



INVESTOR PRESENTATION | First Quarter 2022 Results Update

WALDORF PRODUCTION

30 May 2022



www.waldorf-production.com

STRICTLY PRIVATE AND CONFIDENTIAL

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WALDORF
PRODUCTION



WALDORF: A PRODUCTION-FOCUSED UKCS OIL & GAS INDEPENDENT

INTRODUCTION

- › Private oil & gas company focused primarily on production and development in the UK North Sea
 - Owners comprise group of Norwegian investors and management/directors
 - Highly acquisitive company with growth delivered by focused M&A strategy and near-term value enhancement across the company's existing portfolio
 - Established through the acquisition of Endeavour Energy UK in late 2019
 - Transformational acquisition of interests in Catcher and Kraken from Cairn Energy completed in November 2021, generating material cash flow growth
 - USD 300m bond issue raise in October 2021 to finance acquisition from Cairn Energy and refinance existing debt
 - Waldorf Production Limited entered a binding agreement to purchase the wholly owned subsidiaries of MOL Hungarian Oil and Gas plc in March 2022, doubling the Group's position in the Greater Catcher Area and further diversifying the UK portfolio
 - The MOL transaction has **NO IMPLICATIONS** for the Nordic Bond issued by **Waldorf Production UK Limited** on 1st October 2021
- › Highly cash generative portfolio
 - 1Q 2022 Production in line with forecast, 2022 production guidance maintained
 - 1Q 2022 Free Cash Flow of USD 126m (prior to financing activities)
 - ERCE completed YE 2021 reserve and resources evaluation
- › Strategy to grow through acquisition of mainly non-operated producing assets, leveraging the shift in market and ownership structures in the North Sea and targeted international geographies

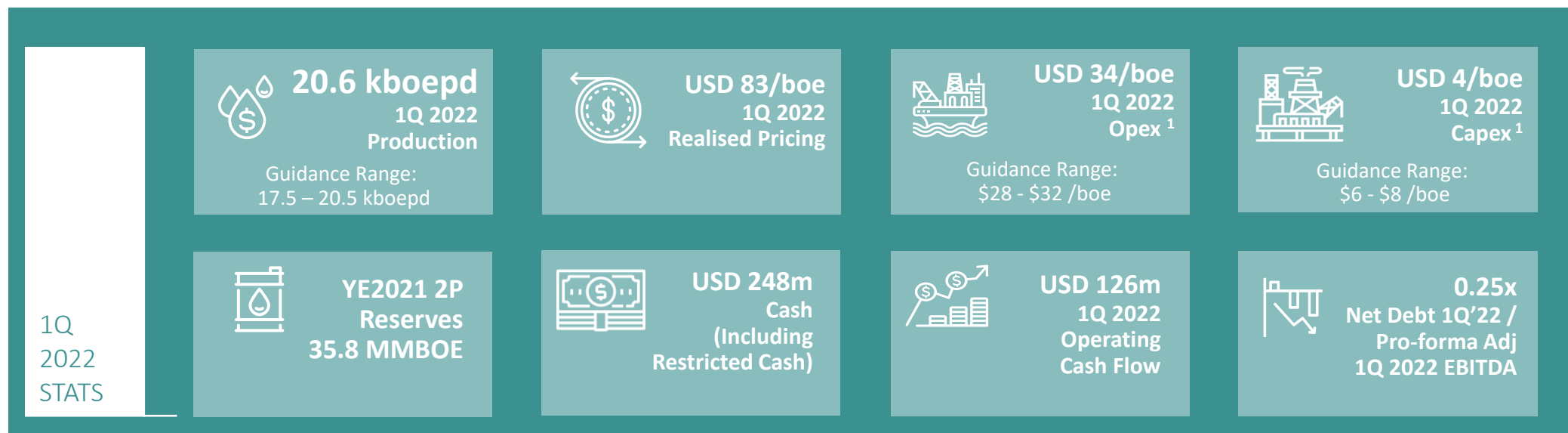
DIVERSIFIED UK PORTFOLIO



WALDORF: 1Q 2022 TRADING UPDATE

1Q 2022 OPERATING CASH FLOW, PRIOR TO DEBT SERVICING, OF USD 126M

- › Strong cash flow generation in 1Q 2022, driven by steady production performance (in line with guidance) and a buoyant commodity price environment
- › 1Q 2022 Opex per barrel has risen above Waldorf's guidance range, primarily as a result of increasing fuel/power costs
- › Capex guidance remains unchanged within drilling activity ongoing at the Greater Catcher Area and Alba drilling scheduled for 4Q 2022
- › Net Debt position of USD 106m, excluding restricted cash of USD 105m, placing the Company comfortably within its Net Debt: EBITDA covenant test
 - › Further USD 48m is held in restricted cash in Waldorf Energy Production Limited
- › Following the Chancellor's announcement on 26 May, WPUK's future profits will be subject to a 25% Energy Profits Levy ("levy") until the earlier of 31 December 2025 or the return of oil and gas prices to "historically more normal prices". A new levy investment allowance will be introduced as part of the legislation in a bid to encourage continued investment
- › The Board is working to fully understand the implications of the new legislation and will, as part of this process, consider the impact of the levy investment allowance to its investment programme across the company's existing asset base



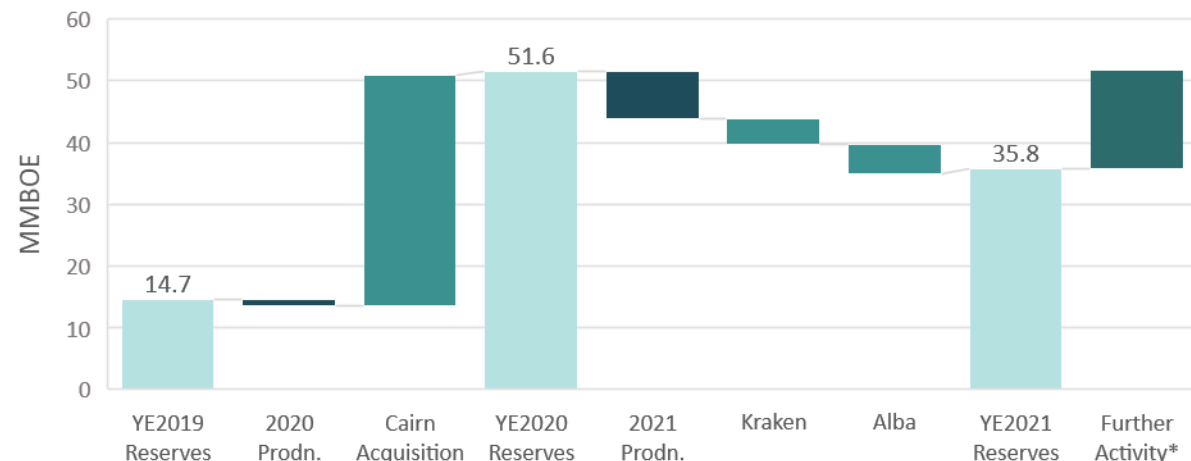
WALDORF: YEAR-END 2021 RESERVES

SUMMARY

- › 2P Reserves of 35.8 MMBOE as of 31 Dec 21¹
 - 2021 Production of 7.8 MMBOE
 - Downward revisions of 8.0 MMBOE split between Kraken & Alba
- › Reserves revisions only impact production post 2025
 - Forecast production 2022-2025 remains unchanged
- › Kraken revisions mostly affect late life production with earlier CoP (2042 → 2039)
- › Alba reduction due to reclassification of four infill wells from Reserves to Contingent Resources based on project maturity
 - Consequential impact of loss is earlier economic field life
- › Contingent & Prospective Resources of 15.9 MMBOE
 - Further activity resulting from maturing identified opportunities, the majority from infill drilling on Catcher, Kraken & reclassification of Alba reserves to contingent resources

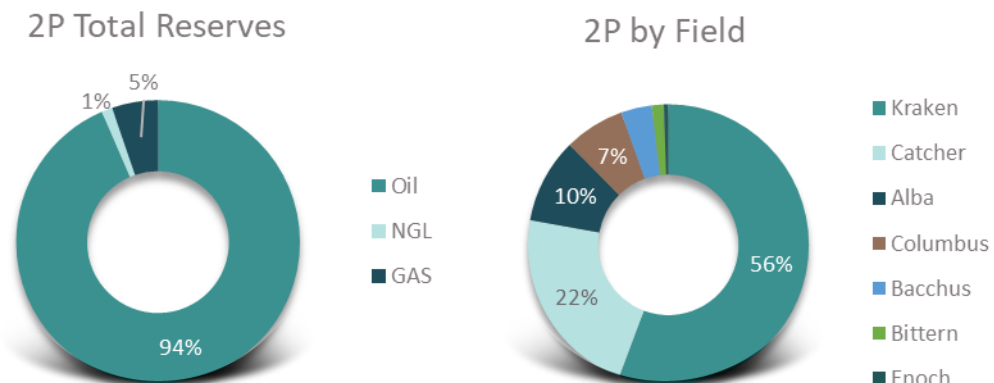
¹ Source: ERCE Competent Person's Report as of 31 December 2021

2P EVOLUTION



*Further activity comprises ERCE 2C/2U Resources

2P RESERVES BREAKDOWN



DELIVERING ON THE PLAN PREPARING FOR THE FUTURE

KRAKEN



- › Performing well with high production efficiency
- › 1Q 2022 production close to forecast
- › Execution of required maintenance allowed TAR to be deferred to 2022
- › Multi-azimuth seismic acquisition successfully completed to de-risk drilling targets
- › Maturing definition of main field infill drilling targets
- › Evaluating opportunities for future Western Area Development (Pembroke/Maureen)

CATCHER



- › 1Q 2022 production exceeding forecast due to continued subsurface performance and reliability
- › FDP Addendum for Gas Injection approved, commenced with positive results
- › Well deliverability in excess of FPSO capacity, debottlenecking evaluation ongoing
- › 4D seismic acquired to de-risk infill opportunities
- › Three well drilling programme commenced in March 2022 and proceeding to plan
- › Work ongoing to mature 2023+ drilling options

ALBA



- › 2021 production close to forecast
- › Ongoing focus on late life maintenance and asset integrity. TAR scheduled for July
- › Opportunity to workover several long-term shut-in wells during upcoming drilling campaign
- › Resumption of drilling is expected in 4Q 2022 with a campaign of three infill wells

COLUMBUS



- › First production to Shearwater achieved in late November 2022
- › Initial decline faster than pre-start-up expectations but compensated by better Shearwater uptime
- › Benefitted from high commodity prices with development costs already paid back
- › Predictable future production and cashflow



WALDORF
PRODUCTION

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1Q 2022 UPDATE

UNAUDITED STATEMENT OF FINANCIAL POSITION

Unaudited Statement of Financial Position						
Assets	31 March	31 December	Equity & Liabilities	31 March	31 December	
	2021	2021		2022	2021	
	USD M	USD M		USD M	USD M	
Property, Plant & Equipment	739	756	Equity	296	200	
Deferred Tax Asset	153	153	Bond	250	275	
Receivables and other assets	267	289	ARO Provision	307	323	
Cash & Cash Equivalents	248	160	Lease Liabilities	183	193	
			Other Liabilities	372	367	
	1,408	1,358		1,408	1,358	

- › NET DEBT TO PRO-FORMA ADJUSTED EBITDA COVENANT MET WITH A POSITION OF 0.25X
- › End of 1Q 2022 Cash & Cash Equivalents position of USD 248m (bond amortisation and interest paid prior to quarter-end)
- › Deferred Tax Asset of USD 153m recognized at year end
- › Closing Bond position of USD 250m reflecting the timing of bond capital and interest repayments prior to the quarter-end
- › Other liabilities include:
 - Contingent Payment to Capricorn Energy of USD 76m¹ payable in June 2022; and a long-term provision to provide for future contingent payments under the terms of the Put and Call option
 - Balances outstanding under the Shell prepay / working capital facility of USD 57m at end of 1Q 2022

1) The deduction of withholding tax prior to payment of the Contingent Payment has been clarified between WPUK and the Seller and it has been concluded that the deduction of notional tax should not be applied prior to payment to Capricorn Energy by WPUK

FINANCIAL YEAR 2021 UPDATE

YEAR END POSITION SUBJECT TO AUDIT ADJUSTMENTS

- › WPUK Consolidated Net Profit position presented includes Waldorf Production UK Limited (“WPUK”) and Capricorn North Sea Limited (“CNSL”), renamed Waldorf Real Estate Limited (“WREL”) in March 2022
- › WPUK audit complete with Audited Accounts filed (see Appendix 1). CNSL audit remains ongoing

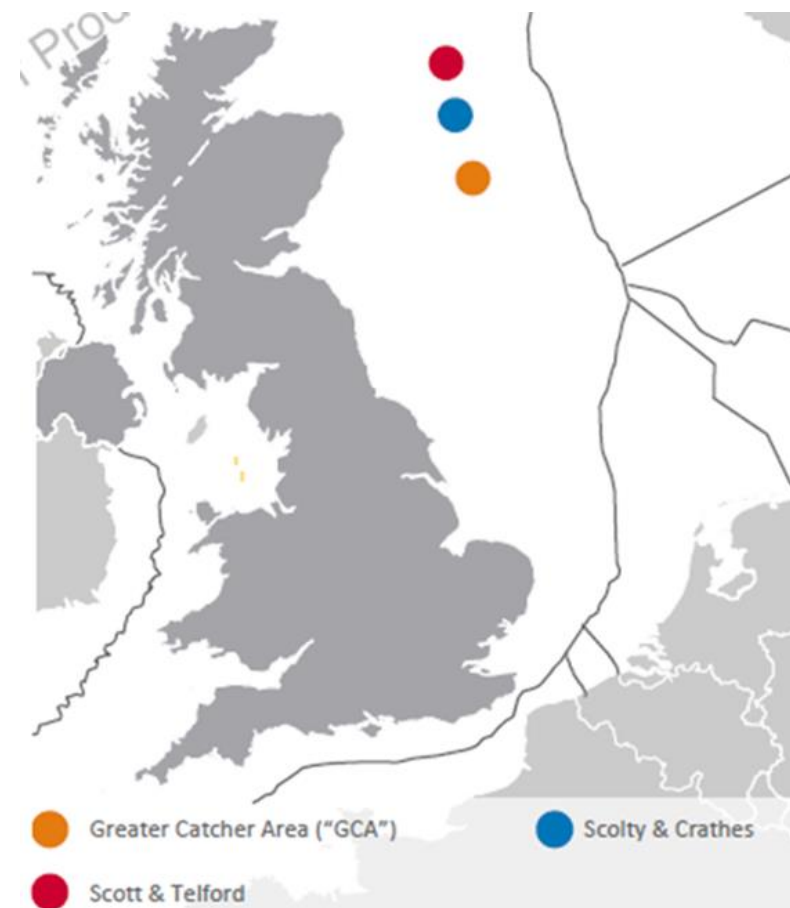


- › **CONSOLIDATED WPUK + CNSL NET PROFIT OF USD 184M. LARGE DIFFERENCES TO UNAUDITED ACCOUNTS DRIVEN BY:**
- › USD 211m lower deferred tax asset recognition due to auditor’s internal price deck assumptions and associated lower tax crystallisation; difference likely to be reversed in year end 2022 accounts at the current forward curve
- › All Profit and Loss adjustments relate to non-cash items

WALDORF: GROUP ACQUISITION ACTIVITY

- › **Waldorf Production Limited** has entered into a binding agreement to purchase the wholly owned subsidiaries of MOL Hungarian Oil and Gas plc comprising its entire UKCS portfolio
- › The acquisition has **NO IMPLICATIONS** for the Nordic Bond issued by **Waldorf Production UK Limited** on 1st October 2021
- › MOL's UKCS portfolio¹ consists of non-operated interests in three producing asset hubs across the Central North Sea
 - Non-operated 20% interest in the Greater Catcher Area (bringing Waldorf's working interest to 40%)
 - Non-operated 50% interest in Scolty and Crathes fields
 - Non-operated interests in Scott (21.83%) and Telford (1.59%)
 - Sleeping owner in infrastructure and fields awaiting decommissioning
- › Effective date of acquisition of 1 January 2021
- › Corporate entities acquired will become subsidiaries of Waldorf Production Limited following completion
- › Acquisition materially increases Waldorf's UKCS reserves and production including doubling the position in the Greater Catcher Area
 - › 2P Reserves as at 01 Jan 2021 of 15.9 mmbob
 - › 2021 Production of 13 kboepd; almost exclusively oil production
- › Negligible consideration payable at completion

MOL's UKCS Producing Interests



1) Acquisition includes interests in Cladhan, Broom, Brent Pipeline System and Sullom Voe Terminal



WALDORF
PRODUCTION

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APPENDIX 1 – 1Q 2022 UNAUDITED ACCOUNTS



QUARTER ENDING
31ST MARCH 2022

UNAUDITED
CONSOLIDATED
WPUK + WREL

STATEMENT OF
COMPREHENSIVE
INCOME &
CASH FLOW
STATEMENT

› Consolidated WPUK and WREL position from completion dated 2nd November 2021

Statement of Comprehensive Income	2022 1Q \$'000	2021 FY \$'000
Oil Sales	134,689	167,779
Gas and NGL Sales	12,088	10,786
Revenue	146,778	178,565
Cost of Sales	(43,517)	(85,218)
DD&A	(9,941)	(25,486)
Impairment Reversal	0	58,152
Gross Profit	93,320	126,014
G&A	(10,593)	(14,713)
Other Income	629	1,337
Foreign Exchange	2,842	(1,015)
Interest Expense	(7,228)	(8,170)
Gain/Loss on derivatives	16,700	(48,091)
Tax	0	128,934
Net Profit/Loss	95,670	184,297

Cashflow Statement	2022 1Q \$'000	2021 FY \$'000
Cash flows from Operating Activities		
Cash (absorbed by)/generated from operations	134,719	(48,868)
Investing Activities		
Net cash used in investing activities	(8,799)	(145,886)
Financing Activities		
Net cash generated from / (used in) financing activities	(35,432)	243,889
Net increase / (decrease) in Cash	90,488	49,136
Cash at beginning of period	53,330	4,194
Cash at end of period	143,818	53,330

QUARTER
ENDING 31ST
MARCH 2022

UNAUDITED
CONSOLIDATED
WPUK + WREL

STATEMENT OF
FINANCIAL
POSITION

› Consolidated WPUK and WREL position

Statement of Financial Position	Mar-22 \$'000	Dec-21 \$'000
Cash and cash equivalent	143,818	53,330
Restricted cash	104,632	106,399
Accounts Receivable	25,024	24,172
Derivative financial instruments	0	0
Inventory and cash (JV)	13,284	13,815
Other current assets	228,674	251,371
Current Assets	266,982	289,358
Deferred Tax	153,007	153,007
Derivative financial instruments	0	0
Oil and Gas properties	739,099	755,688
Right of use assets	0	0
Non Current Assets	892,107	908,695
TOTAL ASSETS	1,407,539	1,357,783

Statement of Financial Position	Mar-22 \$'000	Dec-21 \$'000
Accounts Payable	17,742	21,734
Accruals (JV)	28,408	29,946
Bonds	100,000	100,000
Contingent Payment and WHT	75,792	75,792
Derivative financial instruments	14,559	20,942
Intercompany payables	0	0
ARO Liability (S/T)	823	339
FPSO Liability (S/T)	41,039	41,099
Corporation Tax	0	0
Other current liabilities	85,590	50,126
Current Liabilities	363,952	339,979
ARO Liability	306,536	323,101
Contingent Payment	145,571	146,502
Derivative financial instruments	3,694	21,220
FPSO Liability	142,158	152,023
Bonds	150,000	175,000
Non Current Liabilities	747,960	817,846
Equity	295,627	199,958
TOTAL LIABILITIES AND EQUITY	1,407,539	1,357,783

APPENDIX 2 – YEAR END 31 DECEMBER 2021 AUDITED ACCOUNTS



WALDORF
PRODUCTION UK
LIMITED

AUDITED
ACCOUNTS
YEAR ENDED
31ST DECEMBER 2021

STATEMENT OF
COMPREHENSIVE
INCOME

Statement of Comprehensive Income	2021 \$'000	2020 \$'000
Revenue	73,644	45,943
Cost of sales	- 66,791	- 5,990
Depreciation, depletion and amortization	- 14,777	- 17,626
Gross (loss)/profit	- 7,924	22,327
Oil and gas impairments	75,485	-
Oil and gas write offs	- 17,333	-
Administrative expenses	- 16,393	- 5,925
Operating profit	33,835	16,402
Finance income	1,066	364
Finance costs	- 10,581	- 503
Net foreign currency exchange (loss)/gain	- 2,226	4,671
Revisions to decommissioning obligations for non-producing fields	1,394	434
Profit before taxation	23,488	21,368
Taxation	128,935	4,270
Profit for the year	152,423	25,638

› Note: Waldorf Production UK Limited Audited Accounts excluding trading from Waldorf Real Estate Limited

WALDORF PRODUCTION UK LIMITED

AUDITED
ACCOUNTS
YEAR ENDED
31ST DECEMBER 2021

STATEMENT OF FINANCIAL POSITION

Statement of Financial Position	31-Dec 2021 \$'000	31-Dec 2020 \$'000
Non-current assets		
Intangible assets	-	3,173
Property, plant and equipment	159,183	87,527
Right of use asset	-	40
Investments	304,853	-
Deferred tax asset	153,007	23,687
Derivative financial instruments	-	7,781
	<u>617,043</u>	<u>122,208</u>
Current assets		
Inventories	4,481	4,174
Other current assets	2,283	1,593
Intercompany receivables	125,237	-
Trade and other receivables	27,579	16,779
Restricted cash	106,399	73,515
Current tax recoverable	-	3,586
Cash and cash equivalents	53,330	4,194
Derivative financial instruments	20,942	7,224
	<u>340,251</u>	<u>111,065</u>
Total assets	<u>957,294</u>	<u>233,273</u>
Current liabilities		
Trade and other payables	146,468	17,539
Current tax liabilities	-	1,588
Intercompany payables	38,427	1,816
Borrowings	100,000	-
Lease liabilities	-	23
Provisions	339	1,268
Derivative financial instruments	14,680	2,455
	<u>299,914</u>	<u>24,689</u>
Net current assets	<u>40,337</u>	<u>86,376</u>

Statement of Financial Position	31-Dec 2021 \$'000	31-Dec 2020 \$'000
Non-current liabilities		
Trade and other payables	146,502	-
Borrowings	168,369	-
Long term provisions	167,885	175,105
Derivative financial instruments	6,540	17,818
	<u>489,296</u>	<u>192,923</u>
Total liabilities	<u>789,210</u>	<u>217,612</u>
Net assets	<u>168,084</u>	<u>15,661</u>
Equity		
Share capital	-	-
Share premium account	342,846	342,846
Other reserves	1,403,652	1,403,652
Retained earnings	- 1,578,414	- 1,730,837
	<u>168,084</u>	<u>15,661</u>
Total equity	<u>168,084</u>	<u>15,661</u>

WALDORF PRODUCTION UK LIMITED

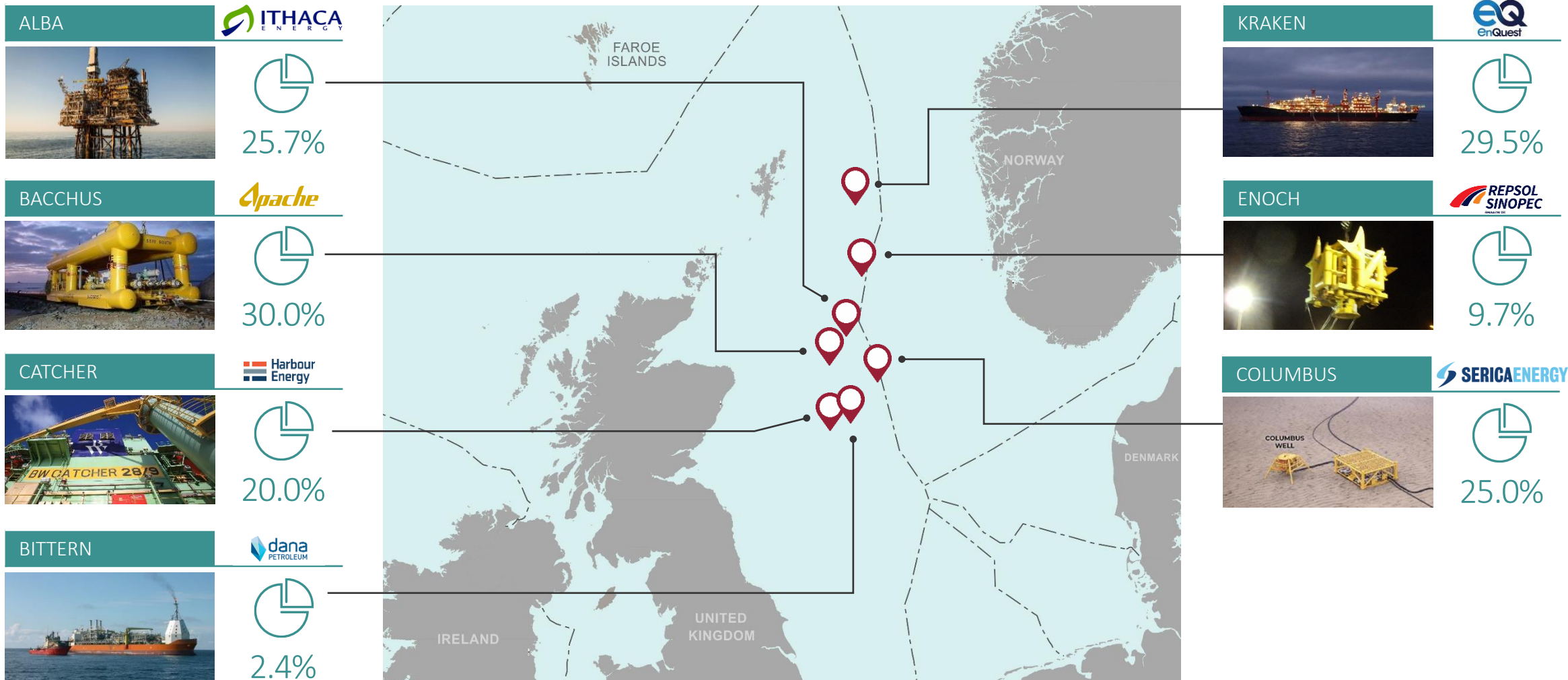
AUDITED
ACCOUNTS
YEAR ENDED
31ST DECEMBER 2021

STATEMENT OF CASH FLOWS

Statement of Cash Flows	2021		2020	
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Cash (absorbed by)/generated from operations		- 59,830		13,267
Investing activities				
Purchase of property, plant and equipment	- 20,336		- 11,014	
Purchase of intangible assets	- 14,160		- 3,173	
Purchase of subsidiaries	- 52,559		-	
Net cash used in investing activities		- 87,055		- 14,187
Financing activities				
Proceeds from issue of bonds	270,000		-	
Deferred financing costs paid	- 8,011		-	
Refunds from restricted cash	5,867		-	
Repayment of bonds	- 25,000		-	
Payment of interest	- 7,312		-	
Restricted cash funding	- 39,500		-	
Payment of lease liabilities	- 23		- 265	
Net cash generated from/(used in) financing activities		196,021		- 265
Net increase/(decrease) in cash and cash equivalents		49,136		- 1,185
Cash and cash equivalents at beginning of year		4,194		5,379
Cash and cash equivalents at end of year		<u>53,330</u>		<u>4,194</u>

› Note: Waldorf Production UK Limited Audited Accounts excluding trading from Waldorf Real Estate Limited

WALDORF PORTFOLIO AT A GLANCE





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PRODUCTION

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