



Panoro Energy

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# **Trading and Financial Update**

## **Third Quarter 2023**

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29 November 2023

# CONTENTS

<b>ABOUT PANORO .....</b>	<b>3</b>
<b>HIGHLIGHTS, EVENTS AND UPDATES .....</b>	<b>3</b>
<b>FINANCIAL INFORMATION.....</b>	<b>6</b>
Condensed Consolidated Statement of Comprehensive Income .....	6
Condensed Consolidated Statement of Financial Position .....	8
Condensed Consolidated Statement of Changes in Equity.....	9
Condensed Consolidated Statement of Cashflows .....	10
Segment information.....	11
Notes.....	11
<b>OTHER INFORMATION .....</b>	<b>13</b>
Glossary and definitions .....	13
Disclaimer .....	13

# ABOUT PANORO

Panoro Energy ASA is an independent exploration and production company based in London and listed on the main board of the Oslo Stock Exchange with the ticker PEN. Panoro holds production, exploration and development assets in Africa, namely interests in Block-G, Block S and Block EG-01 offshore Equatorial Guinea, the Dussafu Marin License offshore southern Gabon, the TPS operated assets, Sfax Offshore Exploration Permit and Ras El Besh Concession, offshore Tunisia, and interests in offshore exploration Block 2B and onshore Technical Co-operation Permit 218 in South Africa.

## HIGHLIGHTS, EVENTS AND UPDATES

### Third Quarter 2023 Highlights and Events

#### Production performance

- › Group working interest production averaged 10,000 bopd in Q3 and comprised:
  - › Equatorial Guinea: ~3,620 bopd
  - › Gabon: ~4,070 bopd
  - › Tunisia: ~2,320 bopd
- › Group working interest production had been averaging over 11,000 bopd in Q4 and reached levels of up to 12,000 bopd prior to the current electrical submersible pump ("ESP") diagnostic, repair and replacement work now in progress at the Hibiscus field
- › Panoro remains on track to achieve group production of 13,000 bopd when six new production wells in the current Gabon drilling campaign are onstream
- › Recognising the already communicated amended work programme in Gabon and aforementioned work on ESPs at the Hibiscus field, average full-year 2023 working interest group production guidance is around 9,000 bopd

#### Financial performance

- › Reported revenue in Q3 was USD 107.3 million (Q2: USD 5.7 million)
- › Q3 EBITDA was USD 64.8 million (Q2: USD 3.3 million) with profit before tax of USD 46.7 million (Q2: USD 10.0 million loss before tax) and net profit for the period of USD 27.9 million (Q2: 13.4 million net loss)
- › Year-to-date reported revenue for the first nine months was USD 173.7 million (9M 2022: USD 117.8 million)
- › EBITDA for the first nine months was USD 103.7 million (9M 2022: USD 89.2 million) with profit before tax of USD 61.2 million (9M 2022: USD 44.4 million) and net profit of USD 28.8 million (9M 2022: 13.9 million)
- › During Q3 the Company lifted and sold 1,179,262 barrels of oil at an average realised price of USD 87.65 per barrel
- › Consequently, the aggregate volume lifted and sold by the Company in the first nine months was 2,015,012 barrels of oil at an average realised price of USD 82.58 per barrel
- › In Q4 to date the Company has lifted and sold an aggregate volume of 554,813 barrels in Gabon and Tunisia at an average realised price of approximately USD 86.20 per barrel
- › Expected total crude liftings for full-year 2023 are approximately 3 million barrels, although the final scheduled 2023 lifting currently expected to occur around year end may, depending on logistical factors, occur in early January
- › Receivable in relation to DMO sales in Tunisia was USD 18.1 million at 30 September. USD 1.3 million of this balance was received in October
- › Reported cash at bank at 30 September was USD 47 million, which includes advances of USD 13.5 million taken against crude inventory position to smooth working capital. Excluding oil revenue advances cash at bank at 30 September was USD 33.5 million
- › Scheduled principal repayment made in September of USD 13.2 million resulting in amounts owing under reserve-based loans at 30 September of USD 70.5 million
- › Panoro's resultant net debt position at 30 September was USD 35.8 million (based on cash at bank of USD 33.5 million excluding oil revenue advances)

- › 2024 operational guidance for the Company will be provided as usual in January

## **Q3 2023 cash distribution**

- › Panoro today declares a Q3 2023 cash distribution of NOK 40 million (NOK 0.342 per share)
- › Panoro expects to declare a final 2023 cash distribution at its Q4 2023 results scheduled for 22 February 2024
- › Cash distribution to be paid as a return of paid in capital

## **2024 Shareholder returns policy**

- › Consistent with our 2023 framework, Panoro continually takes into account its capital and exploration projects alongside a range of other factors including the macro environment, current oil prices, exchange rates, cash flow profile of the asset base, lender considerations, balance sheet and liquidity requirements of the business. Consistent with its strategy to create and deliver shareholder value, the Board of Panoro has approved the adoption of a 2024 shareholder returns policy
- › Target distribution for 2024 of between NOK 400 and 500 million comprised of:
  - A core cash distribution paid on a quarterly basis, with first declaration at Q1 2024 results to be announced in May (for payment in June)
  - A combination of share buybacks and special cash distribution at the discretion of the Board
  - Amounts to be weighted towards the second half of the year as production milestones are achieved
  - Cash distributions to be paid as a return of paid in capital
- › The range will be dependent on:
  - The timing and de-risking of the major production operations ongoing in both Gabon and Equatorial Guinea
  - A realised oil price of USD 85 per barrel (representing the average 2024 oil price assumption of equity analysts) and current exchange rates
- › The Board will consider upward or downward revisions of the framework as production de-risking occurs and should oil prices be higher or lower than USD 85 per barrel

## **Liability management and capital allocation**

- › Panoro will continue to make its scheduled debt principal repayments during 2024. Should oil price realisations exceed USD 85 per barrel acceleration of debt repayment through additional repayments is anticipated
- › In line with its strategy Panoro will continue to selectively undertake exploration and appraisal activities that can offer meaningful upside with a modest financial exposure and will maintain an opportunistic stance in pursuit of value accretive acquisitions in the future

## **Production operations update**

### **Equatorial Guinea – Block G (Panoro 14.25%)**

- › Rig contracted for the upcoming drilling campaign has arrived in country and is undertaking two planned workovers before commencing drilling of three new infill wells which are expected onstream in 2024 and will deliver additional new production volumes
- › Numerous field life extension and asset integrity projects continued at the Ceiba and Okume Complex fields during the period

### **Gabon – Dussafu Marin Permit (Panoro 17.5%)**

- › Four production wells at the Hibiscus field have been safely drilled, completed and put onstream in the current campaign to date. Each new well was put onstream at gross rates of between 6,000 bopd and 6,500 bopd. The results of these wells have confirmed excellent reservoir quality in the Gamba sandstones with potential positive implications for recoverable oil volume
- › In light of these encouraging subsurface results, the partners have elected to accelerate development of the Hibiscus field in the current campaign and plan to spud the DHIBM-7H production well in 2024
- › Following the previously communicated electrical integrity issues with ESPs on the Hibiscus field, full production on ESP was re-started in mid-October with subsequent production ranges of up to almost 40,000 bopd achieved. In order to resolve the continuing electrical integrity issues over the longer term a programme of diagnosis, repair and replacement of the ESPs is underway

- › The partners plan to fast-track the recent Hibiscus South oil discovery into production, meaning the current drilling campaign offshore Gabon will now result in a total of seven new production wells compared to previously communicated plans for six new production wells

#### Tunisia – TPS Assets (Panoro 29.4%)

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- › New production opportunities include a workover campaign comprising ESP replacement and stimulation of three wells at the Cercina field (CER-1, CER-6A and CER-7) scheduled to commence in Q1 2024
- › Detailed planning for development drilling campaign on the Rhemoura and Guebiba fields with operations expected to start late 2024

#### Exploration and Appraisal

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- › At the Dussafu Marin Permit offshore Gabon the Hibiscus South exploration well has made a new oil discovery. Preliminary estimates of recoverable volumes are six to seven million barrels of oil (in line with pre-drill expectations)
- › The Dussafu partners have agreed to drill the Bourdon Prospect ("Prospect B"), which has an estimated mid-case potential of 29 million barrels recoverable oil in the Gamba and Dentale formations, in the current campaign
- › At Block S offshore Equatorial Guinea the partners are planning to drill the Kosmos Energy operated Akeng Deep exploration well in 2024 to test a play in the Albian, targeting an estimated gross mean resource of approximately 180 million barrels of oil equivalent in close proximity to existing infrastructure at Block G
- › At the Panoro operated Block EG-01, offshore Equatorial Guinea, subsurface studies based on existing seismic data are being undertaken to further define and evaluate the prospectivity of the block
- › Application for an Exploration Right covering part of TCP 218 located onshore in Free State, South Africa, is currently in progress

# FINANCIAL INFORMATION

The financial information set out below is intended as a high level update of the results and financial position of Panoro. This information is unaudited and has been prepared using the same accounting policies and principles applied to preparation of the Group's 2022 Annual report.

## Condensed Consolidated Statement of Comprehensive Income

Q3 2022 (Unaudited)	Q2 2023 (Unaudited)	Q3 2023 (Unaudited)	Amounts in USD 000	YTD 2023 (Unaudited)	YTD 2022 (Unaudited)
96,079	5,669	107,309	Total revenues	173,651	117,770
(8,017)	(12,678)	(39,665)	Operating expenses	(64,405)	(29,573)
(17,132)	12,234	(564)	Inventory movements *	(1,338)	8,581
(204)	337	(132)	Non-recurring items	3,192	(984)
(2,363)	(2,228)	(2,164)	General and administrative costs	(7,417)	(6,594)
<b>68,363</b>	<b>3,334</b>	<b>64,784</b>	<b>EBITDA</b>	<b>103,683</b>	<b>89,200</b>
(8,450)	(8,813)	(11,135)	Depreciation, depletion and amortisation	(26,262)	(26,726)
(1,187)	(447)	(479)	Other non-operating items	(1,365)	(1,941)
<b>58,726</b>	<b>(5,926)</b>	<b>53,170</b>	<b>EBIT - Operating income/(loss)</b>	<b>76,056</b>	<b>60,533</b>
(2,499)	(4,087)	(6,461)	Financial costs net of income	(14,884)	(16,177)
<b>56,227</b>	<b>(10,013)</b>	<b>46,709</b>	<b>Profit/(loss) before tax</b>	<b>61,172</b>	<b>44,356</b>
(21,161)	(3,417)	(18,814)	Income tax expense	(32,337)	(31,763)
<b>35,066</b>	<b>(13,430)</b>	<b>27,895</b>	<b>Net profit/(loss) from continuing operations</b>	<b>28,835</b>	<b>12,593</b>
297	-	-	Net income/(loss) from discontinued operations	-	1,258
<b>35,363</b>	<b>(13,430)</b>	<b>27,895</b>	<b>Net profit/(loss) for the period</b>	<b>28,835</b>	<b>13,851</b>
<b>NET INCOME /(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:</b>					
35,363	(13,430)	27,895	Equity holders of the parent	28,835	13,851
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:</b>					
35,363	(13,430)	27,895	Equity holders of the parent	28,835	13,851
<b>EARNINGS PER SHARE</b>					
0.31	(0.12)	0.24	Basic and diluted EPS on profit/(loss) for the period attributable to equity holders of the parent (USD) - Total	0.25	0.12
0.31	(0.12)	0.24	Basic and diluted EPS on profit/(loss) for the period attributable to equity holders of the parent (USD) - Continuing operations	0.25	0.11

\* Crude oil inventory and over/underlift movements form part of cost of sales and are valued using a cost per barrel that includes operating costs and depreciation, resulting in negative cost of sales during periods of limited or no liftings.

Underlying Operating Profit/(Loss) before tax is considered by the Group to be a useful non-GAAP financial measure to help understand underlying operational performance. The foregoing analysis has also been performed including, on an adjusted basis, the Underlying Operating Profit/(Loss) before tax from continuing operations of the Group. A reconciliation with adjustments to arrive at the Underlying Operating Profit/(Loss) before tax from continuing operations is included in the table below:

Q3 2022	Q2 2023	Q3 2023		YTD 2023	YTD 2022
(Unaudited)	(Unaudited)	(Unaudited)	Amounts in USD 000	(Unaudited)	(Unaudited)
(9,668)	(10,013)	46,709	Net income/(loss) before tax - continuing operations	61,172	44,356
385	447	479	Share based payments	1,339	1,183
681	(337)	132	Non-recurring items	(3,192)	984
-	-	-	Loss/(gain) on investment	26	758
(622)	-	-	Unrealised (gain)/loss on commodity hedges	133	(1,431)
<b>(9,224)</b>	<b>(9,903)</b>	<b>47,320</b>	<b>Underlying operating profit/(loss) before tax</b>	<b>59,478</b>	<b>45,850</b>

*Underlying Operating Profit/(Loss) before tax is a supplemental non-GAAP financial measures used by management and external users of the Company's consolidated financial statements, such as industry analysts, investors, lenders and rating agencies. The Company defines Underlying Operating Profit/(loss) before tax as Net income (loss) from continuing operations before tax adjusted for (i) Share based payment charges, (ii) unrealised (gain) loss on commodity hedges, (iii) (gain) loss on sale of oil and gas properties, (iv) impairments write-off's and reversals, and (v) similar other material items which management believes affect the comparability of operating results. We believe that Underlying Operating Profit/(Loss) before tax and other similar measures are useful to investors because they are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the oil and gas sector and will provide investors with a useful tool for assessing the comparability between periods, among securities analysts, as well as company by company. Because EBITDA and Underlying Operating Profit/(Loss) before tax excludes some, but not all, items that affect net income, these measures as presented by us may not be comparable to similarly titled measures of other companies.*

## Condensed Consolidated Statement of Financial Position

	As at 30 September 2023	As at 30 June 2023	As at 31 December 2022
<i>Amounts in USD 000</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>
Tangible and intangible assets	507,192	504,265	444,740
Other non-current assets	137	142	121
<b>Total Non-current assets</b>	<b>507,329</b>	<b>504,407</b>	<b>444,861</b>
Inventories, trade and other receivables	77,534	77,196	61,339
Other current assets	-	-	475
Cash and cash equivalents	47,000	31,837	32,670
<b>Total current assets</b>	<b>124,534</b>	<b>109,033</b>	<b>94,484</b>
<b>Total Assets</b>	<b>631,863</b>	<b>613,440</b>	<b>539,345</b>
 <b>Total Equity</b>	 <b>234,640</b>	 <b>210,829</b>	 <b>206,503</b>
Decommissioning liability	139,490	137,682	123,654
Loans and borrowings	43,355	56,498	58,382
Other non-current liabilities	15,143	15,203	11,682
Deferred tax liabilities	72,139	75,832	67,283
<b>Total Non-current liabilities</b>	<b>270,127</b>	<b>285,215</b>	<b>261,001</b>
Loans and borrowings - current portion	25,936	25,757	21,129
Oil revenue advances	13,500	17,400	-
Trade and other current liabilities	28,568	26,761	15,152
Current and deferred taxes	59,092	47,478	35,560
<b>Total Current liabilities</b>	<b>127,096</b>	<b>117,396</b>	<b>71,841</b>
<b>Total Liabilities</b>	<b>397,223</b>	<b>402,611</b>	<b>332,842</b>
<b>Total Equity and Liabilities</b>	<b>631,863</b>	<b>613,440</b>	<b>539,345</b>

## Condensed Consolidated Statement of Changes in Equity

Attributable to equity holders of the parent

For the nine months ended 30 September 2023 Amounts in USD 000	Issued capital	Share premium	Additional paid-in capital	Retained earnings	Other reserves	Currency translation reserve	Total
<b>At 1 January 2023 (Audited)</b>	<b>723</b>	<b>428,503</b>	<b>121,834</b>	<b>(301,149)</b>	<b>(37,647)</b>	<b>(5,761)</b>	<b>206,503</b>
Net income/(loss) for the period - continuing operations	-	-	-	940	-	-	940
<b>Total comprehensive income/(loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>940</b>	<b>-</b>	<b>-</b>	<b>940</b>
Share issue - business combinations	14	8,319	-	-	-	-	8,333
Employee share options charge	-	-	860	-	-	-	860
Share issue under RSU plan	1	791	(792)	-	-	-	-
Dividend	-	-	-	(5,807)	-	-	(5,807)
<b>At 30 June 2023 (Unaudited)</b>	<b>738</b>	<b>437,613</b>	<b>121,902</b>	<b>(306,016)</b>	<b>(37,647)</b>	<b>(5,761)</b>	<b>210,829</b>
Net income/(loss) for the period - continuing operations	-	-	-	27,895	-	-	27,895
<b>Total comprehensive income/(loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,895</b>	<b>-</b>	<b>-</b>	<b>27,895</b>
Settlement of Restricted Share Units	-	-	(846)	-	-	-	(846)
Employee share options charge	-	-	483	-	-	-	483
Dividend	-	-	-	(3,721)	-	-	(3,721)
<b>At 30 September 2023 (Unaudited)</b>	<b>738</b>	<b>437,613</b>	<b>121,539</b>	<b>(281,842)</b>	<b>(37,647)</b>	<b>(5,761)</b>	<b>234,640</b>

Attributable to equity holders of the parent

For the nine months ended 30 September 2022 Amounts in USD 000	Issued capital	Share premium	Additional paid-in capital	Retained earnings	Other reserves	Currency translation reserve	Total
<b>At 1 January 2022 (Audited)</b>	<b>721</b>	<b>427,496</b>	<b>122,324</b>	<b>(311,694)</b>	<b>(37,647)</b>	<b>(5,761)</b>	<b>195,439</b>
Net income/(loss) for the period - continuing operations	-	-	-	(22,473)	-	-	(22,473)
Net income/(loss) for the period - discontinued operations	-	-	-	961	-	-	961
<b>Total comprehensive income/(loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21,512)</b>	<b>-</b>	<b>-</b>	<b>(21,512)</b>
Employee share options charge	-	-	755	-	-	-	755
<b>At 30 June 2022 (Unaudited)</b>	<b>721</b>	<b>427,496</b>	<b>123,079</b>	<b>(333,206)</b>	<b>(37,647)</b>	<b>(5,761)</b>	<b>174,682</b>
Net income/(loss) for the period - continuing operations	-	-	-	35,066	-	-	35,066
Net income/(loss) for the period - discontinued operations	-	-	-	297	-	-	297
<b>Total comprehensive income/(loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,363</b>	<b>-</b>	<b>-</b>	<b>35,363</b>
Settlement of Restricted Share Units	-	-	(2,081)	-	-	-	(2,081)
Employee share options charge	-	-	429	-	-	-	429
Share issue under RSU plan	2	1,007	-	-	-	-	1,009
Dividend	-	-	-	(9,348)	-	-	(9,348)
<b>At 30 September 2022 (Unaudited)</b>	<b>723</b>	<b>428,503</b>	<b>121,427</b>	<b>(307,191)</b>	<b>(37,647)</b>	<b>(5,761)</b>	<b>200,054</b>

## Condensed Consolidated Statement of Cashflows

Q3 2022 (Unaudited)	Q2 2023 (Unaudited)	Q3 2023 (Unaudited)	Cash inflows / (outflows) (USD 000)	YTD 2023 (Unaudited)	YTD 2022 (Unaudited)
<b>56,524</b>	<b>(10,013)</b>	<b>46,709</b>	<b>Net (loss)/income for the period before tax</b>	<b>61,172</b>	<b>45,614</b>
<b>ADJUSTED FOR:</b>					
8,450	8,813	11,135	Depreciation	26,262	26,726
655	(14,372)	411	Increase/(decrease) in working capital	(4,727)	5,098
(2,319)	(3,432)	(10,893)	Taxes	(17,549)	(13,764)
2,479	4,042	6,513	Net finance costs and losses/(gains) on commodity hedges	14,901	16,039
-	-	-	Impairment reversal	-	(1,200)
(583)	482	(344)	Other non-cash items	552	278
<b>65,206</b>	<b>(14,480)</b>	<b>53,531</b>	<b>Net cash (out)/inflow from operations</b>	<b>80,611</b>	<b>78,791</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
-	(4,848)	-	Cash outflow related to acquisition(s)	(4,848)	-
-	1,881	-	Net cash acquired at acquisition(s)	1,881	-
(15,373)	(18,900)	(14,081)	Investment in exploration, production and other assets	(47,037)	(40,258)
<b>(15,373)</b>	<b>(21,867)</b>	<b>(14,081)</b>	<b>Net cash (out)/inflow from investing activities</b>	<b>(50,004)</b>	<b>(40,258)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
-	14,758	-	Proceeds from loans and borrowings (net of upfront and arrangement costs)	14,758	-
(35,000)	17,400	(3,900)	Oil revenue advances	13,500	-
-	-	-	Repayment of non-recourse loan	(653)	(1,864)
(6,420)	-	(13,210)	Repayment of Senior Secured loans	(25,450)	(13,710)
(2,752)	-	(702)	Realised gain/(loss) on commodity hedges	(910)	(7,283)
(2,129)	(2,552)	(2,695)	Borrowing costs, including bank charges	(7,825)	(5,889)
(55)	(55)	(59)	Lease liability payments	(169)	(172)
-	(2,884)	(3,721)	Dividend paid	(9,528)	-
<b>(46,356)</b>	<b>26,667</b>	<b>(24,287)</b>	<b>Net cash (out)/inflow from financing activities</b>	<b>(16,277)</b>	<b>(28,918)</b>
3,477	(9,680)	15,163	Change in cash and cash equivalents during the period	14,330	9,615
-	-	-	Change in cash and cash equivalents - assets held for sale	-	(9)
30,661	41,517	31,837	Cash and cash equivalents at the beginning of the period	32,670	24,532
<b>34,138</b>	<b>31,837</b>	<b>47,000</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>47,000</b>	<b>34,138</b>

## Segment information

Q3 2022 (Unaudited)	Q2 2023 (Unaudited)	Q3 2023 (Unaudited)	All amounts in USD 000 unless otherwise stated	YTD 2023 (Unaudited)	YTD 2022 (Unaudited)
<b>OPERATING SEGMENTS - GROUP NET SALES</b>					
4,239	3,420	3,623	Net average daily production - Block G (bopd)	3,649	4,554
1,827	2,660	4,069	Net average daily production - Dussafu (bopd)	2,686	1,910
1,221	2,010	2,316	Net average daily production - TPS assets (bopd)	1,825	1,203
<b>7,287</b>	<b>8,090</b>	<b>10,008</b>	<b>Total Group Net average daily production (bopd)</b>	<b>8,160</b>	<b>7,667</b>
745,069	-	649,853	Oil sales (bbls) - Net to Panoro - Block G, Equatorial Guinea	1,309,665	745,069
-	-	339,342	Oil sales (bbls) - Net to Panoro - Dussafu, Gabon	339,342	-
135,827	52,830	190,067	Oil sales (bbls) - Net to Panoro - TPS assets, Tunisia	366,005	294,728
<b>880,896</b>	<b>52,830</b>	<b>1,179,262</b>	<b>Total Group Net Sales (bbls) - continuing operations</b>	<b>2,015,012</b>	<b>1,039,797</b>
<b>OPERATING SEGMENT - WEST AFRICA - EQUATORIAL GUINEA</b>					
58,396	1,913	35,954	<b>EBITDA</b>	69,181	64,866
5,826	3,413	4,254	Depreciation and amortisation	11,444	18,537
252,584	238,032	256,797	Segment assets	256,797	252,584
<b>OPERATING SEGMENT - WEST AFRICA - GABON</b>					
2,008	1,967	19,690	<b>EBITDA</b>	22,576	6,558
1,719	3,305	5,072	Depreciation and amortisation	9,885	5,529
224,019	248,469	253,238	Segment assets	253,238	224,019
<b>OPERATING SEGMENT - NORTH AFRICA - TUNISIA</b>					
9,944	3,684	7,084	<b>EBITDA</b>	16,240	22,178
826	2,500	1,272	Depreciation and amortisation	4,722	2,422
67,569	100,873	112,272	Segment assets	112,272	67,569
<b>OPERATING SEGMENT - SOUTH AFRICA</b>					
(109)	(162)	(102)	<b>EBITDA</b>	(451)	(303)
5,236	135	152	Segment assets	152	5,236
<b>CORPORATE</b>					
(1,876)	(4,068)	2,158	<b>EBITDA</b>	(3,863)	(4,099)
79	(405)	537	Depreciation and amortisation	211	238
9,147	25,931	9,405	Segment assets	9,405	9,147
<b>TOTAL - CONTINUING OPERATIONS</b>					
68,363	3,334	64,784	<b>EBITDA</b>	103,683	89,200
8,450	8,813	11,135	Depreciation and amortisation	26,262	26,726
558,555	613,440	631,864	Segment assets	631,864	558,555

## Notes

### 1. Basis of preparation

The purpose of the unaudited condensed consolidated financial statements contained herein is to provide a high level update on Panoro activities, does not constitute an interim financial report under IAS 34 and should be read in conjunction with the financial information and the risk factors contained in the Company's 2022 Annual Report, available on the Company's website [www.panoroenergy.com](http://www.panoroenergy.com).

The condensed consolidated financial statements are presented in US Dollars and all values are rounded to the nearest thousand dollars (USD 000), except when otherwise stated.

Panoro held a 60% investment interest in Sfax Petroleum Corporation AS ("Sfax Corp") up to 24 April 2023 (the "Transaction Date") at which time the remaining 40% interest was acquired from Beender Petroleum Tunisia Limited and Sfax Corp became a wholly owned subsidiary (the "Transaction"). Up to the Transaction Date, 60% of all account balances and transactions of the Tunisian operations have been included on a line by line basis in Panoro's financial statements by proportionally consolidating the results and balances of Sfax Corp and its subsidiaries. The additional 40% interest acquired was measured and accounted for at fair value and 100% of transactions and balances of Sfax Corp and its subsidiaries are consolidated after the Transaction Date. Detailed business combination disclosure of the Transaction was published in note 4 to the Half Year Report.

### 1. Significant accounting policies and assumptions

The accounting policies adopted in preparation of these condensed consolidated financial statements are consistent with those followed in the preparation of the Group's 2022 Annual Report.

### 2. Principal risks and uncertainties

The Group's activities expose it to a number of risks and uncertainties, which are consistent with those outlined in the Group's 2022 Annual Report.

### 3. Loans and borrowings

#### 3.1. MCB/Trafigura Senior Secured Reserve Based Loan

Current and non-current portion of the outstanding balance of the Trafigura Senior Secured Reserve Based Lending facility as of the date of the statement of financial position is as follows:

Amounts in USD 000	30 September 2023	30 June 2023	31 December 2022
	(Unaudited)	(Unaudited)	(Audited)
Borrowing Base Loan facility - Non-current	44,033	57,243	57,600
Borrowing Base Loan facility - Current	26,420	26,420	16,200
<b>Total Senior Loan facility</b>	<b>70,453</b>	<b>83,663</b>	<b>73,800</b>
Borrowing Base Unamortised borrowing costs - Non-current	(678)	(745)	(950)
Borrowing Base Unamortised borrowing costs - Current	(484)	(663)	(918)
<b>Total Unamortised borrowing costs</b>	<b>(1,162)</b>	<b>(1,408)</b>	<b>(1,868)</b>
<b>Total Senior Loan facility</b>	<b>69,291</b>	<b>82,255</b>	<b>71,932</b>

The amended Senior Loan facility has a term of 5 years from 31 March 2021 with interest charged and paid quarterly at USD 3-month SOFR plus 7.5% on the balance outstanding, with principal repayments due each six months.

Un-amortised borrowing costs include structuring fees and directly attributable third-party costs. During the current quarter, these costs are expensed using an effective interest rate of 13.5% per annum over the remaining term of the facility.

#### 3.2. Other loans

USD 632 thousand BW Energy non-recourse loan owing at the beginning of the year was repaid in full during the first quarter.

Amounts owing under the Mercuria Senior Secured facility was repaid in full on 15 March 2023.

# OTHER INFORMATION

## Glossary and definitions

Bbl	One barrel of oil, equal to 42 US gallons or 159 liters
Bopd	Barrels of oil per day
Kbopd	Thousands of barrels of oil per day
Bcf	Billion cubic feet
Bm <sup>3</sup>	Billion cubic meter
BOE	Barrel of oil equivalent
Btu	British Thermal Units, the energy content needed to heat one pint of water by one degree Fahrenheit
IP	Initial production
Mcf	Thousand cubic feet
MMcf	Million cubic feet
MMbbl	Million barrels of oil
MMboe	Million barrels of oil equivalents
MMBtu	Million British thermal units
MMm <sup>3</sup>	Million cubic meters
Tcf	Trillion cubic feet
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortisation
EBIT	Earnings before Interest and Taxes
TVDSS	True Vertical Depth Subsea

## Disclaimer

This report does not constitute an offer to buy or sell shares or other financial instruments of Panoro Energy ASA (“Company”). This report contains certain statements that are, or may be deemed to be, “forward-looking statements”, which include all statements other than statements of historical fact. Forward-looking statements involve making certain assumptions based on the Company’s experience and perception of historical trends, current conditions, expected future developments and other factors that we believe are appropriate under the circumstances. Although we believe that the expectations reflected in these forward-looking statements are reasonable, actual events or results may differ materially from those projected or implied in such forward-looking statements due to known or unknown risks, uncertainties and other factors. These risks and uncertainties include, among others, uncertainties in the exploration for and development and production of oil and gas, uncertainties inherent in estimating oil and gas reserves and projecting future rates of production, uncertainties as to the amount and timing of future capital expenditures, unpredictable changes in general economic conditions, volatility of oil and gas prices, competitive risks, counter-party risks including partner funding, regulatory changes including country risks where the Group’s assets are located and other risks and uncertainties discussed in the Company’s periodic reports. Forward-looking statements are often identified by the words “believe”, “budget”, “potential”, “expect”, “anticipate”, “intend”, “plan” and other similar terms and phrases. We caution you not to place undue reliance on these forward-looking statements, which speak only as of the date of this report, and we undertake no obligation to update or revise any of this information.



Panoro Energy

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