

INVESTOR PRESENTATION | Fourth Quarter 2022 Results Update

WALDORF PRODUCTION UK PLC



WALDORF
PRODUCTION

28 February 2023



www.waldorf-production.com

STRICTLY PRIVATE AND CONFIDENTIAL

CONTENTS

Section 1
Page 3

COMPANY AND OPERATIONS
UPDATE

Section 2
Page 8

FINANCIALS

Section 3
Page 13

APPENDIX



COMPANY & OPERATIONS UPDATE

FINANCIALS

APPENDIX



WALDORF
PRODUCTION



WALDORF: A PRODUCTION-FOCUSED OIL & GAS INDEPENDENT

INTRODUCTION

- › Private oil & gas company with a diversified portfolio of producing and development assets
 - 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 in October 2021 to finance acquisition from Cairn Energy and refinance existing debt
 - Waldorf Production Limited's previously announced acquisitions of MOL UK (completed on 10th November 2022) and Alpha Petroleum (closed on 4th November 2022) further diversify the group's asset portfolio, with the Cheviot gas development providing significant medium-term growth optionality
 - Completed the acquisition of minority interest in two US Gulf of Mexico producing fields (Stonefly and Praline). Currently producing c.500 bopd
 - Completed the acquisition of a package of US overriding royalty interests in December 2022
 - USD 150m bond issue in February 2023 at Waldorf Energy Finance Limited to support wider group and future acquisitions
- › Highly cash generative portfolio
 - 2022 production actual 17,623 boe/d
 - 2022 FY Free Cash Flow of USD 274m (prior to financing activities and earn-out payment)
- › Strategy to grow through acquisition of producing assets, leveraging the shift in market and ownership structures in the North Sea and targeted international geographies

DIVERSIFIED UK PORTFOLIO



WALDORF: WPUK 4Q 2022 TRADING UPDATE

4Q 2022 YTD OPERATING CASH FLOW, PRIOR TO DEBT SERVICING AND EARN OUT PAYMENT, OF USD 274M

- › Strong cash flow generation in 2022 YTD, driven by steady production performance (in line with guidance) and a buoyant commodity price environment
- › FY 2022 Opex per barrel modestly above Waldorf's guidance range, primarily as a result of increasing fuel/power costs
- › FY2022 Capex came in below guidance, with drilling activity at the Greater Catcher Area successfully completed in November, whilst the 3-well Alba drilling program is now delayed into 2H2023
- › Net Debt position of USD 90m (unrestricted cash only), placing the Company comfortably within its Net Debt: EBITDA covenant test. In addition, the company holds restricted cash of USD 102m
- › Following the Chancellor's announcement on 17 November, WPUK's future profits from January 2023 will be subject to a 35% Energy Profits Levy ("levy") (increase from 25% in 2022). The lifespan of the EPL has also been extended until March 2028 (previously December 2025). At current commodity prices, management estimates c.USD 35m impact of the Energy Profits Levy for 2022²



DELIVERING ON THE PLAN PREPARING FOR THE FUTURE

KRAKEN



- › The Floating, Production, Storage & Offloading (FPSO) vessel continues to deliver excellent production and water injection efficiency
- › 2022 production outturn was in line with forecast
- › Seismic under interpretation to mature drilling targets
- › Seeking clarification from Operator on future drilling programme timing

CATCHER



- › The FPSO continues to deliver good safety and operational performance
- › 2022 production outturn was in line with forecast
- › Completed successful 2022 drilling campaign and wells came onstream in 1Q 2023
- › Hopper of well targets currently being evaluated for 2024+ drilling

ALBA



- › Ongoing focus on late life maintenance and asset integrity
- › Water injection resumed late 2022
- › Resumption of drilling now expected to occur in 2H2023 with a campaign of 3 infill wells
- › JV working closely to manage OPEX, including fuel gas costs

COLUMBUS



- › Decline now slowing following faster initial depletion, connection to larger GIIP
- › Lower rates compensated by better Shearwater uptime
- › Still benefitting from high gas prices following payback
- › Predictable future production

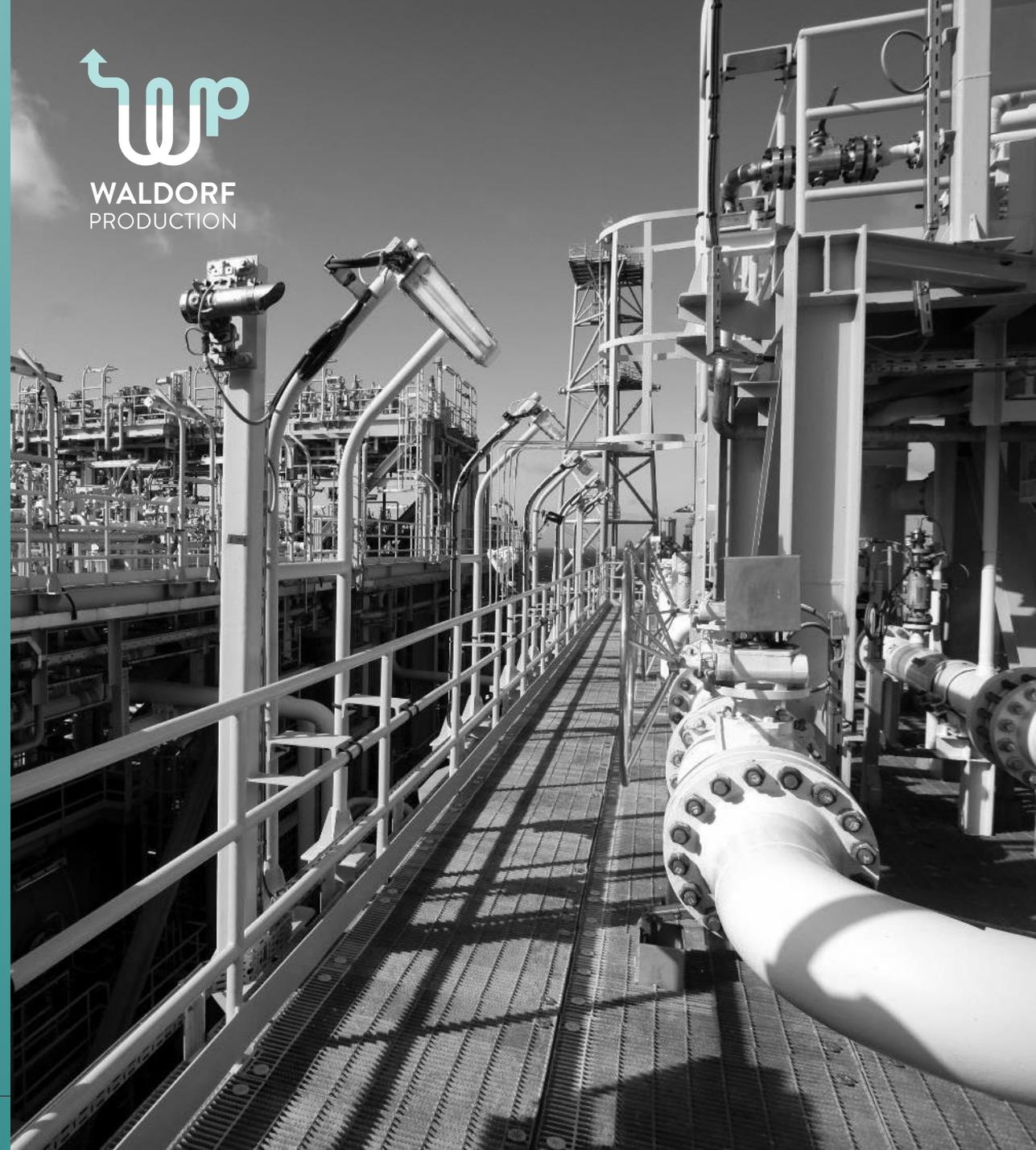


WALDORF
PRODUCTION

COMPANY & OPERATIONS UPDATE

FINANCIALS

APPENDIX



4Q 2022 UPDATE

UNAUDITED STATEMENT OF FINANCIAL POSITION

Unaudited Statement of Financial Position	31 Dec	31 Dec		31 Dec	31 Dec
Assets	2022	2021	Equity & Liabilities	2022	2021
	USD M	USD M		USD M	USD M
Property, Plant & Equipment	824	1,071	Equity	201	249
Investment	44	-	Bond	175	275
Deferred Tax Asset	-	-	Deferred Tax Liability	26	26
Receivables and other assets	181	293	ARO Provision	297	323
Cash & Cash Equivalents	187	160	Lease Liabilities	220	282
			Other Liabilities	316	370
	1,235	1,524		1,235	1,524

- › NET DEBT TO EBITDA COVENANT MET WITH A POSITION OF 0.30X
- › End of 4Q 2022 Cash & Cash Equivalents position of USD 187m (bond amortization and interest paid prior to quarter-end)
- › Closing Bond position of USD 175m reflecting the timing of bond capital and interest repayments prior to the quarter-end
- › Other liabilities include contingent payment provision to provide for future contingent payments under the Capricorn transaction; FY2022 Capricorn earn out payment due at end-1Q 2023. Also includes Shell prepay \$29.0m, Barclays facility \$27.8m, Tax \$53.8m, plus other working capital

QUARTER ENDING
31ST DEC 2022

UNAUDITED
CONSOLIDATED
WPUK AND
SUBSIDIARIES

STATEMENT OF
COMPREHENSIVE
INCOME &
CASH FLOW STATEMENT

Statement of Comprehensive Income	2022 FY \$'000	2021 FY Audited \$'000
Oil Sales	546,845	177,867
Gas and NGL Sales	40,086	10,503
Revenue	586,931	188,369
Cost of Sales	(140,202)	(75,696)
DD&A	(252,344)	58,152
Impairment Reversal	0	(59,932)
Gross Profit	194,386	110,893
G&A	(26,543)	(15,264)
Other Income	(27,824)	271
Foreign Exchange	(3,750)	(2,286)
Interest Expense	(52,111)	(7,104)
Gain/Loss on derivatives	(10,847)	(48,091)
Tax	(45,000)	126,250
Net Profit/Loss	28,312	164,670

Cashflow Statement	2022 FY \$'000	2021 FY \$'000
Cashflow from Operating Activities		
Cash (absorbed by) / generated from operations	351,769	-48,868
Investing Activities		
Net cash used in investing activities	-77,965	-145,886
Financing Activities		
Net cash generated from / (used in) financing activities	-241,814	243,889
Net increase / (decrease) in cash	31,990	49,136
Unrestricted Cash at beginning of period	53,330	4,194
Unrestricted Cash at end of period	85,320	53,330

QUARTER ENDING
31ST DEC 2022

UNAUDITED
CONSOLIDATED
WPUK AND
SUBSIDIARIES

STATEMENT OF
FINANCIAL POSITION

Statement of Financial Position	Dec-22 \$'000	Dec-21 (Audited) \$'000
Cash and cash equivalent	85,320	53,330
Restricted cash	101,760	106,399
Accounts Receivable	19,230	26,015
Derivative financial instruments	-	-
Inventory and cash (JV)	10,566	13,815
Other current assets	151,045	253,600
Current Assets	367,921	453,160
Deferred Tax	-	-
Derivative financial instruments	-	-
Oil and Gas properties	823,552	1,071,060
Investments	43,684	-
Right of use assets	-	-
Non Current Assets	867,236	1,071,060
TOTAL ASSETS	1,235,157	1,524,220

Statement of Financial Position	Dec-22 \$'000	Dec-21 (Audited) \$'000
Accounts Payable	13,066	14,404
Accruals (JV)	28,065	29,946
Bonds	100,000	100,000
Contingent Payment and WHT	134,487	75,792
Derivative financial instruments	15,657	20,942
Intercompany payables	-	-
ARO Liability (S/T)	1,173	339
FPSO Liability (S/T)	81,305	61,412
Corporation Tax	53,786	8,786
Other current liabilities	58,725	52,383
Current Liabilities	486,265	364,005
ARO Liability	296,172	322,302
Contingent Payment	12,015	146,502
Derivative financial instruments	-	21,220
Deferred Tax	25,930	25,930
FPSO Liability	138,891	220,197
Bonds	75,000	175,000
Non Current Liabilities	548,008	911,151
Equity	200,884	249,064
TOTAL LIABILITIES AND EQUITY	1,235,157	1,524,220



WALDORF
PRODUCTION

WALDORF PRODUCTION UK LTD

+44 1224 202850

40 Queens Road
Aberdeen
AB15 4YE
United Kingdom

www.waldorf-production.com



WALDORF
PRODUCTION

COMPANY & OPERATIONS UPDATE

FINANCIALS

APPENDIX



WALDORF PORTFOLIO AT A GLANCE

