects the tariff income from infrastructure assets.

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

The COVID-19 pandemic has caused significant business disruption globally and may impact the longer-term demand for oil and gas. This represents a risk to the company's future price realisations, results from operations, cash flows, financial condition, and access to capital.

2. FINANCIAL REPORTS

INCOME STATEMENT

	NOK		01.01.-30.09.	01.01.-30.09.	Q3	Q3
		Note	2021	2020	2021	2020
Tariff revenues			47 005 002	-	15 606 808	-
Other income			-	-	-	-
TOTAL INCOME			47 005 002	-	15 606 808	-
Production costs			1 841 006	-	942 399	-
Exploration expenses			21 292 444	16 523 737	5 948 065	2 911 933
Depreciations	2		9 845 214	956 551	3 282 118	321 440
Other operating costs			23 280 568	26 588 563	7 421 952	8 918 931
Total operating expenses			56 259 232	44 068 851	17 594 534	12 152 305
Operating profit/loss			(9 254 231)	(44 068 851)	(1 987 726)	(12 152 305)
Net financial items	4		(17 053 468)	(5 912 675)	(5 800 501)	(1 775 844)
Profit/loss before taxes			(26 307 698)	(49 981 526)	(7 788 227)	(13 928 149)
Tax expense (+)/income (-)	5		(6 142 620)	(35 082 222)	(1 344 030)	(8 884 012)
NET PROFIT/LOSS			(20 165 078)	(14 899 304)	(6 444 197)	(5 044 137)

STATEMENT OF FINANCIAL POSITION

	NOK		01.01.-30.09.	01.01.-30.09.	31.12.
		Note	2021	2020	2020
BALANCE SHEET - ASSETS	ASSETS				
	Intangible assets				
	Deferred tax assets	5	9 482 879	14 034 774	16 730 539
	Other intangible assets	2	1 528 754	886 728	1 079 184
	Tangible fixed assets				
	Property, plant and equipment	2	232 396 266	136 708	241 398 485
	Right-of-use assets	2,3	1 776 577	2 869 856	2 596 536
	Total non-current assets		245 184 476	17 928 066	261 804 744
	Receivables				
	Trade and other receivables	6	6 737 234	3 778 202	13 508 825
	Tax receivable from exploration refund	5	53 559 451	106 413 845	40 169 171
	Cash and cash equivalents				
	Cash and cash equivalents		9 537 439	6 956 934	26 313 840
	Total current assets		69 834 123	117 148 981	79 991 835
	TOTAL ASSETS		315 018 599	135 077 047	341 796 578

STATEMENT OF FINANCIAL POSITION

NOK		01.01.-30.09.	01.01.-30.09.	31.12.
	Note	2021	2020	2020
EQUITY AND LIABILITIES				
Equity				
Share capital	10	75 750	30 000	75 750
Share premium		98 137 410	-	98 137 410
Other equity		(98 038 791)	(75 830 032)	(77 873 713)
Total equity		174 369	(75 800 032)	20 339 447
Non-current liabilities				
Long term bonds	8	275 000 000	-	275 000 000
Exploration financing facility	9	-	35 452 000	32 734 643
Other borrowings		-	98 183 160	-
Long-term lease debt	3	756 643	1 857 875	1 585 139
Total non-current liabilities		275 756 643	135 493 035	309 319 782
Current liabilities				
Trade, other payables and provisions	7	5 230 385	8 349 484	11 014 789
Exploration financing facility	9	32 734 643	65 912 000	-
Short-term lease debt	3	1 122 560	1 122 560	1 122 560
Total current liabilities		39 087 588	75 384 044	12 137 349
Total liabilities		314 844 230	210 877 079	321 457 131
TOTAL EQUITY AND LIABILITIES		315 018 599	135 077 047	341 796 578

BALANCE SHEET - EQUITY AND LIABILITIES

STATEMENT OF CASH FLOW

Statement of cash flow (NOK)		01.01.-30.09.	01.01.-30.09.	Q3	Q3
	Note	2021	2020	2021	2020
Profit/loss before taxes		(26 307 698)	(49 981 526)	(7 788 227)	(13 928 149)
Depreciation	2	9 845 214	956 551	3 282 118	321 440
Tax refund	5	-	-	-	-
Interest expenses	4	17 165 767	5 530 263	5 740 434	1 787 536
Changes in inventories, accounts payable and receivables		987 187	(2 935 246)	(360 881)	584 105
Net cash flow from operating activities		1 690 470	(46 429 958)	873 445	(11 235 068)
Disbursements on investments in fixed assets	2	(818 705)	(688 797)	(49 627)	(360 549)
Disbursements on investments in licenses	2	346 098	-	375 524	-
Net cash flow from investment activities		(472 607)	(688 797)	325 897	(360 549)
Net drawdown/repayment of exploration facility		-	35 452 000	-	12 063 116
Net proceeds from bond issue	8	-	-	-	-
Net proceeds from other debt		-	10 000 000	-	-
Interest paid		(17 111 895)	(1 998 084)	(5 724 780)	(537 271)
Payments on lease debt	3	(882 369)	(885 871)	(291 788)	(295 290)
Net cash flow from financing activities		(17 994 264)	42 568 045	(6 016 568)	11 230 555
Net change in cash and cash equivalents		(16 776 401)	(4 550 710)	(4 817 227)	(365 062)
Cash and cash equivalents at start of period		26 313 840	11 507 645	14 354 665	7 321 997
Cash and cash equivalents at end of period		9 537 439	6 956 934	9 537 439	6 956 934

CASH FLOW STATEMENT

Statement of changes in equity

Equity (NOK)	Share capital	Share premium	Retained earnings	Total equity
Shareholders' equity at 1 January 2021	75 750	98 137 410	(77 873 713)	20 339 447
Net income for the period	-	-	(20 165 078)	(20 165 078)
Share capital increase	-	-	-	-
Shareholders' equity at 30 September 2021	75 750	98 137 410	(98 038 791)	174 369
Shareholders' equity at 1 January 2020	30 000	-	(60 930 729)	(60 900 729)
Net income for the period	-	-	(14 899 304)	(14 899 304)
Share capital increase	-	-	-	-
Shareholders' equity at 30 September 2020	30 000	-	(75 830 895)	(75 800 032)

3. NOTES TO THE INTERIM FINANCIAL STATEMENTS

These condensed interim financial statements ("interim financial statements") have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU ("IFRS") 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 2020. 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 23 November 2021.

Note 1 Accounting principles

The accounting principles used for this interim report are consistent with the principles used in the company's 2020 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.

The Covid-19 pandemic has had a negative impact on demand for oil and gas, and on the prices achieved for these products. M Vest Energy currently have no producing fields in its portfolio, and the infrastructure asset is not significantly affected by the pandemic. No impairments are recognized in the reporting period as a result of Covid-19.

Note 2 Tangible fixed assets and intangible assets

Tangible fixed assets - amounts in NOK	Gas transportation facilities	Office machinery, furniture and fixtures	Right-of-use assets
2021			
Cost at 1 January 2021	242 235 177	468 230	4 783 093
Additions	(346 098)	49 627	-
Disposals	-	-	-
Cost at 30 September 2021	241 889 079	517 857	4 783 093
Accumulated depreciation and impairment at 1 January 2021	957 451	347 470	2 186 557
Depreciation for the period	8 659 255	46 493	819 959
Disposals	-	-	-
Accumulated depreciation and impairment at 30 September 2021	9 616 706	393 964	3 006 516
Carrying amount at 30 September 2021	232 272 372	123 894	1 776 577
2020			
Cost at 1 January 2020	-	388 383	4 783 093
Additions	242 235 177	79 847	-
Disposals	-	-	-
Cost at 31 December 2020	242 235 177	468 230	4 783 093
Accumulated depreciation and impairment at 1 January 2020	-	294 930	1 093 278
Depreciation for the period	957 451	52 540	1 093 278
Disposals	-	-	-
Accumulated depreciation and impairment at 31 December 2020	957 451	347 470	2 186 557
Carrying amount at 31 December 2020	241 277 725	120 760	2 596 536

Gas transportation facilities are depreciated over the license period using the straight-line method. Office machinery etc. are depreciated over their useful life, 3-5 years. Right-of-use assets are depreciated over the contractual obligation period. The acquisition of a 5% share of Polarled JV is considered an asset acquisition, and the consideration for the interest is allocated to individual assets and liabilities acquired. Polarled is depreciated over the remaining useful life, which is considered to be the same as the license period that expires in 2041.

The interest in Polarled JV is pledged as security for the bond issue.

There is no impairment loss recognised on infrastructure assets in 2020 or 2021.

Note 2 Tangible fixed assets and intangible assets cont.

Intangible assets - amounts in NOK	Software
2021	
Cost at 1 January 2021	1 258 950
Additions	769 077
Disposals	-
Cost at 30 September 2021	2 028 028
Accumulated depreciation and impairment at 1 January 2021	179 767
Depreciation for the period	319 507
Disposals	-
Accumulated depreciation and impairment at 30 September 2021	499 274
Carrying amount at 30 September 2021	1 528 754
2020	
Cost at 1 January 2020	400 000
Additions	858 950
Disposals	-
Cost at 31 December 2020	1 258 950
Accumulated depreciation and impairment at 1 January 2020	22 222
Depreciation for the year	157 545
Disposals	-
Accumulated depreciation and impairment at 31 December 2020	179 767
Carrying amount at 31 December 2020	1 079 184

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 14.05.2023, and the annual lease cost is NOK 1,181,162.

The incremental borrowing rate applied in discounting the lease debt is 3,36%

Leasing liabilities (NOK)	01.01.-30.09.	01.01.-30.09.	01.01.-31.12.
	2021	2020	2020
Lease debt at beginning of period	2 707 699	3 785 085	3 785 085
New lease debt recognized in the period	-	-	-
Payments of lease debt	(605 032)	(617 661)	(1 181 162)
Interest expense on lease debt	53 872	81 221	103 776
Total lease debt	2 156 539	3 248 645	2 707 699
Short-term lease debt	1 122 560	1 122 560	1 122 560
Long-term lease debt	756 643	1 857 875	1 585 139
Total lease debt	1 879 202	2 980 435	2 707 699
Lease debt maturity breakdown (NOK)	2021	2020	2020
Within one year	1 122 560	1 122 560	1 122 560
Two to five years	756 643	1 857 875	1 585 139
After five years	-	-	-
Total	1 879 202	2 980 435	2 707 699

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 at 30 September 2021.

Note 4 Financial items

Financial items (NOK)	01.01.-30.09.	01.01.-30.09.	Q3	Q3
	2021	2020	2021	2020
Interest income	-	-	-	-
Currency gains	30 225	38 376	-	31 669
Total financial income	30 225	38 376	-	31 669
Interest expenses	17 111 895	5 449 042	5 724 780	1 762 709
Interest on lease debt	53 872	81 221	15 654	24 827
Currency loss	82 857	308 872	48 282	603
Financial items from billing	(164 931)	111 915	11 785	19 375
Total financial expenses	17 083 692	5 951 050	5 800 501	1 807 514
Net financial items	(17 053 468)	(5 912 675)	(5 800 501)	(1 775 844)

Interest paid in 2021

Paid interests (NOK)	01.01.-30.09.	01.01.-30.09.
	2021	2020
Exploration Financing Facility	611 895	1 998 084
Long term bonds	16 500 000	-
Total paid interests	17 111 895	1 998 084

Note 5 Tax

Tax for the period (NOK)	01.01.-30.09.	01.01.-30.09.	Q3	Q3
	2021	2020	2021	2020
Current year tax payable/receivable	(13 390 280)	(33 765 010)	(5 134 462)	(8 986 485)
Change in current year deferred tax	7 247 660	(1 317 212)	3 790 432	102 473
Tax expense (+)/income (-)	(6 142 620)	(35 082 222)	(1 344 030)	(8 884 012)

Calculated tax payable (-)/tax receivable (+) (NOK)	01.01.-30.09.	01.01.-30.09.	Q3	Q3
	2021	2020	2021	2020
Tax payable/receivable at beginning of period	40 169 171	72 648 835	48 424 989	97 427 360
Current year tax payable/receivable	13 390 280	33 765 010	5 134 462	8 986 485
Net tax payment/refund	-	-	-	-
Net tax payable (-)/receivable (+)	53 559 451	106 413 845	53 559 451	106 413 845
Tax receivable included as current assets (+)	53 559 451	106 413 845	53 559 451	106 413 845

Specification of deferred tax asset (NOK)	01.01.-30.09.	01.01.-30.09.	01.01.-31.12.
	2021	2020	2020
Deferred tax liability/asset at beginning of period	16 730 539	12 717 562	12 717 562
Change in current year deferred tax	(7 247 660)	1 317 212	4 012 977
Net deferred tax liability (-)/asset (+)	9 482 879	14 034 774	16 730 539

Companies operating on the NCS under the offshore tax regime can claim the tax value of any unused tax losses or other tax credits related to its offshore activities to be paid in cash (including interest) from the tax authorities when operations cease. Deferred tax assets that are based on offshore tax losses carried forward are therefore recognised in full.

Reconciliation of tax expense (NOK)	01.01.-30.09.	01.01.-30.09.
	2021	2020
78% tax rate on profit/loss before tax	(20 520 005)	(38 985 590)
Other non-deductible costs	5 278 087	2 709 566
Tax effect of uplift	(333 878)	-
Effect of temporary tax changes	161 512	-
Interest on lease liabilities	(30 168)	(45 484)
Tax effect of financial and other 22% items	9 549 942	1 190 693
Net financials deductible 56%	(174 537)	(62 720)
Interest on losses carried forward	(73 573)	(94 641)
Tax value of losses to be refunded	-	-
Prior period adjustment	-	-
Other differences	-	205 954
Tax expense (+)/income (-)	(6 142 620)	(35 082 222)

Note 6 Trade and other receivables

Specification of trade and other receivables

Trade and other receivables (NOK)	01.01.-30.09.	01.01.-30.09.	01.01.-31.12.
	2021	2020	2020
Accounts receivables	3 844 486	73 800	5 580 296
Receivables related to license acquisitions	-	-	4 787 221
Prepayments	1 826 045	9 201	1 900 267
Other receivables, including balances with license partners	1 066 702	3 695 201	1 241 040
Totals	6 737 234	3 778 202	13 508 825

The receivables all mature within one year.

Note 7 Trade, other payables and provisions

Specification of trade, other payables and provisions

Trade, other payables and provisions (NOK)	01.01.-30.09.	01.01.-30.09.	01.01.-31.12.
	2021	2020	2020
Accounts payable	661 528	841 369	3 486 975
Accrued public charges and indirect taxes	373 163	1 042 665	1 038 941
Payroll liabilities	1 737 090	2 261 287	4 030 270
Accrued interest	1 989 041	-	1 989 041
Other accruals	-	-	-
Share of other current liabilities in licenses	469 562	2 204 164	469 562
Short-term loan from M Vest AS	-	2 000 000	-
Totals	5 230 385	8 349 484	11 014 789

Note 8 Bonds

Bonds (NOK)	Maturity	30.09.2021	30.09.2020	31.12.2020
Senior secured bond 8.000% (20/30)	Nov 2030	275 000 000	-	275 000 000

The bond is carried at nominal value. Interest is paid on a quarterly basis. The bond does not have financial covenants. The 5% working interest in Polarled JV is pledged as security for the bond issue. Book value of pledged assets is MNOK 232.4.

Note 9 Other Interest-bearing debt

Other interest-bearing debt (NOK)	30.09.2021	30.09.2020	31.12.2020
Exploration Financing Facility	32 734 643	101 364 000	32 734 643
Loan from M Vest AS	-	98 183 160	-
Long-term lease debt	756 643	1 857 875	1 585 139
Short-term lease debt	1 122 560	1 122 560	1 122 560
Total	34 613 845	202 527 595	35 442 342

The Exploration Financing Facility agreement for 150 MNOK with Svenska Enskilda Banken (SEB) was originally entered into 18.01.2017, and has been amended in 2018, 2019, 2020 and 2021. After the amendment in 2021 the facility was reduced to 70 MNOK. The facility period end 31.12.2021, with termination date 31.12.2022, or when M Vest Energy receive the exploration tax refunds. The interest consists of Nibor + margin (2.00%). The Financing Facility is limited to 95% of the tax value of relevant exploration costs. As of 30 September 2021, the company have outstanding loan that correspond to 62% of exploration tax refund. The tax refund is pledged as security under the Exploration Financing Facility.

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 Nieta 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

(NOK)	30.09.2021	30.09.2020	31.12.2020
Bank deposits, unrestricted	8 916 999	6 198 164	24 518 651
Bank deposit, employee taxes, restricted	620 440	758 770	1 795 189
Total cash and cash equivalents	9 537 439	6 956 934	26 313 840

Note 12 Earnings per share

Earnings per share is calculated by dividing the period's profit attributable to ordinary equity holders of the company, which was NOK -6,444,197 (NOK -5,044,137 in 2020) by the period's weighted average number of outstanding ordinary shares, which was 75,750 (30,000 in 2020). There are no option schemes or convertible bonds in the company, meaning there is no difference between the ordinary and diluted earnings per share.

Earnings per share (NOK)	30.09.2021	30.09.2020	Q3 2021	Q3 2020
Loss for the period attributable to ordinary equity holders	(20 165 078)	(14 899 304)	(6 444 197)	(5 044 137)
The period's average number of ordinary shares	75 750	30 000	75 750	30 000
Earnings per share in NOK	(266)	(497)	(85)	(168)

Note 13 Related party transactions

Expenses to related parties

Related party	Relation	Q1	Q2	Q3	YTD
Nord Advisors AS	MVE's chair of board is chair of board and owner of Nord Advisors AS	390 600	410 250	400 425	1 201 275

The purpose of the transaction is purchase of consulting services consisting of strategic support, opportunity analyses, financial advice, risk management and IR-services

Note 14 Subsequent events

On 12 November 2021 M Vest Energy announced the purchase of 7.56% working interest (WI) in Draugen, 4.4424% WI in Brage, and 0.8% WI in Ivar Aasen from Neptune Energy Norge AS ("Neptune"). In addition to the oil and gas producing fields, the transaction includes a 1.2092% WI in Edvard Grieg oil pipeline and 1.8138% WI in Utsira High gas pipeline. The acquisition will add reserves of 7-8 million barrels of oil equivalents with significant upside potential. For 2022 the expected production is 1,700 – 1,800 barrels of oil equivalents per day. Government approval of the transaction is expected Q1 2022, with effective date being 1 January 2022.

In October the license partners in PL 972 decided to halt further development of the Vette discovery due to insufficient financial robustness in the project. M Vest Energy did not carry any value in the balance sheet for the Vette license, meaning no impairment costs will impact the financial accounts.

Statement by the board of directors and chief executive officer

Pursuant to the Oslo Stock Exchange ABM-rules, we hereby confirm that, to the best of our knowledge, the company's interim financial statements for the period 1 January to 30 November 2021 have been prepared in accordance with IAS 34, as endorsed by the EU, and in accordance with the requirements for additional information provided by the Norwegian Accounting Act. The information presented in the financial statements gives a true and fair picture of the company's liabilities, financial position and results overall.

To the best of our knowledge, the Board of Directors' half-yearly report together with the yearly report, gives a true and fair picture of the development, performance and financial position of the company, and includes a description of the principal risk and uncertainty factors facing the company.

The Board of Directors and the CEO of M Vest Energy AS
Bergen, 23 November 2021

Lars Moldestad
Chair of the board

Johan Kr. Mikkelsen
Board member

Jonny Hesthammer
Board member/CEO