

WALDORF PRODUCTION

# Full year financial results (unaudited)

FY 2023



WALDORF  
PRODUCTION



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# General information

## About Waldorf Production

Waldorf Production is a privately held independent oil and gas company headquartered in Aberdeen. Waldorf has a large diversified portfolio of oil and gas producing assets in the UK North Sea where it seeks to deliver growth through a combination of further development of its existing portfolio and new acquisitions

Further background information is available on the corporate website [www.waldorf-production.com](http://www.waldorf-production.com).

## General

Except as the context otherwise indicates, 'Waldorf', 'Waldorf Production', 'Waldorf Production Limited (Group)', 'Group', 'we', 'us', and 'our', refers to the group of companies comprising Waldorf Energy Finance plc, Waldorf Production Limited and its consolidated subsidiaries. 'Waldorf Production UK plc (Group)' refers to the group of companies comprising Waldorf Production UK plc and its consolidated subsidiaries.

The discussion in this report includes forward-looking statements which, although based on assumptions that we consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to materially differ from those expressed or implied by the forward-looking statements. While these forward-looking statements are based on our internal expectations, estimates, projections, assumptions and beliefs as at the date of such statements or information, including, among other things, assumptions with respect to production, future capital expenditures and cash flow, we caution you that the assumptions used in the preparation of such information may prove to be incorrect and no assurance can be given that our expectations, or the assumptions underlying these expectations, will prove to be correct. Any forward-looking statements that we make in this report speak only as of the date of such statement or the date of this report.

This report contains non-GAAP and non-IFRS measures and ratios that are not required by, or presented in accordance with, any generally accepted accounting principles (GAAP) or IFRS. These non-IFRS and non-GAAP measures and ratios may not be comparable to

other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results as reported under IFRS or GAAP. Non-IFRS and non-GAAP measures and ratios are not measurements of our performance or liquidity under IFRS or GAAP and should not be considered as alternatives to operating profit or profit from continuing operations or any other performance measures derived in accordance with IFRS or GAAP or as alternatives to cash flow from operating, investing or financing activities.

These financial statements for Waldorf for the period ended 31 December 2023 have been prepared in accordance with the terms of its senior secured \$200 million bond (2023/2026 ISIN NO0012847674) and \$300 million callable bond (issue 2021/2024 ISIN NO0011100935). The financial statements and analysis has not been subject to review or audit by independent auditors.

## Glossary of terms

**boe** - barrel of oil equivalent

**boepd** - barrels of oil equivalent per day

**kboepd** - thousand barrels of oil equivalent per day

**mcf** - thousand cubic feet of natural gas

**mmbtu** - million British thermal units

**capex** - capital expenditure

**G&A** - general and administration expenses

**LOPI** - loss of production income

**opex** - operating expenditure

# FY 2023 highlights

## Operations

- FY 2023 production<sup>1</sup> of 22.5 kboepd, reflecting natural decline, planned maintenance and temporary curtailments at Catcher and Kraken
- Production ended 2023 at higher levels, following completion of a planned extended shutdown at Catcher in October
- Strong reserves replacement ratio, with 2P reserves at year end of 48.0 mmboe and a 6 years reserves life

## Financials

- Group post-tax operating cash flow of \$447 million in 2023, EBITDA of \$442 million, supported by tight cost control and robust oil prices
- Group net debt<sup>2</sup> of \$399 million as at 31 December 2023, \$74 million of unrestricted cash
- Continued compliance with leverage and liquidity covenants for both bonds, expect to be comfortably placed for liquidity in 2024 given options available

## Outlook and other events

- Settlement of Capricorn earn-out and divestment of Columbus field improved near-term liquidity by c.\$50 million
- Deferral of MOL payments due in December 2023 and February 2024
- Full year 2024 production guidance of 20-22 kboepd, reflecting natural declines, planned shutdowns and disposal of Columbus field
- Continued focus on financial discipline and enhancing liquidity. Guidance for capex of ~\$10/boe and \$40-45/boe opex

Operational and financial highlights		FY 2023	FY 2022
<b>Waldorf Production Ltd (Group)</b>			
- Total production	boepd	22,508	29,577
- Average realised price	\$/boe	81.8	96.0
- Operating costs	\$/boe	35.6	36.0
- EBITDA	\$'M	442.0	339.7
- Operating cash flow	\$'M	447.1	504.1
- Capital expenditure	\$'M	36.5	39.9
- Unrestricted cash	\$'M	73.6	98.5
- Net debt	\$'M	399.1	-
- Net debt* to EBITDA	x	0.90 x	-
<b>Waldorf Production UK plc (Group)</b>			
- Total production	boepd	13,606	18,247
- Average realised price	\$/boe	75.6	96.0
- Operating costs	\$/boe	37.5	36.0
- EBITDA	\$'M	315.2	322.8
- Operating cash flow	\$'M	224.4	399.2
- Capital expenditure	\$'M	16.4	33.3
- Unrestricted cash	\$'M	41.7	85.3
- Net debt	\$'M	33.3	89.7
- Net debt* to EBITDA	x	0.11 x	0.30 x

<sup>1</sup> Excludes US production

<sup>2</sup> Net debt and leverage as defined in bond covenant slides

# Operational review

## Overview

Waldorf delivered a good operational and financial performance in 2023, supported by high quality assets and a robust commodity price environment. During the year, our portfolio continued to evolve as we integrated the Alpha Petroleum and MOL UK acquisitions announced in 2022 and maintained high levels of liquidity, along with compliance with our bond covenants.

In the fourth quarter of 2023, the Group completed the divestment of the US business and announced the disposal of our interest in the Columbus field, as part of a settlement agreement<sup>3</sup> with Capricorn Energy plc. This agreement provided full and final settlement of the earn-out consideration related to the acquisition of the Catcher and Kraken fields from Capricorn in 2021, enhancing near-term liquidity by c.\$50 million. We also agreed a deferral of payments due to MOL plc.

Notwithstanding our good operational performance in 2023, temporary production issues during the second and third quarters at key assets and a planned maintenance shutdown at Catcher in the fourth quarter, resulted in average Group production of 22.5 kboepd during the year. Following completion of the shutdown at Catcher, production returned to expected levels. Reported production excludes our US assets.

Production attributable to Waldorf Production UK plc averaged 13.6 kboepd in 2023. The reduction in production compared with 2022, reflected mainly lower output from Kraken and Alba in the period. Production in the fourth quarter reflected the planned shutdown at Catcher.

Summary of production boepd	FY 2023	FY 2022
<b>Waldorf Production Ltd (Group)</b>		
- Catcher <sup>1</sup>	12,627	15,285
- Kraken	5,544	8,060
- Other assets <sup>1,2</sup>	4,337	6,232
<b>Total production</b>	<b>22,508</b>	<b>29,577</b>
- Oil	21,265	27,483
- Gas	1,243	2,094
<b>Waldorf Production UK plc</b>		
- Catcher	6,313	7,643
- Kraken	5,544	8,060
- Other assets	1,749	2,544
<b>Total production</b>	<b>13,606</b>	<b>18,247</b>
- Oil	12,753	16,801
- Gas	853	1,446

<sup>1</sup> Waldorf Production Ltd includes an additional 20% of Catcher as well as interests in the Scott/Telford & Scolty/Crathes fields.

<sup>2</sup> Excludes US production

<sup>3</sup> See page 10 for further details

# Operational review

## Catcher

Production from Catcher averaged 12.6 kboepd in 2023, compared with 15.3 kboepd in 2022, reflecting an unplanned outage in June and an extended planned maintenance shutdown in October. Despite lower production in the year, the Catcher field continues to perform well.

During 2024, we expect lower average production from Catcher, reflecting natural decline in the period and a planned maintenance shutdown in the third quarter.

We continue to work with the operator to finalise drilling plans for new wells in 2025, which will help support longer-term output. Long lead items have been ordered and a rig contract award is expected in the first quarter of 2024.

## Kraken

Despite operational constraints, caused by failed transformer units in May, production from the Kraken field averaged 5.5 kboepd in 2023, compared with 8.1 kboepd in 2022. The Kraken field returned to full production in August and maintained high uptime for the remainder of the year.

Further transformers are due to be replaced during a planned shutdown in the third quarter 2024, providing additional production assurance going forward. Loss of Production Income (LOPI) insurance is expected to be received in the first quarter of 2024, to mitigate some of the lost revenue in 2023.

The operator continues to evaluate possible infill locations at the Kraken field, with a rig contracted for a drilling programme in 2025.

## Other fields

Our other fields (excluding US assets) contributed production of 4.3 kboepd in 2023, down from 6.2 kboepd in 2022. In addition to natural declines, the reduction in production reflected planned maintenance activities across multiple assets and water injection constraints at the Alba field. Water injection at Alba is due to recommence in March 2024, which will enable additional existing wells to be brought back onstream.

At the Scott field, the ST35 well was successfully completed and brought onstream in February 2024 and is performing well. Further investment planned at Scott during the 2024-2026 period is expected to help extend the economic life of the field. As part of these plans, a further infill well is due to be drilled in 2024 and brought onstream in the second half of the year. Estimates of remaining 2P reserves at the Scott field have increased materially reflecting the strong performance of the field and planned investment.

At our other fields, the Scolty/Crathes field continued to performed well in 2023. Output from the Bittern and Bacchus fields remained steady, while the Columbus field declined modestly. At our Bittern field, a sidetrack of the B1z well is due to be completed in the second quarter of 2024, with the well targeting remaining oil volumes in the crest of the structure.

We continue to evaluate potential development of the Cheviot gas cap, along with the nearby Padon gas discovery, ahead of a licence decision later in 2024. The Cheviot field has potential to be developed utilising existing infrastructure.

We continue to engage with our partners to optimise our operated decommissioning programme for the Tors, Wenlock and Helvellyn fields in the Southern North Sea. Subject to final approval, a ten well plugging and abandonment programme is planned in 2025.

# Operational review

## Reserves and resources <sup>1</sup>

We continue to work with our partners to extend asset life and increase recoverable reserves. This is reflected in our latest reserves report, which estimates Group 2P reserves at 48.0 mmboe as at 31 December 2023. Our reserves replacement ratio in 2023 was 187%. 2P reserves additions were mainly attributed to our Catcher, Scott, Kraken and Scolty/Crathes fields, while reserves at the Alba field were downgraded due to higher costs. Our Group reserves to production life is 6 years.

As at 31 December 2023, 2P reserves attributable to Waldorf Production UK plc were estimated at 26.9 mmboe, reflecting a reserves replacement ratio of 47% in 2023. 2P reserves upgrades at the Catcher and Kraken fields were offset partially by a reduction in reserves at the Alba field. Our reserves to production life at Waldorf Production UK plc is 5 years.

### 2P reserves - Waldorf Production Limited (Group)

#### mmboe

31 December 2022	40.9
- Production	(8.2)
- Disposals	-
- Additions	15.3
31 December 2023	48.0

### 2P reserves - Waldorf Production UK plc

#### mmboe

31 December 2022	29.5
- Production	(4.9)
- Disposals	(0.3)
- Additions	2.6
31 December 2023	26.9

<sup>1</sup> Reserves numbers as prepared in Competent Persons Report

# Financial review

## Revenue

Group revenue for 2023 was \$644.3 million (2022: \$691.6 million), comprising of oil sales of \$619.7 million (2022: \$646.0 million), gas sales of \$30.4 million (2022: \$48.6 million), realised derivative loss of \$5.8 million (2022: \$10.8 million) and other income of \$nil (2022: \$7.8 million). The decrease in revenue compared with 2022 reflects lower production and commodity prices. Sales production in the period totalled 8.1 mmboe (2022: 7.5 mmboe).

The Group's average realised commodity price before hedging for 2023 was \$81.8 per boe, compared with \$96.0 per boe in 2022. During 2023, oil prices remained broadly stable, as weaker oil demand growth was balanced by OPEC supply cuts and geopolitical risks. With commodity markets having normalised, oil prices are expected to remain around current levels.

## Operating expenses and financial results

Group operating costs in 2023 was \$297.9 million (2022: \$268.5 million) and \$36 per boe (2022: \$36 per boe). Operating costs per boe exclude over/under-lift changes and abandonment costs incurred. Unit opex was unchanged compared with 2022 due to tight cost control on declining production.

Group depreciation and amortisation in 2023 was \$277.7 million (2022: \$240.8 million) and \$33 per boe (2022: \$22 per boe). The increase in depreciation and amortisation reflects the uplift in the carrying value of Catcher and the ongoing issues on the Alba field.

Net impairment reversals in 2023 was \$13.1 million, compared with a net impairment charge of \$88.7 million in 2022. A loss on disposal of assets of \$13.7 million was recognised in 2023 related to the sale of the US business with the assets delivering a strong cash flow contribution prior to disposal.

Group general and administration expenses in 2023 was \$28.8 million (2022: \$36.3 million), with the reduction compared with 2022 due to synergies from the expanded group.

Group net financing expense for 2023 was \$92.6 million (2022: \$62.4 million), with the increase compared with 2022 due to higher average borrowing in the year.

The Group's tax charge for 2023 was \$117.5 million (2022: \$90.5 million), reflecting the estimated cost of the UK Energy Profits Levy.

The Group made a net loss for 2023 of \$13.0 million (2022: net loss of \$135.3 million).



# Financial review

## EBITDA

The Group's EBITDA for 2023 was \$442.0 million, compared with \$339.7 million for 2022. The increase in EBITDA largely reflects the uplift in contingent consideration in 2022 due to improving commodity prices.

### EBITDA - Waldorf Production Limited (Group)

\$'M	FY 2023	FY 2022
Profit before tax	104.5	(44.7)
Add back:		
- Net financing	72.9	54.9
- Net impairments	(13.1)	88.7
- DD&A	277.7	240.8
<b>EBITDA</b>	<b>442.0</b>	<b>339.7</b>

Waldorf Production UK plc's EBITDA for 2023 was \$315.2 million, compared with \$322.8 million for 2022. The decrease in EBITDA reflects lower production and weaker commodity prices in the period, offset partially by a positive change in contingent consideration.

### EBITDA - Waldorf Production UK plc

\$'M	FY 2023	FY 2022
Loss before tax	(6.5)	(95.4)
Add back:		
- Net financing	41.8	87.1
- Net impairments	87.3	79.2
- DD&A	192.6	251.9
<b>EBITDA</b>	<b>315.2</b>	<b>322.8</b>

## Cash flow

Group operating cash flow, after cash taxes, for 2023 was \$447.1 million, compared with \$504.1 million for 2022. The decrease in operating cash flow was due to lower production and weaker commodity prices in the period.

Cash taxes of \$8.9 million was paid in 2023.

No dividend has been declared or paid in 2023.

## Capital expenditure

Group cash capital expenditure for 2023 was \$36.5 million, compared with \$39.9 million for 2022. Capital expenditure in the period included infill drilling at the Scott and Alba fields.

The Group incurred \$15.2 million (2022: \$6.7 million) of decommissioning expenditure in 2023.

## Other events in 2023

Following cancellation of the Netherlands acquisitions, we reached a resolution with TAQA in May and Dana in November. Waldorf has no further liability in respect of the Netherlands acquisitions announced on 6 October 2022.

In November, we completed the disposal of our US assets. Net proceeds from the sale will be shared between Waldorf Production Ltd (51%) and Waldorf Production UK plc (49%), with approximately \$2.6 million pledged and blocked as security for the bondholders under the Waldorf Energy Finance plc bond with such funds to be applied for reinvestments in producing assets in the UK or completion of a disposal put option in accordance with the bond terms. We expect to use the funds towards capital expenditure in the UK.

# Financial review

## Other events continued

In December, we announced that Waldorf Production UK plc had reached agreement with Capricorn Energy plc (Capricorn) for the full and final settlement of the earn-out consideration related to the acquisition of the Catcher and Kraken fields from Capricorn in 2021. The original agreement entitled Capricorn to uncapped contingent consideration dependent on oil prices and production between 2021 and 2025.

Under the settlement, Waldorf Production UK plc paid Capricorn \$48 million in December 2023, with further payments of \$2 million due on 1 April 2024 and \$22.5 million on 3 January 2025. Waldorf Production UK plc's 25% working interest in the Columbus field will also be transferred to Capricorn, with an effective date of 1 January 2024.

The initial \$48 million payment was funded through the release of \$48 million restricted cash held as security for Kraken FPSO charter payments. Waldorf Production UK plc will no-longer be required to maintain collateral related to Kraken FPSO charter payments. If the transfer of the working interest in the Columbus field is not completed within nine months, Waldorf Production UK plc will make a \$7 million cash payment instead.

In December, Waldorf Production Ltd entered into an agreement with MNS Oil & Gas B.V., a subsidiary of MOL plc, for the deferral of payments due in December 2023 and February 2024 in relation to the acquisition of MOL's UK business in 2022. The terms of the agreement are confidential.

## Risk management

The Group's policy is to reduce risk related to commodity price fluctuations through an active hedging programme. The hedging programme may include swaps and options.

While we retain good exposure to higher commodity prices, we have taken advantage of increases in oil prices in the second half of the year and have hedged 1.6 million barrels for 2024 at a \$60/bbl strike price.

## Financing and liquidity

As at 31 December 2023, the Group's net debt<sup>1</sup> was \$399.1 million, compared with \$280.2 million at the end of 2022. Gross debt increased by \$94 million during the period to \$472.8 million (2022: \$378.8 million), due to the issuance of the new bond. Cash at the end of 2023 was \$418.8 million (2022: \$368.9 million), of which \$73.6 million (2022: \$98.5 million) was unrestricted.

Group leverage, as defined by our \$200 million senior secured bond, was 0.90 times at the end of 2023, compared with 0.82 times at the end of 2022. The leverage ratio and available liquidity remains comfortably within the bond's financial covenants.

As at 31 December 2023, Waldorf Production UK plc net debt<sup>1</sup> was \$33.3 million, compared with \$89.7 million at the end of 2022. Gross debt declined by \$100 million during the period to \$75 million (2022: \$175 million), reflecting scheduled debt repayments. Cash at the end of 2023 was \$140.6 million (2022: \$187.1 million), of which \$41.7 million (2022: \$85.3 million) was unrestricted.

Waldorf Production UK plc leverage, as defined by our \$300 million senior secured bond, was 0.11 times at the end of 2023, compared with 0.30 times at the end of 2022. The leverage ratio and available liquidity remains comfortably within the bond's financial covenants.

<sup>1</sup> Net debt as defined in bond covenant slides

# Financial review

## Outlook

Our outlook for 2024 reflects a continued focus on enhancing near term cash flow and liquidity. We anticipate further portfolio optimisation during the year, which includes possible asset sales and investment in value accretive growth. With oil prices remaining stable, at around \$80/bbl, our outlook for earnings and cash flow remains positive.

At current commodity prices and given the levers we have available, we expect to be comfortably placed for liquidity in 2024. However, we continue to work on other options to ensure we have a robust case at lower prices or in other downside scenarios.

Group production is expected to average 20-22 kboepd in 2024, reflecting natural decline across the portfolio, planned shutdowns at multiple assets and the disposal of our interest in the Columbus field. We continue to pursue opportunities to mitigate production declines through selective investment where we see opportunities to add value, while continuing to work with our partners to optimise shutdowns and improve field uptime.

Investment in existing assets is expected to remain low as we focus on cash flow generation, with capex of ~\$10/boe in 2024. Our capex spend is expected to be mainly on Scott and Catcher, where we have delivered significant increases in 2P reserves, and also includes the purchase of long-lead items for our drilling programmes in 2025. Operating costs are expected to increase modestly in 2024, reflecting industry cost inflation, with the increase on a per barrel basis to \$40-45/boe reflecting lower production volumes and disposals.



**WALDORF**  
PRODUCTION

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# Waldorf Production Limited (Group)



# Statement of Comprehensive Income

Statement of Comprehensive Income \$'M	FY 2023	FY 2022
Revenue	644.3	691.6
Cost of sales (excl. under/overlift)	(197.2)	(195.4)
Under/overlift	17.3	(7.6)
DD&A	(277.7)	(240.8)
<b>Gross profit</b>	<b>186.7</b>	<b>247.6</b>
PP&E impairments	14.4	(88.7)
Investment impairment	(1.3)	-
Loss on disposal of assets	(13.7)	-
Admin expenses	(28.8)	(36.3)
Change in contingent consideration	40.2	(91.2)
<b>Operating profit</b>	<b>197.5</b>	<b>31.4</b>
Finance income	16.1	1.4
Finance costs	(108.7)	(63.8)
Foreign exchange	19.7	7.5
Other income/(expenses)	(12.8)	-
Revisions to decom - non producing	(7.2)	(11.2)
Gain on bargain purchase	-	(10.0)
<b>Profit/(loss) before tax</b>	<b>104.5</b>	<b>(44.7)</b>
Tax	(117.5)	(90.5)
<b>Net loss</b>	<b>(13.0)</b>	<b>(135.3)</b>

Full year financial  
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# Statement of Financial Position

## Assets

\$'M	Dec-23	Dec-22
Cash and cash equivalent	73.6	98.5
Restricted cash	345.2	270.4
Trade and other receivables	43.7	95.4
Underlift	23.9	24.2
Inventory (JV)	18.5	17.1
Intercompany receivables	-	48.6
Derivative financial instruments	-	2.8
Other current assets	26.8	2.0
<b>Current assets</b>	<b>531.8</b>	<b>559.0</b>
Oil and Gas properties	1,164.2	1,447.0
Goodwill	87.7	89.0
Other non-current assets	26.3	-
<b>Non-current assets</b>	<b>1,278.3</b>	<b>1,536.0</b>
<b>Total assets</b>	<b>1,810.1</b>	<b>2,095.0</b>

## Liabilities and equity

\$'M	Dec-23	Dec-22
Trade and other payables	28.0	97.6
Overlift	9.7	27.5
Intercompany payables	0.4	-
Accruals	38.4	42.5
Bonds	132.8	100.0
Contingent payment	48.8	227.7
Deferred payment	51.2	45.0
Derivative financial instruments	1.1	15.7
Provision for liabilities (S/T)	17.9	7.8
FPSO Liability (S/T)	61.1	87.7
Current tax	165.6	55.8
Other current liabilities	90.2	-
<b>Current liabilities</b>	<b>645.1</b>	<b>707.2</b>
Trade and other payables	6.1	0.5
Provisions for liabilities	598.0	633.6
Contingent payment	65.4	212.3
Deferred payment	29.5	44.8
Deferred tax	153.6	151.8
FPSO Liability	310.7	335.5
Bonds	93.7	72.2
<b>Non-current liabilities</b>	<b>1,257.0</b>	<b>1,450.7</b>
Equity	(92.0)	(62.9)
<b>Total liabilities and equity</b>	<b>1,810.1</b>	<b>2,095.0</b>

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# Cash flow Statement

Cash flow Statement \$'M	FY 2023	FY 2022
<b>Cash flow from Operating Activities</b>		
Cash revenue	669.3	691.6
Hedging outflow	(18.9)	(15.0)
Operating cash expenditure	(203.3)	(172.4)
<b>Cash generated from operating activities</b>	<b>447.1</b>	<b>504.1</b>
<b>Investing Activities</b>		
Business combination	(253.0)	(146.1)
Purchase of PP&E	(36.5)	(39.9)
<b>Net cash used in investing activities</b>	<b>(289.5)</b>	<b>(186.0)</b>
<b>Financing Activities</b>		
Repayment of bonds	(100.0)	(100.0)
New bond raise	139.7	-
Payment of interest	(34.1)	(23.2)
Distributions	-	(76.0)
Restricted cash funding	(89.6)	(18.3)
Barclays working capital facility	62.4	27.8
Shell credit facility	(46.6)	8.6
Intercompany funding	-	-
Payment of lease liabilities	(114.4)	(91.9)
<b>Net cash generated from/(used in) financing activities</b>	<b>(182.5)</b>	<b>(272.9)</b>
<b>Net increase / (decrease) in cash</b>	<b>(24.9)</b>	<b>45.2</b>
Unrestricted cash at the beginning of period	98.5	53.4
<b>Unrestricted cash at the end of period</b>	<b>73.6</b>	<b>98.5</b>

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# Covenants

## Covenants related to the Senior Secured USD 200,000,000 Bonds 2023/2026 ISIN NO0012847674

(a) Maintain a Leverage Ratio not exceeding 2.00:1 for the Group

Net Debt / EBITDA - Waldorf Production Limited (Group) \$'M	12 months to Dec-23
Profit before tax	104.5
Add back:	
- Net financing	72.9
- Net impairments	(13.1)
- DD&A	277.7
<b>EBITDA</b>	<b>442.0</b>

EBITDA - Waldorf Production Limited (Group) \$'M	12 months to Dec-23
Net Debt*	399.1
EBITDA (1 Oct 22 - 30 Sep 23)	442.0
<b>Net Debt : EBITDA Test</b>	<b>0.90 x</b>

(b) maintain minimum Liquidity not lower than USD 20,000,000 (or the equivalent in other currencies)

Liquidity test - Waldorf Production Limited (Group) \$'M	Dec-23
Unrestricted cash	73.6
Unrestricted cash held by Waldorf Production UK plc	(41.7)
Minimum liquidity	(20.0)
<b>Headroom on liquidity test</b>	<b>11.9</b>

\*Net Debt includes bond debt, Shell facility, deferred M&A payments & current tax liabilities less available cash





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PRODUCTION

**FY 2023**

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# Waldorf Production UK plc (Group)

# Statement of Comprehensive Income

Statement of Comprehensive Income \$'M	FY 2023	FY 2022
Revenue	366.1	578.1
Cost of sales (excl. under/overlift)	(116.8)	(138.6)
Under/overlift	14.1	(0.6)
DD&A	(192.6)	(251.9)
<b>Gross profit</b>	<b>70.8</b>	<b>187.0</b>
PP&E impairments	(51.0)	(79.2)
Investment impairment	(36.3)	-
Gain on disposal of assets	3.0	-
Admin expenses	(13.3)	(30.3)
Change in contingent consideration	38.7	(88.3)
<b>Operating profit/(loss)</b>	<b>12.0</b>	<b>(10.8)</b>
Finance income	5.0	0.7
Finance costs	(56.7)	(91.8)
Foreign exchange	9.9	4.0
Other income/(expenses)	23.7	1.4
Revisions to decom – non-producing	(0.4)	1.1
<b>Loss before tax</b>	<b>(6.5)</b>	<b>(95.4)</b>
Tax	(67.5)	(73.6)
<b>Net loss</b>	<b>(74.0)</b>	<b>(169.0)</b>

Full year financial  
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# Statement of Financial Position

## Assets

\$'M	Dec-23	Dec-22
Cash and cash equivalent	41.7	85.3
Restricted cash	98.9	101.8
Trade and other receivables	36.8	54.2
Underlift	17.3	20.3
Inventory (JV)	11.7	10.6
Intercompany receivables	-	114.8
Derivative financial instruments	-	2.8
Other current assets	19.3	3.9
<b>Current assets</b>	<b>225.6</b>	<b>393.5</b>
Oil and Gas properties	594.8	820.5
Investments	2.5	38.8
Other non-current assets	26.3	-
<b>Non-current assets</b>	<b>623.7</b>	<b>859.2</b>
<b>Total assets</b>	<b>849.3</b>	<b>1,252.7</b>

## Liabilities and equity

\$'M	Dec-23	Dec-22
Trade and other payables	7.9	44.0
Overlift	9.6	26.7
Intercompany payables	23.3	-
Accruals	37.2	28.1
Bonds	75.0	100.0
Contingent payment	-	134.4
Deferred payment	1.9	-
Derivative financial instruments	1.1	15.7
Provisions for liabilities	9.7	1.2
FPSO Liability	49.8	81.3
Current tax	109.6	51.0
Other current liabilities	54.5	27.7
<b>Current liabilities</b>	<b>379.7</b>	<b>510.0</b>
Provisions for liabilities	263.2	294.9
Contingent payment	-	101.0
Deferred payment	19.0	-
Deferred Tax	58.5	57.4
FPSO Liability	199.4	211.0
Bonds	-	75.0
<b>Non-current liabilities</b>	<b>540.1</b>	<b>739.2</b>
Equity	(70.5)	3.5
<b>Total liabilities and equity</b>	<b>849.3</b>	<b>1,252.7</b>

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# Cash flow Statement

Cash flow Statement \$'M	FY 2023	FY 2022
<b>Cash flow from Operating Activities</b>		
Cash revenue	381.4	578.1
Hedging outflow	(18.9)	(15.0)
Operating cash expenditure	(138.1)	(163.8)
<b>Cash generated from operating activities</b>	<b>224.4</b>	<b>399.2</b>
<b>Investing Activities</b>		
Business combination	(138.7)	(77.2)
Purchase of PP&E	(16.4)	(30.8)
<b>Net cash used in investing activities</b>	<b>(155.2)</b>	<b>(108.0)</b>
<b>Financing Activities</b>		
Repayment of bonds	(100.0)	(100.0)
Payment of interest	(18.6)	(23.2)
Dividend paid	-	(76.0)
Dividend received	14.8	-
Restricted cash funding	(31.9)	(1.8)
Barclays working capital facility	26.8	27.8
Shell credit facility	(29.0)	(9.0)
Intercompany funding	106.3	-
Payment of lease liabilities	(81.3)	(77.1)
<b>Net cash generated from/(used in) financing activities</b>	<b>(112.9)</b>	<b>(259.2)</b>
<b>Net (decrease) / increase in cash</b>	<b>(43.7)</b>	<b>32.0</b>
Unrestricted cash at the beginning of period	85.3	53.3
<b>Unrestricted cash at the end of period</b>	<b>41.7</b>	<b>85.3</b>

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# Covenants

## Covenants related to the Senior Secured USD 300,000,000 callable bond issue 2021/2024 ISIN NO0011100935

(a) the ratio of Total Net Debt to EBITDA at all times is less than 2.00:1

Net Debt / EBITDA - Waldorf Production UK plc (Group) \$'M	12 months to Dec-23
Loss before tax	(6.5)
Add back:	
- Net financing	41.8
- Net impairments	87.3
- DD&A	192.6
<b>EBITDA</b>	<b>315.2</b>

EBITDA - Waldorf Production UK plc (Group) \$'M	12 months to Dec-23
Net Debt*	33.3
EBITDA (1 Jan 23 – 31 Dec 23)	315.2
<b>Net Debt : EBITDA Test</b>	<b>0.11 x</b>

(b) the Liquidity at all times is not less than USD 20,000,000 (or its equivalent in other currencies).

Liquidity test - Waldorf Production UK plc (Group) \$'M	Dec-23
Unrestricted cash	41.7
Minimum liquidity	(20.0)
<b>Headroom on liquidity test</b>	<b>21.7</b>

\*Net Debt includes bond debt & Shell facility less available cash



**WALDORF**  
PRODUCTION

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# Waldorf Production Limited

# Statement of Comprehensive Income & Statement of Financial Position

Statement of Comprehensive Income \$'M	FY 2023	FY 2022
Admin expenses	(2.1)	(2.2)
Change in contingent consideration	1.5	-
Change in deferred consideration	(4.9)	-
<b>Operating loss</b>	<b>(5.5)</b>	<b>(2.2)</b>
Finance income	0.7	-
Finance costs	(3.6)	(0.2)
Foreign exchange	7.5	0.1
Other (expenses)/income	(1.4)	76.0
<b>Net (loss)/profit</b>	<b>(2.4)</b>	<b>73.7</b>

Assets \$'M	Dec-23	Dec-22
Cash and cash equivalent	13.4	5.1
Restricted cash	3.9	-
Trade and other receivables	24.7	-
Intercompany receivables	-	77.6
<b>Current assets</b>	<b>42.1</b>	<b>82.7</b>
Investments	227.1	227.1
<b>Non-current assets</b>	<b>227.1</b>	<b>227.1</b>
<b>Total assets</b>	<b>269.2</b>	<b>309.8</b>

Liabilities and equity \$'M	Dec-23	Dec-22
Trade and other payables	86.3	62.7
Intercompany payables	33.4	-
Contingent payment	48.8	93.3
<b>Current liabilities</b>	<b>168.6</b>	<b>155.9</b>
Trade and other payables	10.5	44.8
Contingent payment	65.4	111.3
<b>Non-current liabilities</b>	<b>75.8</b>	<b>156.1</b>
Equity	24.8	(2.3)
<b>Total liabilities and equity</b>	<b>269.2</b>	<b>309.8</b>

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# Cash flow Statement

Cash flow Statement	FY	FY
\$'M	2023	2022
<b>Cash flow from Operating Activities</b>		
Cash generated from operating activities	97.8	74.1
<b>Investing Activities</b>		
Business combination	(140.6)	(69.0)
<b>Net cash used in investing activities</b>	<b>(140.6)</b>	<b>(69.0)</b>
<b>Financing Activities</b>		
Barclays working capital facility	35.7	-
Shell credit facility	(17.6)	-
Dividend paid	-	(76.0)
Dividend received	15.4	76.0
Intercompany funding	19.7	-
Payment of interest	(2.0)	-
<b>Net cash generated from/(used in) financing activities</b>	<b>51.2</b>	<b>-</b>
<b>Net increase / (decrease) in cash</b>	<b>8.3</b>	<b>5.1</b>
Unrestricted cash at the beginning of period	5.1	-
<b>Unrestricted cash at the end of period</b>	<b>13.4</b>	<b>5.1</b>

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# Waldorf Energy Finance plc

# Statement of Comprehensive Income & Statement of Financial Position

Statement of Comprehensive Income	FY	FY
\$'M	2023	2022
Finance costs	(19.2)	-
<b>Net loss</b>	<b>(19.2)</b>	-

Assets	Dec-23	Dec-22
\$'M		
Intercompany receivables	125.7	-
Other current assets	6.7	-
<b>Current assets</b>	<b>132.4</b>	-
<b>Total assets</b>	<b>132.4</b>	-

Liabilities and equity	Dec-23	Dec-22
\$'M		
Bonds	57.8	-
<b>Current liabilities</b>	<b>57.8</b>	-
Bonds	93.8	-
<b>Non-current liabilities</b>	<b>93.8</b>	-
Equity	(19.1)	-
<b>Total liabilities and equity</b>	<b>132.4</b>	-

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# Cash flow Statement

Cash flow Statement \$'M	FY 2023	FY 2022
<b>Cash flow from Operating Activities</b>		
Cash (Absorbed by) / generated from operations	-	-
<b>Investing Activities</b>		
Net cash used in investing activities	-	-
<b>Financing Activities</b>		
Proceeds from bond issuance	139.6	-
Payment of interest	(13.5)	-
Intercompany funding	(126.1)	-
<b>Net cash generated from/(used in) financing activities</b>	-	-
<b>Net increase / (decrease) in cash</b>	-	-
Unrestricted Cash at the beginning of period	-	-
<b>Unrestricted Cash at the end of period</b>	-	-

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