



PETROLIA

H1 2024

PETROLIA SE ('the Company' or 'the Group') financial report for first half-year ended 30 June 2024:

Highlights

- Stable activity in the Energy Service Division resulted in an EBITDA for the first half of 2024 of USD 7.9 million compared to USD 6.9 million during the same period in 2023.
- The Energy Division reported a profit from associated companies of USD 0.4 million for the first half of 2024 compared to a loss of USD 0.6 million in the same period in 2023. This reflects that the division now has production and no longer only explores.
- Investment in associated company, Petrolia NOCO AS is carried at USD 0.4 million, in line with the equity method, compared to a share of the market capitalisation of USD 10.0 million (www.notc.no). This treatment is consistent with previous periods.
- Shareholders' equity as at 30 June 2024 was USD 0.75 per share, compared to USD 0.68 per share as at 30 June 2023. Share price was NOK 5.0, or USD 0.47 at an exchange rate of NOK/USD of 0.0939 compared to a share price of NOK 3.86, or USD 0.36 at an exchange rate of NOK/USD of 0.0928 as at 30 June 2023.

Key figures

All figures in USD (million)	H1 2024	H1 2023
Operating revenue	25.8	29.1
EBITDA	7.9	6.9
Operating profit	4.4	3.5
Total comprehensive income for the period	3.1	1.3
Earnings per share in USD (cents)	6.22	1.86
Total equity per share in USD	0.75	0.68

Key variance analysis

Operating revenue: The Group's operating revenue for H1 2024 was USD 25.8 million compared to USD 29.1 million in H1 2023. Operating revenue was reduced by 11.5% or USD 3.3 million compared to the corresponding half of 2023. The reduction in operating revenue is mainly due to the reduced activity in Iraq following the closing of the pipeline to Turkey in March 2023. This was partly offset with other locations achieving higher revenues.

EBITDA: EBITDA was at USD 7.9 million in H1 2024, compared to USD 6.9 million in H1 2023. The increase in EBITDA is a consequence of the recovery of the oil & gas sector and the result of the Energy Service division.

Operating profit: The Group's operating profit for H1 2024 was USD 4.4 million compared to USD 3.5 million in H1 2023. The increase in operating profit is a consequence of the recovery of the oil & gas sector and the result of the Energy Service division.

Total Comprehensive income: Total comprehensive income was USD 3.1 million in H1 2024, compared to total comprehensive income of USD 1.3 million in H1 2023. This variance was mainly due to the increased EBITDA, and the result from associated companies.

Alternative Performance Measures

In reporting financial information, the Group is using Alternative Performance Measures (APMs). Refer to page 12 for further details.

Financial information

Profit and loss for the first half of 2024 compared to the first half of 2023

Total revenue was USD 25.8 million compared to USD 29.1 million in 2023. Operating expenses were USD 17.9 million compared to USD 22.3 million in 2023. EBITDA was USD 7.9 million compared to USD 6.9 million in 2023.

Depreciation was USD 3.6 million compared to USD 3.3 million in 2023. Operating profit was USD 4.4 million compared to USD 3.5 million in 2023. Result from associated companies was a profit of USD 0.4 million compared to a loss of USD 0.6 million in 2023. Net financial loss was USD 0.8 million compared to a loss of USD 1.0 million in 2023.

The net result after tax was a profit of USD 3.5 million compared to a profit of USD 1.5 million in 2023. Total comprehensive income was USD 3.1 million compared to an income of USD 1.3 million in 2023.

Cash flow for the first half of 2024 compared to the first half of 2023

Cash flow from operations was USD 6.0 million in 2024, compared to USD 3.8 million in 2023. Cash outflow from investments in 2024 was USD 1.4 million compared to a cash outflow of USD 1.7 million in 2023. Cash outflow from financing activities in 2024 was USD 2.8 million compared to a cash outflow of USD 3.0 million in 2023.

Free cash as at 30 June 2024 was USD 12.5 million compared to USD 10.8 million as at 30 June 2023 and USD 10.6 million as at 31 December 2023.

Statement of financial position

As at 30 June 2024, total assets amounted to USD 65.1 million (audited 31 December 2023: USD 66.9 million). Main balances are:

- Investment in right of use land and building assets had a book value of USD 5.4 million (audited 31 December 2023: USD 6.4 million)
- Investment in right of use other assets had a book value of USD 8.1 million (audited 31 December 2023: USD 9.1 million)
- Investment in Energy Service equipment had a book value of USD 12.4 million (audited 31 December 2023: USD 12.0 million)
- Accounts receivable had a book value of USD 12.3 million (audited 31 December 2023: USD 14.9 million)
- Total cash was USD 12.6 million (audited 31 December 2023: USD 10.8 million).

As at 30 June 2024, total liabilities amounted to USD 21.0 million (audited 31 December 2023: USD 25.8 million)

- Leasing liabilities for Energy Service equipment were USD 4.5 million (audited 31 December 2023: USD 6.2 million).
- Leasing liabilities for offices were USD 7.2 million (audited 31 December 2023: USD 8.0 million).

Total equity was USD 44.1 million as at 30 June 2024 (audited 31 December 2023: USD 41.1 million), including a minority interest of USD 2.4 million (audited 31 December 2023: USD 2.6 million). Book value of equity per share was USD 0.75 as at 30 June 2024, (audited 31 December 2023: USD 0.69) including minority interest of USD 0.04 per share (audited 31 December 2023: USD 0.04).

Share information

As at 30 June 2024, the total number of shares outstanding in Petrolia SE was 59,133,786 (audited 31 December 2023: 59,133,786), each with a par value of USD 0.10 (audited 31 December 2023: USD 0.10). The Company has no outstanding or authorised stock options, warrants or convertible debt. As at 30 June 2024, a subsidiary of the Company held 100,000 treasury shares (audited 31 December 2023: 100,000 treasury shares).

Operational development, market and outlook

Energy Division

Within the Energy Division, the 49.9% owned associated company Petrolia NOCO AS ('Petrolia NOCO' or 'PNO') is actively pursuing exploration and production opportunities and aims at becoming an independent license holder and operator of producing fields on the Norwegian Continental Shelf ("NCS"). The company now has a total of 10 (ten) licences, of which two are as operator.

The company has a 12.2575% working interest in the Brage unit, currently producing at about 2,300 boepd net to PNO; a 4.35% working interest in the Enoch unit, which has only produced an average of 13 boepd in 2024 due to operational issues.

The company reported its first commercial oil discovery in 2020. The recoverable resources of the Dugong discovery in PL 882 are estimated to be between 29 - 84 million barrels of oil equivalent. The PL 882 license partnership is currently evaluating new field development solutions and studies involving tieback to the Snorre facilities. PNO owns 20% in PL 882. PL 1181 (60%, awarded in January 2023) is located in the same area.

PNO drilled the Bounty prospect in PL 935 in Q2 2022. The well was determined to be a dry well with shows and was permanently plugged and abandoned. A well is being drilled by another licence group in the same structure across the licence border in Q4 which will provide key information to the PL 935 prospect. The partners are also evaluating the data obtained to consider if additional wells shall be drilled. The prospect is located in the Frøya High area. PNO holds 10% in PL 935.

In 2021, PNO farmed down 40% of its interests (from 60% to 20%) in licences PL 1013 and 1013 B, including operatorships, to facilitate drilling of the Løvmeis prospect in 2024. The prospect is located close to existing infrastructure, allowing fast-track, cost-efficient development.

In the Awards in Predefined Areas (APA) of 2023, the company was awarded 30% as a partner in license PL 1210 and 40% as the operator in license PL 1221.

Energy Service Division

Gas prices have trended towards international LNG prices. Oil price has been less volatile and seems to level out at around 80 USD/bbl. Whilst the Board expects activity to remain good, the Board considers that the oil industry will remain volatile in the foreseeable future due to fluctuations in oil prices and ongoing concerns about recession.

The Energy Service division owns and operates one land rig in Iraq. Drilling contracting services by using a hired-in land rig have now stopped and the rig has been returned to its owners. The rig has been off hire so far in 2024 due to the reduced activity in Iraq following the closing of the pipeline to Turkey in March 2023.

Through CO₂ Management AS, the division focuses on decarbonisation efforts for the European hard-to-abate industry, including waste-to-energy, lime and cement production. In Bremen, Germany, a multimodal CO₂ Hub is being planned by CO₂ Management AS and project partner bremenports GmbH & Co. KG. The Bremen hub is part of the coalition agreement of the elected state government.

Related party transactions

There have been no significant related party transactions.



About the Group

Energy Division:

Petrolia NOCO (Associate Company):

Petrolia NOCO seeks to maximise field potential through innovative exploration and production in mature areas of the Norwegian Continental Shelf ('NCS'), leveraging on the extensive industry experience of its management team and an experienced and dynamic technical team.

Petrolia NOCO currently holds 10 licences on the NCS including two as operator. The Group directly and indirectly holds 49.9% of the share capital of Petrolia NOCO and is the main shareholder. The shares are registered in the Norwegian Central Securities Depository ("Verdipapirsentralen", VPS) with ISIN: NO0010844301. The shares are registered with ticker "PNO" on the NOTC (www.notc.no), a marketplace for unlisted shares.

Energy Service Division: The division's involvement in oilfield services began with the acquisition of Independent Oil Tools AS in 2007. The division has developed into a well-respected, international equipment rental and oil service group with global presence. This division owns one land rig, drill pipes, test strings & tubing, handling and auxiliary tools and pressure control equipment for onshore and offshore activities. In addition, the division provides associated services such as tubular running services, fishing services, land drilling, work-over services and various other sustainable services.

The Energy Service Division benefits from an excellent track record of availability, technical compliance, experience and performance. It has a well-established, large, international client base, including a portfolio of contracts in place with numerous major oil service companies, oil companies and drilling contractors.

Key risks and uncertainty

The activities and assets of the Group are primarily in USD and the loan to Petrolia NOCO AS (reported as 'other financial fixed asset') is in NOK. There is therefore a currency risk regarding the USD/NOK exchange rate.

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will have an impact on the current and deferred income tax assets and liabilities in the period in which such determination is made.

Going Concern

The Board closely monitors the cash position of the group and the cash flow forecasts. It remains confident in the Group's ability to maintain sufficient financial resources to enable it to continue as a going-concern for the foreseeable future.

Events after the balance sheet date

There have been no significant events after the balance sheet date.



Responsibility statement

STATEMENT OF MEMBERS OF THE BOARD OF DIRECTORS AND OTHER RESPONSIBLE PERSONS OF THE COMPANY FOR THE INTERIM CONDENSED FINANCIAL STATEMENTS.

In accordance with Article 10, sections (3) (c) and (7) of the Cyprus Transparency Requirements (Securities for Trading on Regulated Market) Law of 2007 ("Law"), we the members of the Board of Directors and the other responsible persons for the drafting of the condensed consolidated interim financial statements of Petrolia SE for the period 1 January to 30 June 2024, confirm that, to the best of our knowledge:

- (a) the condensed consolidated interim financial statements for the period 1 January to 30 June 2024 that are presented on pages 7 to 11:
 - (i) were prepared in accordance with the International Financial Reporting Standards IAS 34 "Interim Financial Reporting", as adopted by the European Union, and in accordance with the provisions of Article 10, section (4), of the Law; and
 - (ii) give a true and fair view of the assets and liabilities, the financial position and the profit or losses of Petrolia SE; and
- (b) the interim management report includes a fair review of the information required by subsection (6).

Board of Directors, Petrolia SE, Limassol, Cyprus 30 August 2024



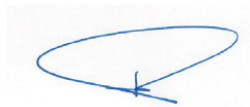
Berge Gerdt Larsen
Chair of the Board



Polycarpus Protopapas
Board member
Managing director



Sjur Storaas
Board member



George Hadjineophytou
Board member



Sølve Nilsen
Finance manager

Financial report first half-year 2024 – preliminary unaudited

Consolidated Statement of Comprehensive Income		
All figures in USD (1,000)		
	H1 2024	H1 2023
Operating revenue	25,767	29,114
Reversal of impairment of current assets	89	34
Operating expenses	-17,929	-22,281
EBITDA	7,927	6,867
Depreciation	-3,552	-3,320
Operating profit	4,375	3,547
Result from associated companies	395	-610
Interest income	395	235
Other financial income	41	4
Fair value through P&L	2	-20
Interest cost	-475	-455
Other financial cost	-25	-42
Currency loss	-767	-752
Profit before income tax	3,941	1,907
Tax on result	-442	-441
Profit for the period	3,499	1,466
Allocated to the majority	3,680	1,100
Allocated to the minority	-181	366
Other comprehensive income		
Currency translation differences	-404	-177
Total other comprehensive loss	-404	-177
Total comprehensive income for the period	3,095	1,289
Number of shares	59,133,786	59,133,786
Earnings per share, basic (USD cents)	6.22	1.86

Condensed Consolidated Statement of Financial Position		
All figures in USD (1,000)		
Assets	30.06.2024	Audited 31.12.2023
Goodwill	249	249
Right of use assets, land and buildings	5,387	6,397
Right of use assets, other	8,090	9,094
Energy Service and other equipment	12,436	12,005
Land rigs	1,245	1,418
Land and buildings	2,152	2,292
Investments in associates	395	0
Other financial fixed assets	1,004	1,004
Restricted cash	3	3
Total non-current assets	30,961	32,462
Inventory	1,552	1,683
Accounts receivable	12,332	14,934
Other current assets	1,918	1,039
Financial asset at fair value through P&L	38	36
Other financial fixed assets	5,723	5,920
Free cash	12,486	10,595
Restricted cash	112	209
Total current assets	34,161	34,416
Total assets	65,122	66,878
Equity and liabilities		
Share capital	5,913	5,913
Treasury shares	-39	-39
Other equity	35,919	32,560
Majority interest	41,793	38,434
Minority interest	2,355	2,619
Total equity	44,148	41,053
Other long-term liabilities	8,226	9,883
Total non-current liabilities	8,226	9,883
Short-term portion of other non-current liabilities	4,970	5,573
Accounts payable	2,466	4,017
Bank loan and overdraft	294	199
Income tax payable	116	329
Other current liabilities	4,852	5,824
Total current liabilities	12,748	15,942
Total liabilities	20,974	25,825
Total equity and liabilities	65,122	66,878
Total book equity per share (end of period shares)	0.75	0.69
Equity (total) ratio	67.8%	61.4%

Condensed Consolidated Statement of changes in Equity

All figures in USD (1,000)

	H1 2024	H1 2023
Equity period start 01.01	41,053	39,014
Purchase of treasury shares	0	-39
Total comprehensive profit for the period	3,095	1,289
Total change of equity in the period	3,095	1,250
Equity at period end	44,148	40,264

Condensed Consolidated Cash Flow Statement

All figures in USD (1,000)

	H1 2024	H1 2023
Net cash flow from operating activities	6,018	3,843
Net cash flow from investing activities	-1,376	-1,716
Net cash flow from financing activities	-2,751	-2,992
Net change in cash and cash equivalents	1,891	-865
Free cash and cash equivalents at beginning of period	10,595	11,627
Free cash and cash equivalents at period end	12,486	10,762

Notes to the unaudited condensed consolidated figures:

Note 1 Applied accounting principles

This first half-year report is prepared according to the International Financial Reporting Standards (IFRSs as adopted by the EU) and the appurtenant standard for interim reporting. The first half-year accounts are based on the current IFRS standards and interpretations and were approved by the Board on 30 August 2024.

This first half-year report is prepared according to the same principles as the most recent annual financial statements, but does not include all the information and disclosures required in the annual financial statements. Consequently, this report should be read in conjunction with the latest annual report for the Company (2023). Changes in standards and interpretations may result in other figures.

The same accounting principles and methods for calculation, which were applied in the latest annual report (2023), have been applied in the preparation of this interim report. The Company's accounting principles are described in detail in its annual report for 2023 which is available on the Company's website www.petrolia.eu.

The consolidated accounts are based on historical cost, with the exception of items required to be reported at fair value.

Note 2 Tangible fixed assets

The table below outlines the development of tangible fixed assets as of 30 June 2024:

All figures in USD (1,000)	Drilling- and Other Equipment	Right of Use Land & Buildings	Right of Use Other Assets	Land rigs	Land and buildings	Total
Balance at 1 January 2024	12,005	6,397	9,094	1,418	2,292	31,206
Acquisition cost at 1 January 2024	295,840	15,982	18,156	14,270	4,461	348,709
Purchased tangibles in 2024	2,073	0	270	0	0	2,343
Modifications in 2024	0	173	16	0	0	189
Reclassification of cost in 2024	497	0	-497	0	0	0
Disposal in 2024	-431	0	-18	0	-4	-453
Translation differences	-300	-240	-162	0	-52	-754
Acquisition cost at 30 June 2024	297,679	15,915	17,765	14,270	4,405	350,034
Balance depreciation at 1 January 2024	-255,720	-9,585	-9,044	-5,196	-1,250	-280,795
Balance impairment at 1 January 2024	-28,115	0	-18	-7,656	-919	-36,708
Depreciation in 2024	-1,527	-943	-821	-173	-88	-3,552
Impairment in 2024	0	0	0	0	0	0
Reclassification of depreciation in 2024	-204	0	204	0	0	0
Reclassification of impairment in 2024	0	0	0	0	0	0
Disposal of depreciation in 2024	323	0	4	0	4	331
Disposal of impairment in 2024	0	0	0	0	0	0
Depreciation/impairment as at 30 June 2024	-285,243	-10,528	-9,675	-13,025	-2,253	-320,724
Carrying amount:						
Balance at 30 June 2024	12,436	5,387	8,090	1,245	2,152	29,310
Residual value						

Note 3 Investments in associates

All figures in USD (1,000)	Petrolia NOCO AS
Investments in associates	
Shareholding	49.9%
Business address	Bergen, Norway
Balance 1 January 2024	0
Investments	0
Translation differences	46
Effect of negative equity as at 31 December 2023	-214
Share of result	563
Balance at 30 June 2024	395

Note 4 Segment Information

All figures in USD (1,000)	H1 2024				H1 2023			
	Rental	Services	Sales	Total	Rental	Services	Sales	Total
Norway	7,076	2,417	193	9,686	3,823	1,561	1,014	6,398
Europe outside Norway	4,723	2,589	3,982	11,294	4,709	1,733	4,353	10,795
Asia and Australia	2,602	2,148	31	4,781	7,050	3,785	1,084	11,919
Other	0	0	6	6	0	0	2	2
Total	14,401	7,154	4,212	25,767	15,582	7,079	6,453	29,114

Energy

Petrolia NOCO holds ten licences on the NCS.

The Dugong discovery recoverable resources are estimated to be between 29 – 84 million barrels of oil equivalent. Petrolia NOCO has a 20% working interest in the licence. The PL 882 license partnership is working on several field development scenarios. First oil is expected in 2029.

Petrolia NOCO has a 12.26% working interest in the Brage Unit which as at 31 December 2023 had proven and probable reserves of 1.68 million boe net to Petrolia NOCO.

Energy services

In 2024, the Energy Service division has seen stable activity in line with more stable oil price levels.

Note 5 Legal disputes

There are no legal disputes.

Note 6 Events after the balance sheet date

There have been no significant events after the balance sheet date.

Glossary

APA	Awards in Predefined Areas
boe	Barrels of oil equivalents
boepd	Barrels of oil equivalents per day
EBITDA	Earnings Before Interest, Tax, Depreciation & Amortisation
EBIT	Earnings before Interest and taxes
EPS	Earnings per share
Exploration	A general term referring to all efforts made in the search for new deposits of oil and gas
Exploration well	A well drilled in the initial phase in petroleum exploration
Farm out	A contractual agreement with an owner who holds a working interest in an area to assign all or parts of that interest to other parties
MMbbl	Million barrels (oil reserves)
NCS	Norwegian Continental Shelf
NOK	Norwegian crowns
Oil field	An accumulation of hydrocarbons in the subsurface
Prospect	An area of exploration in which hydrocarbons have been predicted to exist
USD	United States Dollars

Alternative Performance Measures

In reporting financial information, the Group is using Alternative Performance Measures (APMs).

APMs aim to enable users of financial information to better understand the financial and operating result of the Group, its financial position and cash flow statement. APMs should always be considered in conjunction with the financial result prepared in accordance with the IFRSs and they are not considered to be a substitute or superior to IFRSs.

The use of the APMs referred herewith below are used to assist users of the report to better understand the financial performance of the Group.

All figures in USD (million)	H1 2024	H1 2023
Operating revenue	25.8	29.1
EBITDA	7.9	6.9
Operating profit	4.4	3.5
Total comprehensive income for the period	3.1	1.3
Earnings per share in USD (cents)	6.22	1.86
Total equity per share in USD	0.75	0.68

Operating Revenue

Operating revenue is the revenue that a company generates from its primary business activities.

Operating Profit

Operating profit is the profit from the company's operations (gross profit minus operating expenses) before deduction of interest and taxes. Operating profit serves as a highly accurate indicator of a company's health because it removes all extraneous factors from the calculation. All expenses that are necessary to keep the business running are included.

EBITDA

EBITDA is operating result before interest, tax, depreciation and amortisation. The EBITDA is primarily used to measure the company's operational performance by removing the cost of debt financing, taxes and non-cash elements such as depreciation and amortisation.

Total comprehensive income for the year

Net Income + / – Other Comprehensive Income / (Other Comprehensive Loss).

Earnings Per Share

Earnings per share (EPS) is calculated as profit (before other comprehensive income) allocated to the majority, divided by the average outstanding shares of its common stock:

- $3,679,324/59,133,786$ =6.22 cent for H1 2024
- $1,100,646/59,133,786$ =1.86 cent for H1 2023,

The resulting number serves as an indicator of a company's profitability. Earnings per share is intended to provide a measure of the proportion of each ordinary share in the performance that the company has had in the reporting period. It can be used to compare the performance between different entities in the same period, as well as between different periods for the same entity.

Equity Ratio

Shareholder equity ratio, expressed as a percentage, is calculated by dividing total shareholders' equity by the total assets of the Company. The result represents the percentage of the assets on which shareholders have a residual claim.

Book value of Shareholders' equity per share

Book value of shareholders' equity per share is the ratio of equity available to common shareholders divided by the average number of outstanding (issued) shares. A measure of the amount of equity that exists at the end of the period per average outstanding share and is used for measuring the shareholder's equity attributable per share. It can be used to compare the equity per share between different entities in the same period, as well as between different periods for the same entity and also to compare the market price of the share against the Equity per share between different entities in the same period, as well as between different periods for the same entity.

Reconciliation of APM to the items presented in the financial statements

All figures in USD (1,000)	H1 2024	H1 2023
Operating revenue	25,767	29,114
Operating Profit	4,375	3,547
Depreciation	3,552	3,320
Impairment	0	0
EBITDA	7,927	6,867
Profit to the majority for the period	3,679	1,100
Number of shares	59,133,786	59,133,786
Earnings per share (cents)	6.22	1.86
Profit for the period	3,499	1,466
Other comprehensive loss	-404	-177
Total comprehensive income for the period	3,095	1,289
Total Equity	44,148	40,264
Number of shares	59,133,786	59,133,786
Total equity per share in USD	0.75	0.68
Total Equity	44,148	40,264
Total Assets	65,122	65,847
Equity Ratio	67.8%	61.1%