

# QUARTERLY FINANCIAL REPORT Q2 2022

M VEST ENERGY AS

29/08/2022



**M VEST ENERGY**

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# 1. EXECUTIVE SUMMARY

## Highlights M Vest Energy 2<sup>nd</sup> quarter

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") was completed on 31 March 2022, meaning Q2 2022 was the first quarter that the new assets impacted our profit and loss statement.

In the 2<sup>nd</sup> quarter M Vest Energy had revenues of 221 MNOK from its licenses. Profit before tax was 125 MNOK, up from -7 MNOK in Q2 2021, and -4 MNOK in Q1 2022.

M Vest Energy AS has during Q2 become a fully integrated E&P company with oil and gas production, exploration activity, infrastructure ownership and potential development projects. With high oil and gas prices driven by strong demand and a supply side that suffer from years of under investments, M Vest Energy is well positioned for the future.

## About M Vest Energy

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, 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 second quarter 2022 amounted to MNOK 221.3, (16.0 in 2021). Operating profit for the period was MNOK 128.8 (-1.4 MNOK in 2021), where the improvement from 2021 was due to the contribution from acquired assets. The total operating expenses amounted to MNOK 92.5 (17.4 MNOK in 2021). The difference is due to the acquisition of producing assets.

Net financial items amounted to MNOK -3.6 (-5.7 MNOK in 2021).

Profit/loss (-) before income tax was MNOK 125.2 (-7.1 in 2021). Tax income/expense (+) amounted to MNOK 76.0 (-0.5 in 2021).

Net profit/loss (-) was MNOK 49.2 (-6.7 in 2021).

Total assets at period-end amounted to MNOK 980.1 (322.3 in 2021). The main reason for the increase is the acquisition of producing assets from Neptune.

M Vest Energy has recognised tax refund of MNOK 17.8 (48.4 in 2021).

The total equity was 37.3 MNOK, up from 6.6 MNOK in Q2 2021. The positive change is driven by profits from producing assets.

The interest-bearing debt was MNOK 469.0 in Q2 2022, compared to 309.9 MNOK in 2021. The net increase in interest-bearing debt is mainly due to the financing of the acquisition of producing assets.

The company's cash flow from operating activities was MNOK 96.4 (-1.6 in 2021). Cash flow from investing activities was NOK -47.3 (0.0 in 2021).

Net cash flow from financing activities was MNOK -8.0 (-6.0 in 2021).

Cash and cash equivalents at the beginning of the period was MNOK 8.4 (21.2 in 2021). At balance sheet date, cash and cash equivalents amounted to MNOK 49.5 (14.3 in 2021), giving a net increase of MNOK 41.1 (-7.6 in 2021.)

## **Operational review**

### Draugen (partner 7.56%)

The production was above plan, and the good performance at Draugen resulted from high reliability, improved performance from the platform wells following a scale squeeze campaign, and sub sea optimisation measures. Project activities are ongoing offshore in preparation for the Hasselmus gas project and the scope for the power from shore project.

### Brage (partner 4.42 %)

Production in the second quarter was above plan mainly due to postponement of the Turnaround (TAR) from April to September. One new infill well was started up in the Staffjord Formation in the third quarter. The drilling program is ongoing and a new infill producer in Fensfjord Formation will be drilled in the fourth quarter. OKEA will take over as Operator in the Brage field, with transition planned completed in Q4 2022.

### Ivar Aasen (partner 0.8 %)

Ivar Aasen experienced a full production shut down from 27 March due to an electrical failure on Edvard Grieg as Ivar Aasen relies on Edvard Grieg for final processing and export. The production resumed 21 April at reduced capacity and with full capacity from 24 May. Oil and gas production and export at Ivar Aasen has since been stable. An Increased Oil Recovery (IOR) 2022 campaign to bring three new infill wells onstream is on schedule to commence in fourth quarter 2022.

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), and four are being evaluated for their exploration potential.

## **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. 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.

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

	Amounts in NOK '000		01.01.-30.06.	01.01.-30.06.	Q2	Q2
		Note	2022	2021	2022	2021
PROFIT/LOSS STATEMENT	Revenues from crude oil and gas sales		202 777	-	202 777	-
	Tariff revenues		34 450	31 398	17 986	15 992
	Other income		500	-	500	-
	<b>TOTAL INCOME</b>		<b>237 727</b>	<b>31 398</b>	<b>221 263</b>	<b>15 991</b>
	Production expenses		53 892	899	53 371	489
	Changes in over/under lift positions		4 441	-	4 441	-
	Exploration expenses		4 487	15 344	1 670	7 466
	Depreciations	2	23 191	6 563	19 909	3 345
	Other operating expenses		22 794	15 859	13 120	6 092
	<b>Total operating expenses</b>		<b>108 805</b>	<b>38 665</b>	<b>92 511</b>	<b>17 392</b>
	<b>Operating profit/loss</b>		<b>128 922</b>	<b>(7 267)</b>	<b>128 752</b>	<b>(1 400)</b>
	<b>Net financial items</b>	4	<b>(7 690)</b>	<b>(11 253)</b>	<b>(3 593)</b>	<b>(5 739)</b>
	<b>Profit/loss before taxes</b>		<b>121 232</b>	<b>(18 519)</b>	<b>125 159</b>	<b>(7 139)</b>
	Tax expense (+)/income (-)	5	76 813	(4 799)	75 950	(462)
	<b>NET PROFIT/LOSS</b>		<b>44 419</b>	<b>(13 721)</b>	<b>49 208</b>	<b>(6 677)</b>

## STATEMENT OF FINANCIAL POSITION

	Amounts in NOK '000		01.01.-30.06.	01.01.-30.06.	31.12.
		Note	2022	2021	2021
<b>BALANCE SHEET - ASSETS</b>	<b>ASSETS</b>				
	<b>Intangible assets</b>				
	Deferred tax assets	5	7 187	13 273	9 451
	Other intangible assets	2	1 409	1 635	1 422
	<b>Tangible fixed assets</b>				
	Property, plant and equipment	2	794 289	235 624	231 632
	Right-of-use assets	2,3	957	2 050	1 503
	<b>Total non-current assets</b>		<b>803 842</b>	<b>252 583</b>	<b>244 008</b>
	<b>Receivables</b>				
	Trade and other receivables	6	109 040	6 963	14 686
	Tax receivable from exploration refund	5	17 762	48 425	17 762
	<b>Cash and cash equivalents</b>				
	Cash and cash equivalents	11	49 469	14 355	23 701
	<b>Total current assets</b>		<b>176 271</b>	<b>69 743</b>	<b>56 150</b>
	<b>TOTAL ASSETS</b>		<b>980 113</b>	<b>322 326</b>	<b>300 158</b>

## STATEMENT OF FINANCIAL POSITION

Amounts in NOK '000			01.01.-30.06.	01.01.-30.06.	31.12.
	Note		2022	2021	2021
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	10		76	76	76
Share premium			98 137	98 137	98 137
Other equity			(60 865)	(91 595)	(105 284)
<b>Total equity</b>			<b>37 348</b>	<b>6 619</b>	<b>(7 071)</b>
<b>Non-current liabilities</b>					
Asset retirement obligations	12		367 085	-	-
Long term bonds	8		275 000	275 000	275 000
Exploration financing facility	9		-	-	-
Other borrowings	9		177 124	-	-
Long-term lease debt	3		-	1 033	478
<b>Total non-current liabilities</b>			<b>819 209</b>	<b>276 033</b>	<b>275 478</b>
<b>Current liabilities</b>					
Trade, other payables and provisions	7		27 902	5 817	13 128
Income tax payable	5		78 778	-	-
Exploration financing facility	9		15 860	32 735	17 500
Short-term lease debt	3		1 016	1 123	1 123
<b>Total current liabilities</b>			<b>123 556</b>	<b>39 674</b>	<b>31 750</b>
<b>Total liabilities</b>			<b>942 765</b>	<b>315 707</b>	<b>307 228</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>980 113</b>	<b>322 326</b>	<b>300 158</b>



## STATEMENT OF CASH FLOW

Amounts in NOK '000		01.01.-30.06.	01.01.-30.06.	Q2	Q2
	Note	2022	2021	2022	2021
Profit/loss before taxes		121 232	(18 519)	125 159	(7 139)
Depreciation	2	23 191	(6 563)	19 909	3 345
Tax refund	5	-	-	-	-
Interest expenses	4	11 761	11 425	6 076	5 716
Changes in inventories, accounts payable and receivables		(79 579)	1 348	(54 744)	(3 544)
<b>Net cash flow from operating activities</b>		<b>76 604</b>	<b>817</b>	<b>96 400</b>	<b>(1 622)</b>
Disbursements on investments in fixed assets	2	(295)	(769)	(15)	-
Disbursements on investments in licenses	2	(213 680)	(29)	(47 289)	(21)
<b>Net cash flow from investment activities</b>		<b>(213 975)</b>	<b>(799)</b>	<b>(47 304)</b>	<b>(21)</b>
Net drawdown/repayment of exploration facility		(1 640)	-	(1 640)	-
Net proceeds from other debt	9	120 000	-	-	-
Interest paid	4	(11 741)	(11 387)	(6 067)	(5 698)
Seller's credit		57 124	-	-	-
Payments on lease debt	3	(604)	(591)	(302)	(295)
<b>Net cash flow from financing activities</b>		<b>163 138</b>	<b>(11 978)</b>	<b>(8 009)</b>	<b>(5 994)</b>
<b>Net change in cash and cash equivalents</b>		<b>25 768</b>	<b>(11 978)</b>	<b>41 086</b>	<b>(7 637)</b>
<b>Cash and cash equivalents at start of period</b>		<b>23 701</b>	<b>26 314</b>	<b>8 383</b>	<b>21 991</b>
<b>Cash and cash equivalents at end of period</b>	11	<b>49 469</b>	<b>14 355</b>	<b>49 469</b>	<b>14 355</b>

CASH FLOW STATEMENT

## Statement of changes in equity

Amounts in NOK '000	Share capital	Share premium	Retained earnings	Total equity
<b>Shareholders' equity at 1 January 2022</b>	<b>76</b>	<b>98 137</b>	<b>(105 284)</b>	<b>(7 071)</b>
Net income for the period	-	-	44 419	44 419
Share capital increase	-	-	-	-
<b>Shareholders' equity at 30 June 2022</b>	<b>76</b>	<b>98 137</b>	<b>(60 865)</b>	<b>37 348</b>
<b>Shareholders' equity at 1 January 2021</b>	<b>76</b>	<b>98 137</b>	<b>(91 595)</b>	<b>6 619</b>
Net income for the period	-	-	(27 410)	(27 410)
Share capital increase	-	-	-	-
<b>Shareholders' equity at 30 June 2021</b>	<b>76</b>	<b>98 137</b>	<b>(105 284)</b>	<b>(7 071)</b>

### 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 2021. 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 29 August 2022.

#### Note 1 Accounting principles

The accounting principles used for this interim report are consistent with the principles used in the company's 2021 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
<b>2022</b>				
<b>Cost at 1 January 2022</b>	<b>242 527</b>	<b>1 502</b>	<b>518</b>	<b>4 783</b>
Additions	1 621	583 372	95	
Disposals	-	-	-	-
<b>Cost at 30 June 2022</b>	<b>244 148</b>	<b>584 874</b>	<b>613</b>	<b>4 783</b>
<b>Accumulated depreciation and impairment at 1 January 2022</b>	<b>(12 503)</b>	<b>-</b>	<b>(411)</b>	<b>(3 280)</b>
Depreciation for the period	(5 773)	(16 620)	(38)	(547)
Disposals	-	-	-	-
<b>Accumulated depreciation and impairment at 30 June 2022</b>	<b>(18 276)</b>	<b>(16 620)</b>	<b>(449)</b>	<b>3 826</b>
<b>Carrying amount at 30 June 2022</b>	<b>225 872</b>	<b>568 254</b>	<b>163</b>	<b>957</b>
<b>2021</b>				
<b>Cost at 1 January 2021</b>	<b>242 235</b>	<b>-</b>	<b>468</b>	<b>4 783</b>
Additions	292	1 502	50	-
Disposals	-	-	-	-
<b>Cost at 31 December 2021</b>	<b>242 527</b>	<b>-</b>	<b>518</b>	<b>4 783</b>
<b>Accumulated depreciation and impairment at 1 January 2021</b>	<b>(957)</b>	<b>-</b>	<b>(347)</b>	<b>(2 187)</b>
Depreciation for the period	(11 546)	-	(63)	(1 093)
Disposals	-	-	-	-
<b>Accumulated depreciation and impairment at 31 December 2021</b>	<b>(12 503)</b>	<b>-</b>	<b>(411)</b>	<b>(3 280)</b>
<b>Carrying amount at 31 December 2021</b>	<b>230 024</b>	<b>1 502</b>	<b>107</b>	<b>1 503</b>

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. 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 2021 or 2022.

Note 2 Tangible fixed assets and intangible assets cont.

Intangible assets - amounts in NOK '000	Software
<b>2022</b>	
<b>Cost at 1 January 2022</b>	<b>2 028</b>
Additions	200
Disposals	-
<b>Cost at 30 June 2022</b>	<b>2 228</b>
<b>Accumulated depreciation and impairment at 1 January 2022</b>	<b>(606)</b>
Depreciation for the period	(213)
Disposals	-
<b>Accumulated depreciation and impairment at 30 June 2022</b>	<b>(819)</b>
<b>Carrying amount at 30 June 2022</b>	<b>1 409</b>
<b>2021</b>	
<b>Cost at 1 January 2021</b>	<b>1 259</b>
Additions	769
Disposals	-
<b>Cost at 31 December 2021</b>	<b>2 028</b>
<b>Accumulated depreciation and impairment at 1 January 2021</b>	<b>(180)</b>
Depreciation for the year	(426)
Disposals	-
<b>Accumulated depreciation and impairment at 31 December 2021</b>	<b>(606)</b>
<b>Carrying amount at 31 December 2021</b>	<b>1 422</b>

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 1 190 703.

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

<b>Leasing liabilities – amounts in NOK '000</b>	<b>01.01.-30.06.</b>	<b>01.01.-30.06.</b>	<b>01.01.-31.12.</b>
	<b>2022</b>	<b>2021</b>	<b>2021</b>
<b>Lease debt at beginning of period</b>	<b>1 601</b>	<b>2 708</b>	<b>2 708</b>
New lease debt recognized in the period	-	-	-
Payments of lease debt	(605)		(1 174)
Interest expense on lease debt	19		67
<b>Total lease debt</b>	<b>1 016</b>		<b>1 601</b>
Short-term lease debt	1 016		1 123
Long-term lease debt	-		478
<b>Total lease debt</b>	<b>1 016</b>		<b>1 601</b>
<b>Lease debt maturity breakdown (NOK)</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
Within one year	1 016	1 123	1 123
Two to five years	-	1 033	478
After five years	-	-	-
<b>Total</b>	<b>1 016</b>	<b>2 155</b>	<b>1 601</b>

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 June 2022.

## Note 4 Financial items

Amounts in NOK '000	01.01.-30.06.	01.01.-30.06.	Q2	Q2
	2022	2021	2022	2021
Interest income	9	-	4	-
Currency gains	10 056	30	8 463	5
<b>Total financial income</b>	<b>10 065</b>	<b>30</b>	<b>8 467</b>	<b>5</b>
Interest expenses	11 741	11 387	6 067	5 698
Interest on lease debt	19	38	8	18
Currency loss	5 911	35	5 911	20
Financial items from billing	83	(177)	73	7
<b>Total financial expenses</b>	<b>17 755</b>	<b>11 283</b>	<b>12 060</b>	<b>5 743</b>
<b>Net financial items</b>	<b>(7 690)</b>	<b>(11 253)</b>	<b>(3 593)</b>	<b>(5 739)</b>

### Interest paid

Amounts in NOK '000	01.01.-30.06.	01.01.-30.06.
	2022	2021
Exploration Financing Facility	741	387
Long term bonds	11 000	11 000
<b>Total paid interests</b>	<b>11 741</b>	<b>11 387</b>

## Note 5 Tax

<b>Tax for the period – Amounts in NOK '000</b>	<b>01.01.-30.06.</b>	<b>01.01.-30.06.</b>	<b>Q2</b>	<b>Q2</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Current year tax payable/receivable	78 778	(8 256)	59 796	(2 184)
Change in current year deferred tax	2 264	3 457	16 154	1 723
Capitalized costs	(4 228)	-	-	-
<b>Tax expense (+)/income (-)</b>	<b>76 813</b>	<b>(4 799)</b>	<b>75 950</b>	<b>(10 459)</b>

<b>Calculated tax payable (-)/tax receivable (+) – Amounts in NOK '000</b>	<b>01.01.-30.06.</b>	<b>01.01.-30.06.</b>	<b>Q2</b>	<b>Q2</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Tax payable/receivable at beginning of period	17 762	40 169	17 762	46 241
Current year tax payable/receivable	(78 778)	8 256	(78 778)	2 184
Net tax payment/refund	-	-	-	-
<b>Net tax payable (-)/receivable (+)</b>	<b>(61 016)</b>	<b>48 425</b>	<b>(61 016)</b>	<b>48 425</b>
Tax receivable included as current assets (+)	17 762	48 425	17 762	48 425
Tax payable included as current liability (-)	(78 788)	-	(78 778)	-

<b>Specification of deferred tax asset – Amounts in NOK '000</b>	<b>01.01.-30.06.</b>	<b>01.01.-30.06.</b>	<b>01.01.-31.12.</b>
	<b>2022</b>	<b>2021</b>	<b>2021</b>
Deferred tax liability/asset at beginning of period	9 451	16 731	16 731
Change in current year deferred tax	(17 086)	(3 457)	(7 280)
Capitalized change in deferred tax	14 822	-	-
<b>Net deferred tax liability (-)/asset (+)</b>	<b>7 187</b>	<b>13 273</b>	<b>9 451</b>

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.

<b>Reconciliation of tax expense – Amounts in NOK '000</b>	<b>01.01.-30.06.</b>	<b>01.01.-30.06.</b>
	<b>2022</b>	<b>2021</b>
78% tax rate on profit/loss before tax	94 561	(14 445)
Other non-deductible costs	12 466	3 957
Tax effect of uplift	(1 068)	(384)
Capex deductions SPT	(33 227)	-
Effect of temporary tax changes	4 727	(14)
Interest on lease liabilities	(11)	(21)
Tax effect of financial and other 22% items	3 814	6 302
Net financials deductible 56%	-	(119)
Interest on losses carried forward	-	(74)
<b>Tax expense (+)/income (-)</b>	<b>81 042</b>	<b>(4 799)</b>



## Note 6 Trade and other receivables

### Specification of trade and other receivables

Amounts in NOK '000	01.01.-30.06.	01.01.-30.06.	01.01.-31.12.
	2022	2021	2021
Accounts receivables	46 654	5 199	6 337
Underlift	39 364	-	-
Receivables related to license acquisitions	1 762	-	-
Prepayments	7 125	1 323	2 087
Other receivables, including balances with license partners	11 557	441	6 263
<b>Totals</b>	<b>109 040</b>	<b>6 963</b>	<b>14 686</b>

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.-30.06.	01.01.-30.06.	01.01.-31.03.
	2022	2021	2021
Accounts payable	1 966	1 214	1 865
Accrued public charges and indirect taxes	1 149	680	1 105
Payroll liabilities	3 333	1 464	4 223
Accrued interest	1 989	1 989	1 989
Share of other current liabilities in licenses	3 945	470	3 945
Overlift	15 519	-	-
<b>Totals</b>	<b>27 902</b>	<b>5 817</b>	<b>13 128</b>

The payables all mature within one year.

## Note 8 Bonds

Amounts in NOK '000	Maturity	30.06.2022	30.06.2021	31.12.2021
Senior secured bond 8.000% (20/30)	Nov 2030	275 000	275 000	275 000

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 225.9.

## Note 9 Other Interest-bearing debt

Amounts in NOK '000	30.06.2022	30.06.2021	31.12.2021
Exploration Financing Facility <sup>1</sup>	15 860	32 735	17 500
Loan from M Vest AS	120 000	-	-
Long-term lease debt	-	1 033	478
Short-term lease debt	1 016	1 123	1 123
Deferred payment of asset acquisitions <sup>2</sup>	57 124	-	-
<b>Total</b>	<b>194 000</b>	<b>34 890</b>	<b>19 101</b>

<sup>1</sup>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 17,5 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 June 2022, the company have outstanding loan that correspond to 89% of exploration tax refund. The tax refund is pledged as security under the Exploration Financing Facility.

<sup>2</sup>The acquisition of assets from Neptune Energy was partly financed by deferred payments, recognised as long- and short-term liabilities.

## Note 10 Equity and shareholders

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

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	30.06.2022	30.06.2021	31.12.2021
Bank deposits, unrestricted	47 031	13 655	21 387
Bank deposit, employee taxes, restricted	2 439	700	2 314
<b>Total cash and cash equivalents</b>	<b>49 469</b>	<b>14 355</b>	<b>23 701</b>

## Note 12 Asset retirement obligations

Amounts in NOK '000	
<b>Provision at 1 January 2022</b>	-
Additions	367 085
<b>Asset retirement obligations at 30 June 2022</b>	<b>367 085</b>

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 discount rate of 7.54%. 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, which was NOK 44 418 750 (NOK -13 720 882 in 2021) by the period's weighted average number of outstanding ordinary shares, which was 75,750 (75,750 in 2021). 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	30.06.2022	30.06.2021	Q2 2022	Q2 2021
Loss for the period attributable to ordinary equity holders	44 418 750	(13 720 882)	49 208 356	(6 677 386)
The period's average number of ordinary shares	75 750	75 750	75 750	75 750
<b>Earnings per share in NOK</b>	<b>586</b>	<b>(181)</b>	<b>650</b>	<b>(88)</b>

## Note 14 Related party transactions

### Expenses to related parties

Related party	Relation	Q1	Q2
Nord Advisors AS	MVE's chair of board is chair of board and owner of Nord Advisors AS	400 425	133 475
Molasset AS	MVE's chair of board is chair of board and owner of Nord Advisors AS	-	148 500

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

No material subsequent events have been identified.

## 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 June 2022 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, 29 August 2022



Lars Moldestad  
Chair of the board



Johan Kr. Mikkelsen  
Board member



Jonny Hesthammer  
Board member/CEO