

Fourth quarter 2021

Results presentation | 1 March 2022

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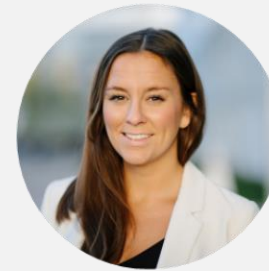
Today's Vår Energi presenters



Torger Rød
CEO



Stefano Pujatti
CFO



Ida Marie Fjellheim
Head of Investor Relations

Successfully completed IPO and listing on Oslo Børs

Natural next step in realising Vår Energi's full potential as a leading oil and gas company on NCS

- ~19 000 new shareholders: Institutional investors in Norway, rest of Nordics, Europe, the US and Asia, as well as retail investors in the Nordics
- +80% of employees are shareholders
- Largest upstream O&G IPO in Europe in the last 15 years
- Current market cap of NOK ~77 billion



Committed to deliver a better future and long-term value creation



Material and diversified production base with longevity, in partnership with world-class operators



Maximising value creation with hub-centred strategy on the NCS



World-class capabilities, with tangible growth and track record of successful development and exploration



Disciplined approach to M&A, with strong track record of value-accretive acquisitions



Material cash flow generation and IG balance sheet supporting attractive and resilient distributions

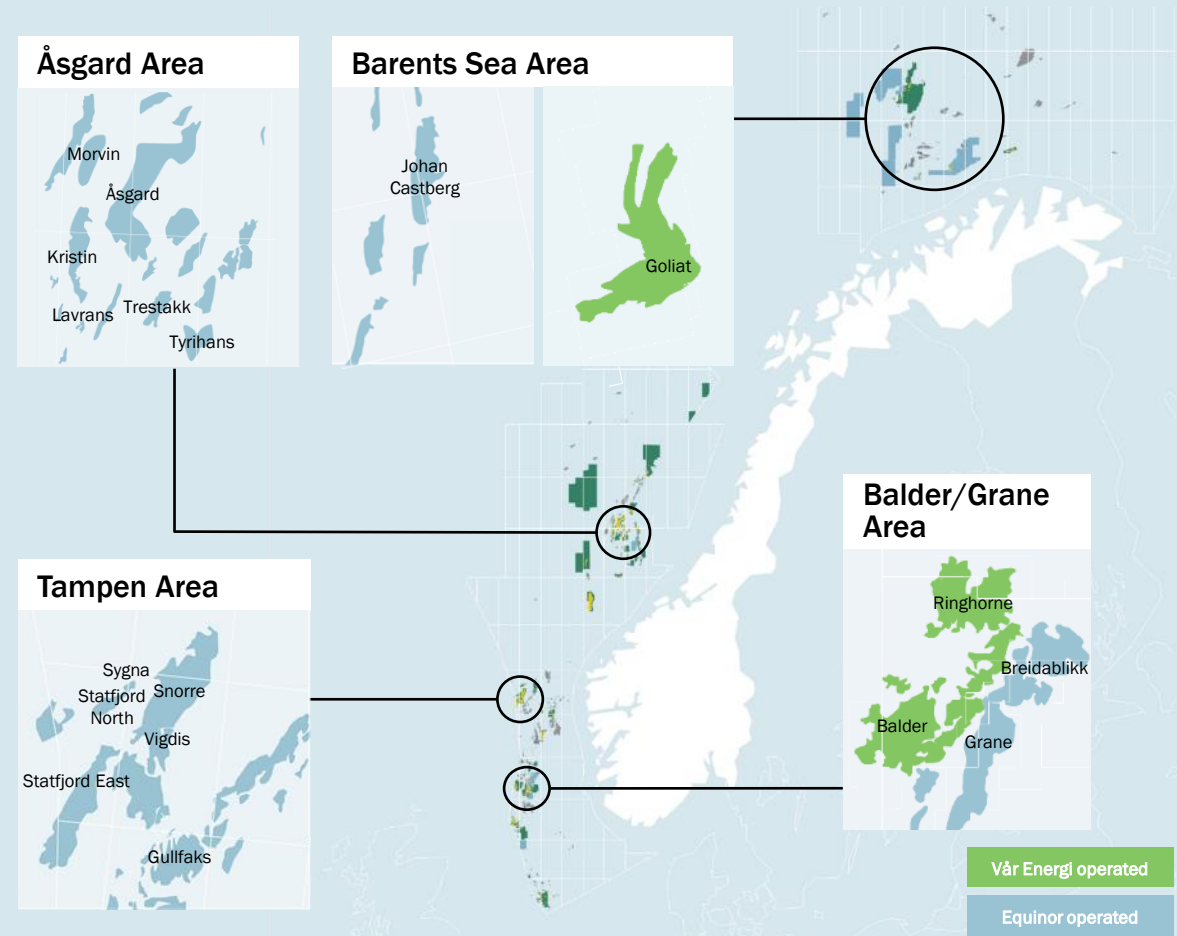


Path to net zero (Scope 1 and 2) by 2030 with strong HSEQ credentials

Leading pure-play independent on the NCS with material gas production

Diversified portfolio with a value-enhancing hub strategy

Key metrics



246 kboepd Total production FY'21	~35% gas % of production FY'21
USD 4 438m CFFO FY'21	USD 1 854m Free Cash Flow FY'21
USD 950m Dividends paid FY'21	1.1x NIBD/EBITDAX¹ YE'21

1. Including lease commitments. LTM EBITDAX



Highlights

Fourth quarter and full year 2021

Strong operational performance

- Zero actual serious incidents in 2021
- Production increased from the third quarter driven by improved production efficiency

Record cash flow generation and material distributions

- Capturing higher oil and gas prices, resulting in all-time high cash flow generation from operations
- Natural gas representing 37% of production and 52% of revenue in the quarter
- 2022 dividend guidance of minimum USD 800 million including USD 225 million for the first quarter

Solid financial position

- Obtained IG credit ratings and refinanced reserve-based lending facility with USD 6 billion unsecured loan
- Leverage ratio reduced to 1.1x at year-end from 3.2x at end 2020 on lower net debt and strong cash flow

Delivering on the growth strategy

- Main development projects progressing according to plan and budget
- 2021 exploration campaign with 75% success rate adding 135 million boe (mmboe) of resources

Key performance indicators

Q4 vs. Q3 2021

Actual serious incidents frequency

0.0

(0.0)

CO₂ emissions intensity

7.1 kg/boe

(11.7)

Production

259 kboepd

(247)

Production cost

USD 13.4/boe

(11.6)

Cash flow from operations

USD 923m

(1 310)

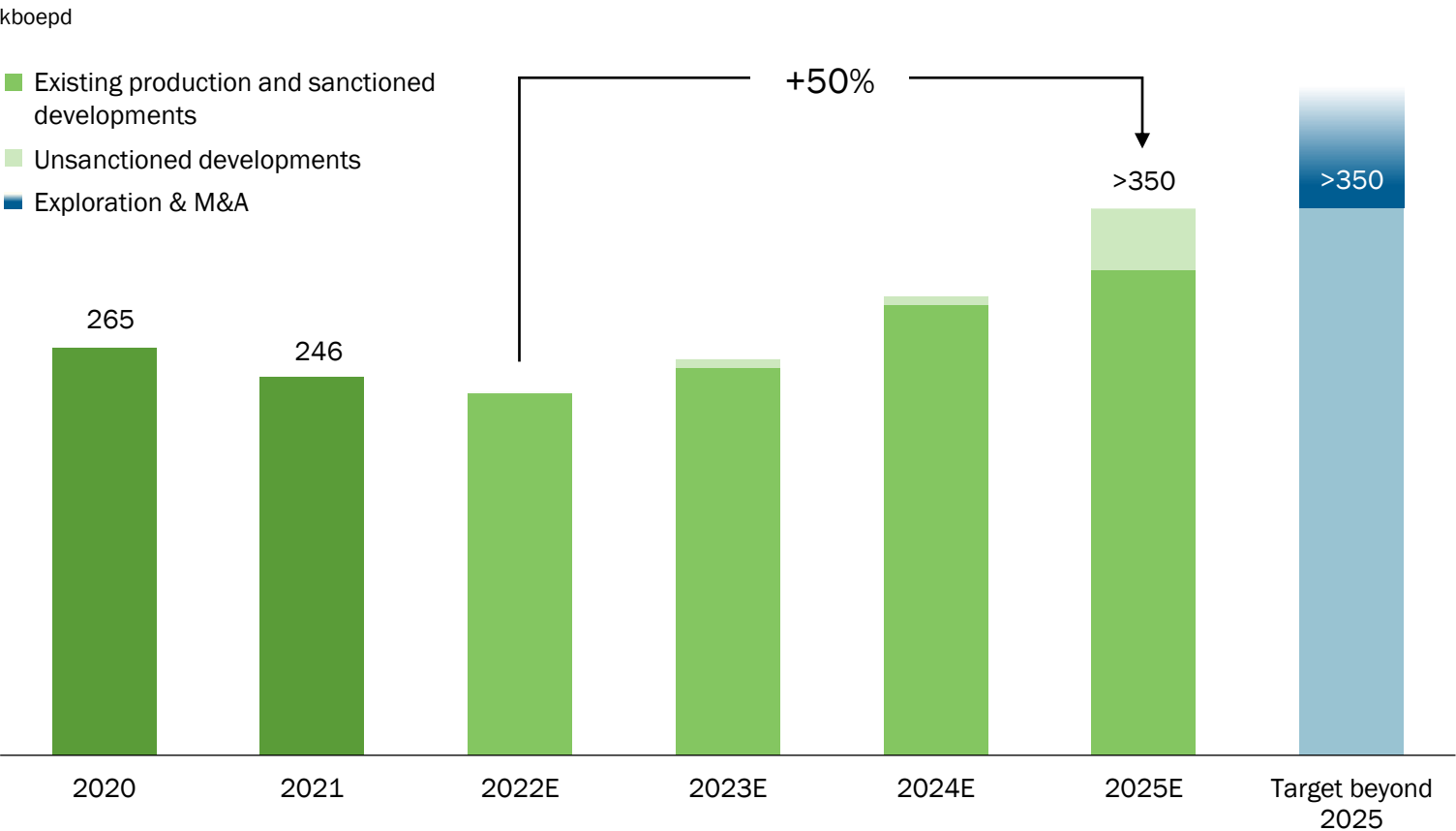
Dividend for the quarter

USD 262m

(213)

Diverse and robust portfolio enabling production growth

Ambition for >350 kboepd by 2025



Growth levers



Material, long-lived resources

~1.1 bnboe 2P reserves and 550 mmboe 2C resources, with R/P of ~13 years¹



Improved recovery

Facilities and reservoir outperformance using leading reservoir technology and infill drilling



Project development

Development of robust pipeline of sanctioned and unsanctioned projects



Exploration

New commercial discoveries leveraging best-in-NCS exploration capability

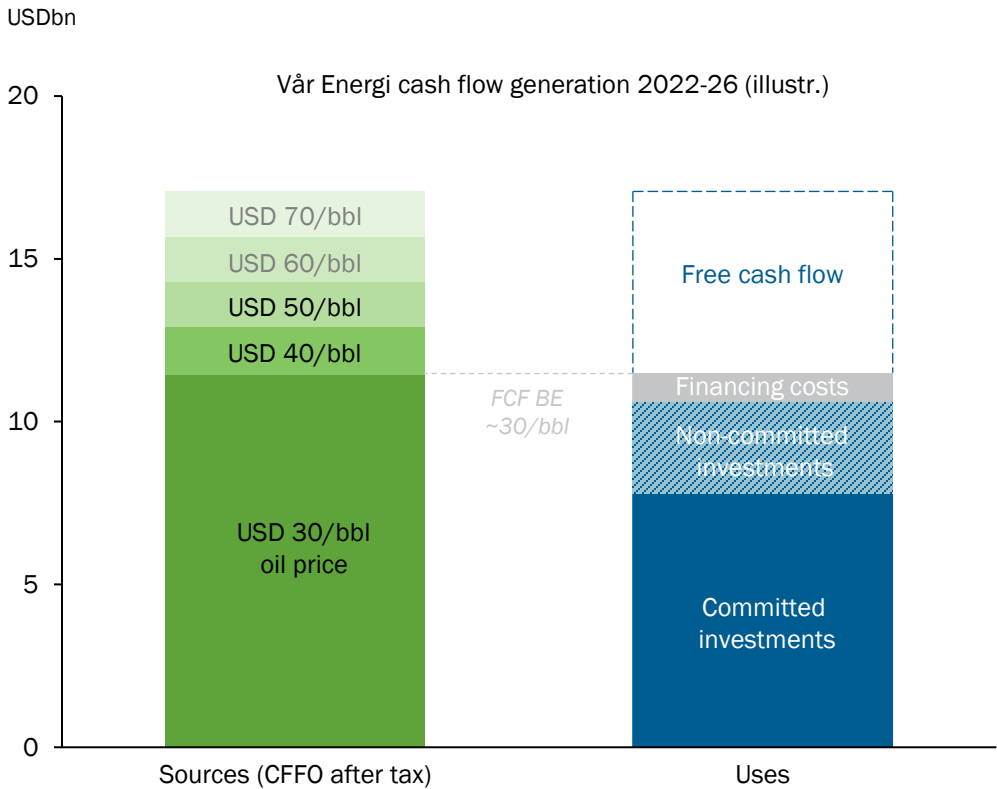


M&A

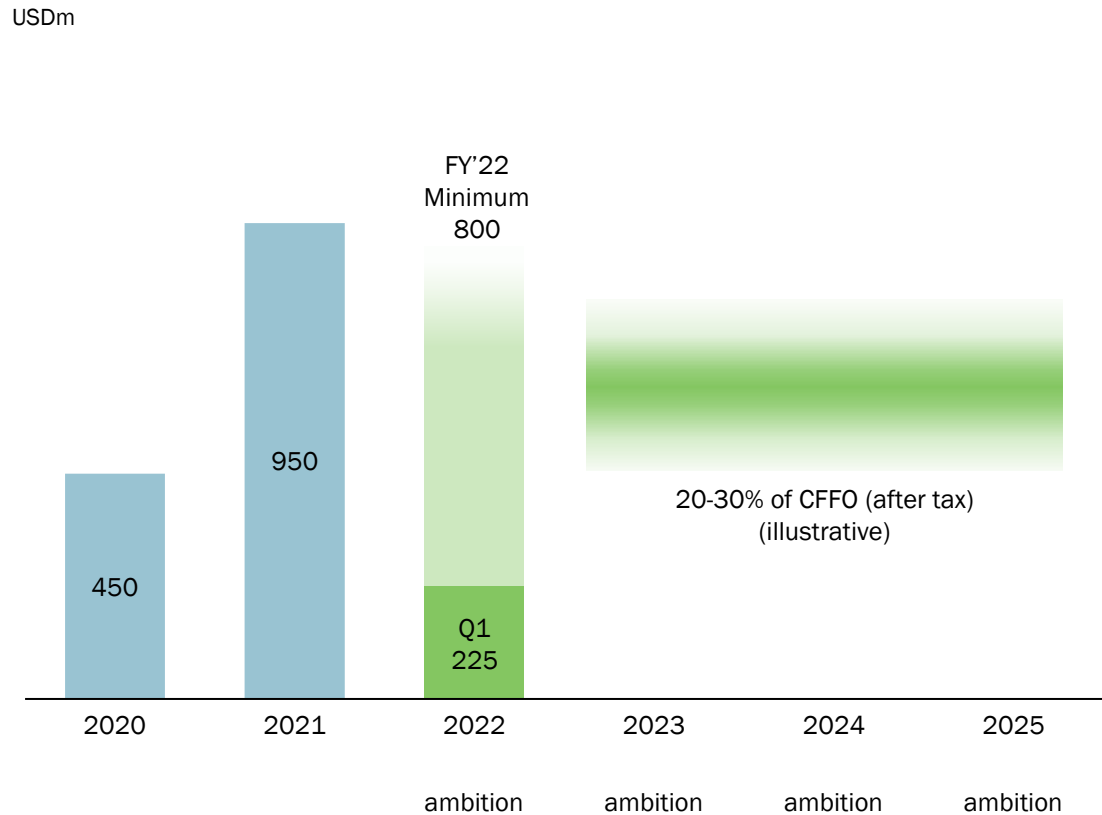
Accretive M&A in hub areas driving value and synergies

Outlook towards material cash flow generation and dividends

Potential for strong cash flow generation ahead...



...driving robust returns to shareholders¹

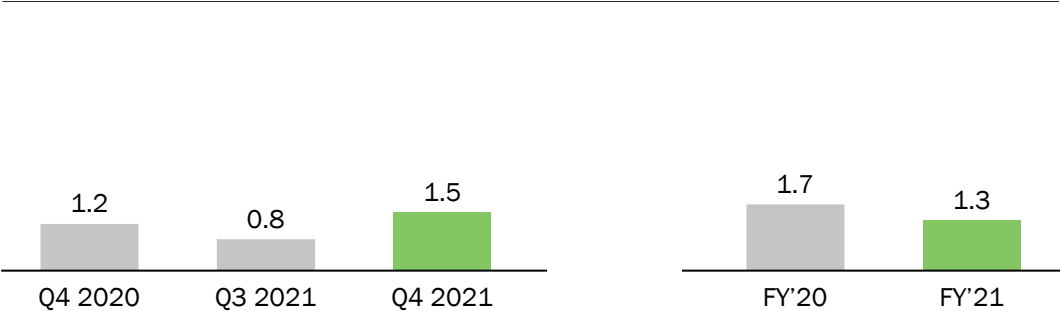




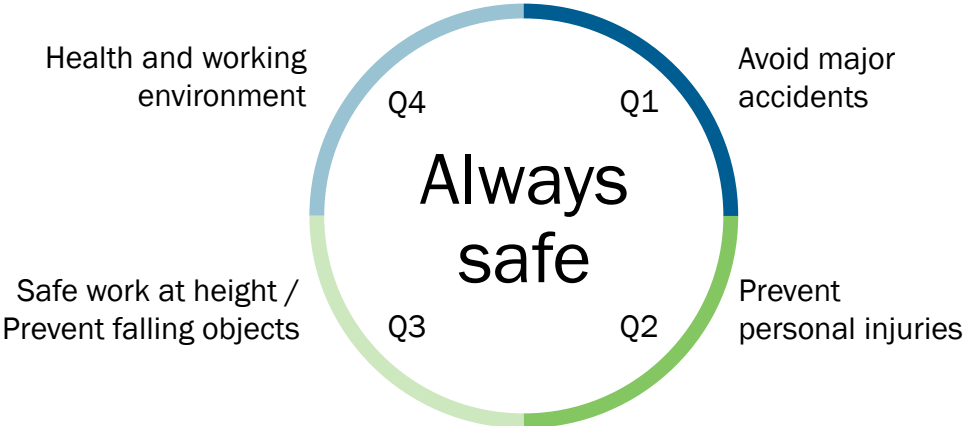
Operational review

Safety is the number one priority

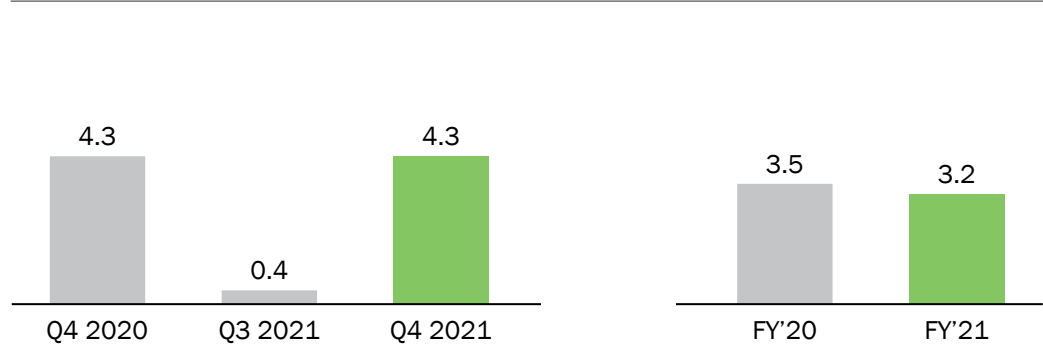
Serious incident frequency (SIF)



Ambition to be the safest operator on the NCS



Total recordable injury frequency (TRIF)

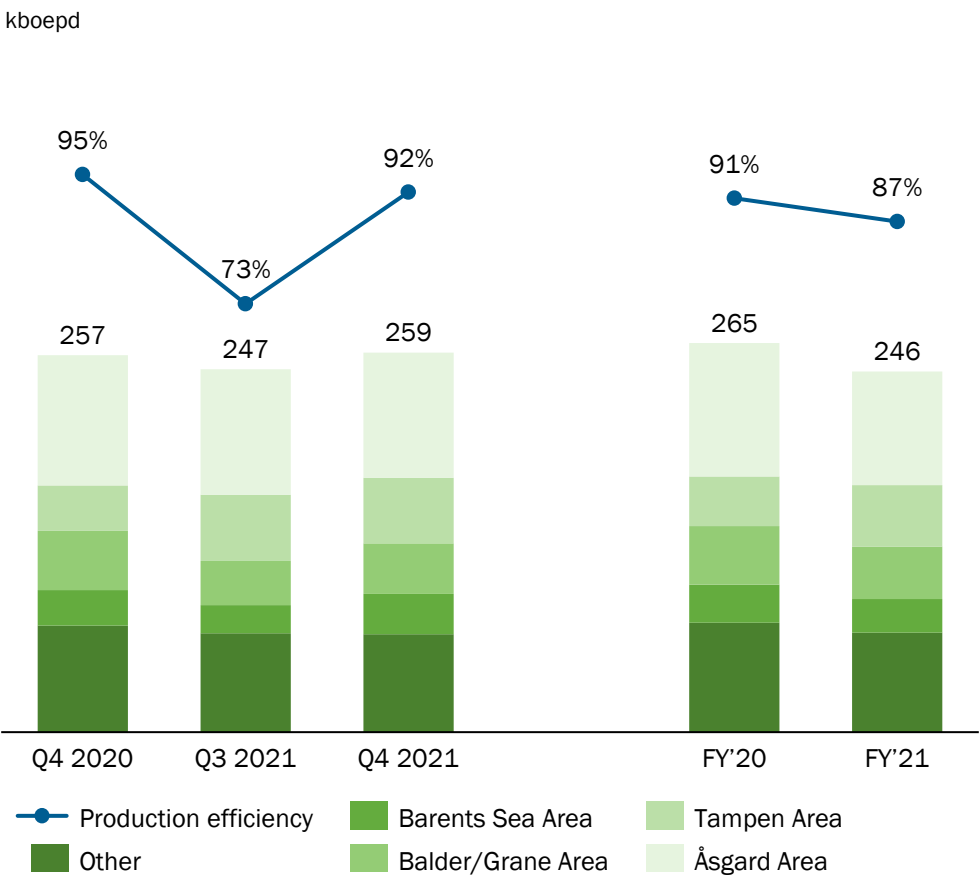


Life Saving Rules

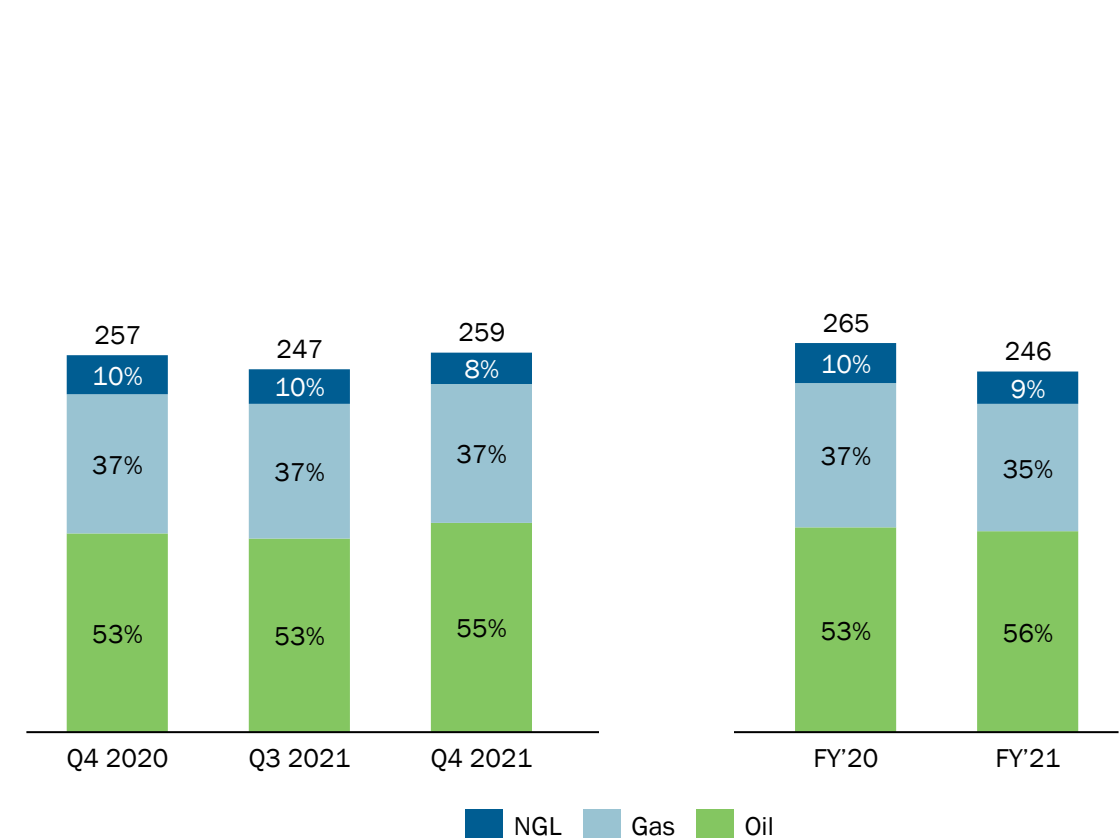


Stable production with material gas share

Production and production efficiency¹



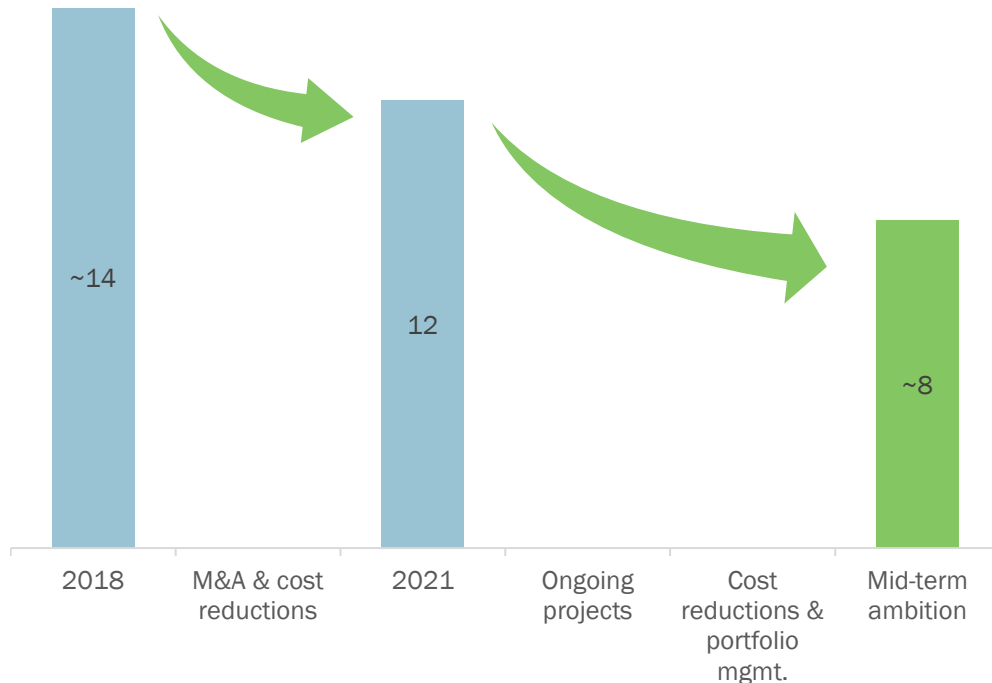
Production mix



Production cost on track to improve in the medium term

Production and transportation cost per barrel¹

USD/boe



- Production cost of USD 12/boe for the full year
- 2022 opex per boe guidance maintained at USD 12.5 to 13.5
- Medium term production cost ambition of 8 USD/boe
 - Continuous cost reduction programs
 - Ongoing projects with strong economics
 - Uptime improvement
 - Cost sharing and strategic partnerships with suppliers
 - Active portfolio management and optimisation

Clearly defined ESG agenda at the core our strategy

Strong ESG Assessment

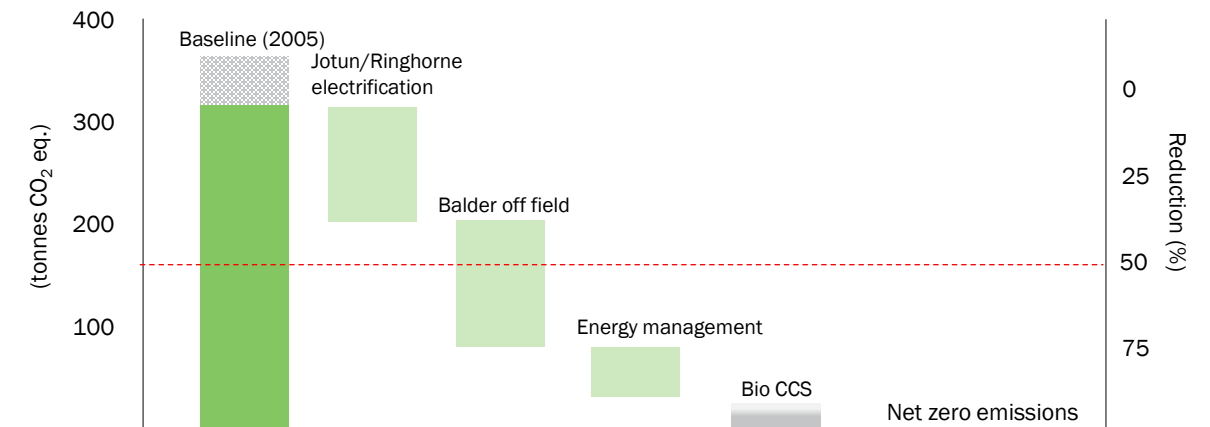
Received in January 2022



- Ranked¹ as 14 out of 155 and in the 9th percentile of E&P companies
- Overall indicative score of 30.1.

Long-term target of net zero emissions by 2030

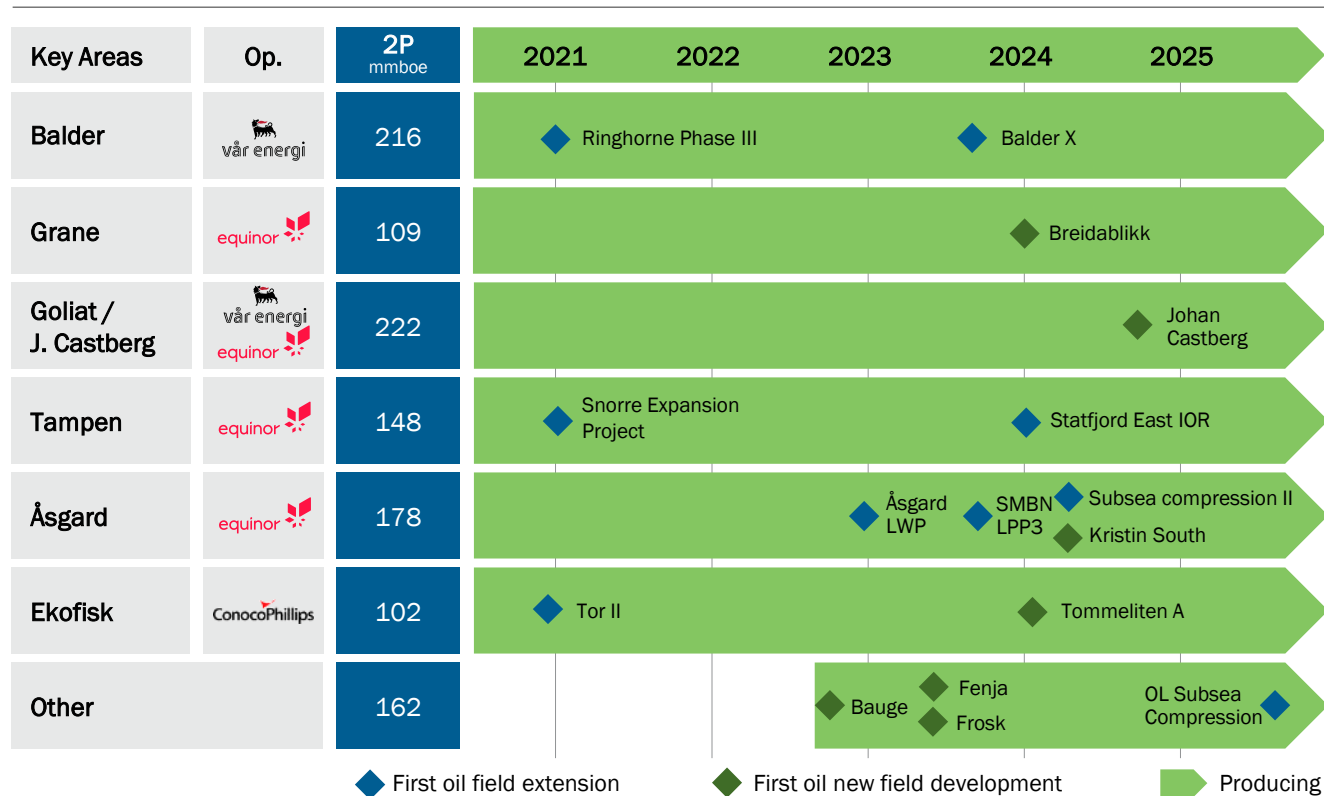
Indicative chart illustrating potential contributions to reduction in Vår Energi Scope 1 GHG emissions (Scope 1 and 2)



- Electrification, portfolio optimisation, energy management, safety flaring, cold venting and fugitive emissions, carbon offsetting, R&D and partner operated assets (POA) to drive decarbonization
- In 2021 the CO₂ emissions intensity was 8.7 kg per boe, compared to 8.5 kg in 2020.

Main development projects progressing to plan and budget

Existing production and sanctioned developments

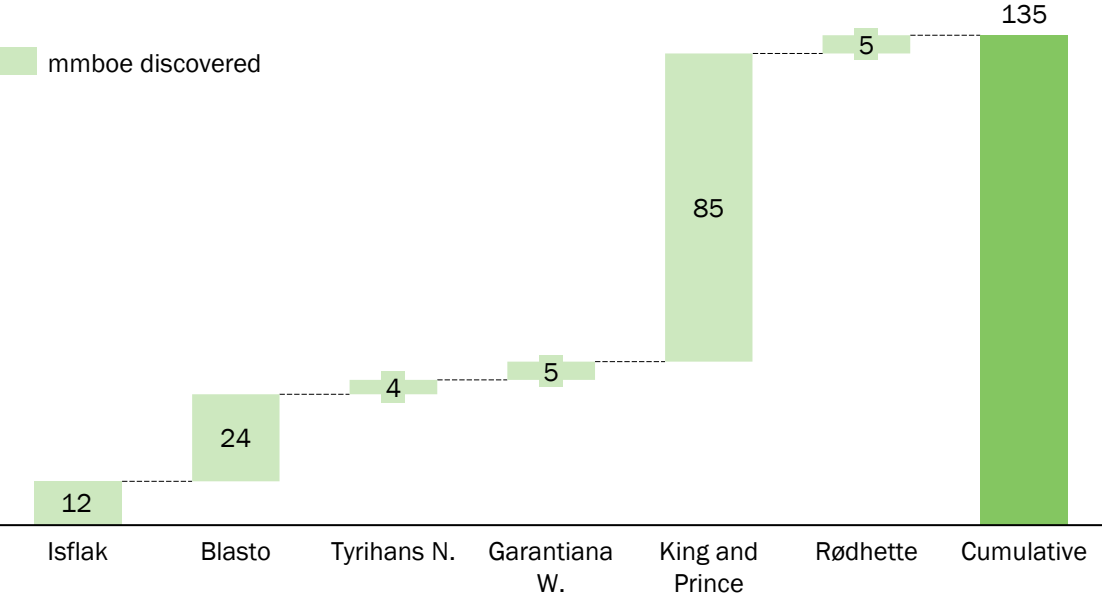
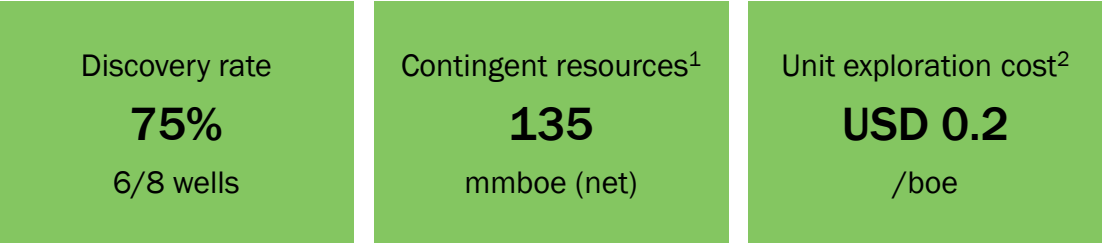


- Development projects supports mid-term production targets
- Main development projects Johan Castberg, Balder X and Breidablikk on plan following revision in fourth quarter
 - Start up of Johan Castberg and Balder X impacted by Covid-19 as communicated in the October national budget
 - Jotun FPSO inspection program completed as part of Balder X project
 - Johan Castberg FPSO sail-away from Singapore in February 2022, heading for Aker Stord for completion and commissioning

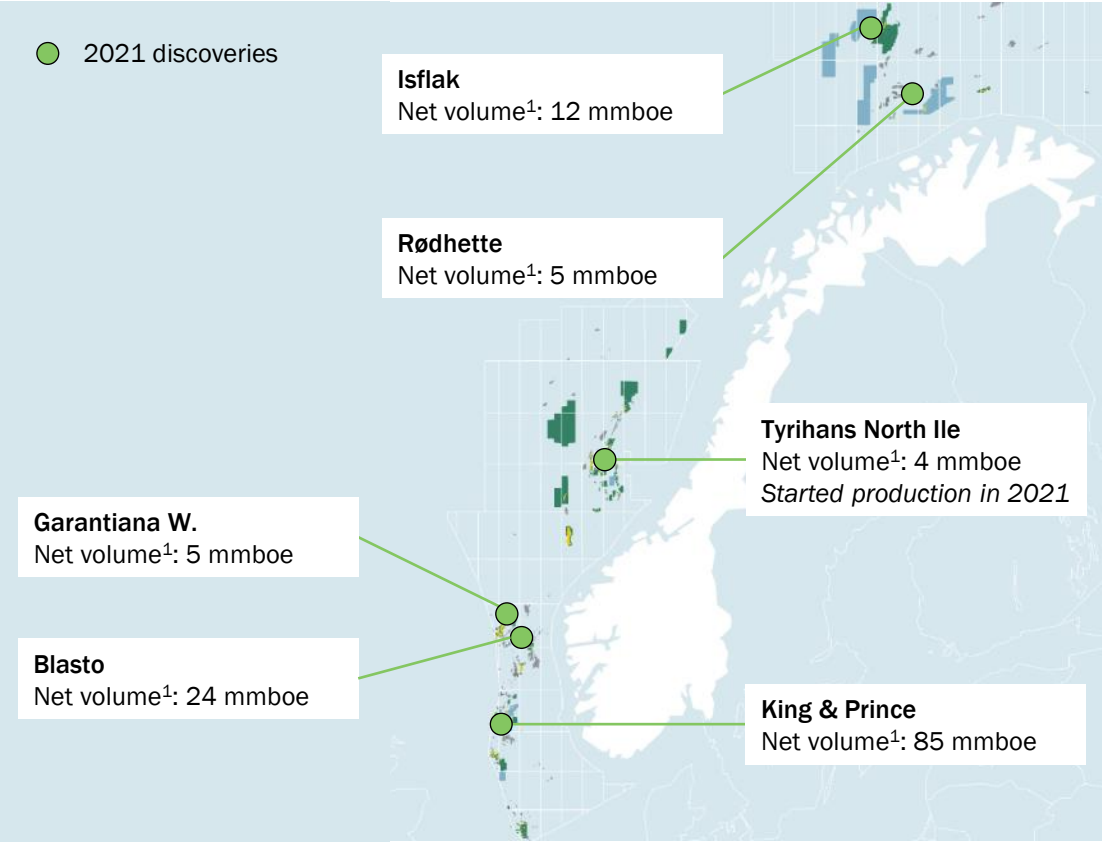
Supporting medium-term target of >350 kboepd

Industry-leading exploration results with 75% discovery rate in 2021

2021 campaign highlights



Successful exploration close to existing infrastructure



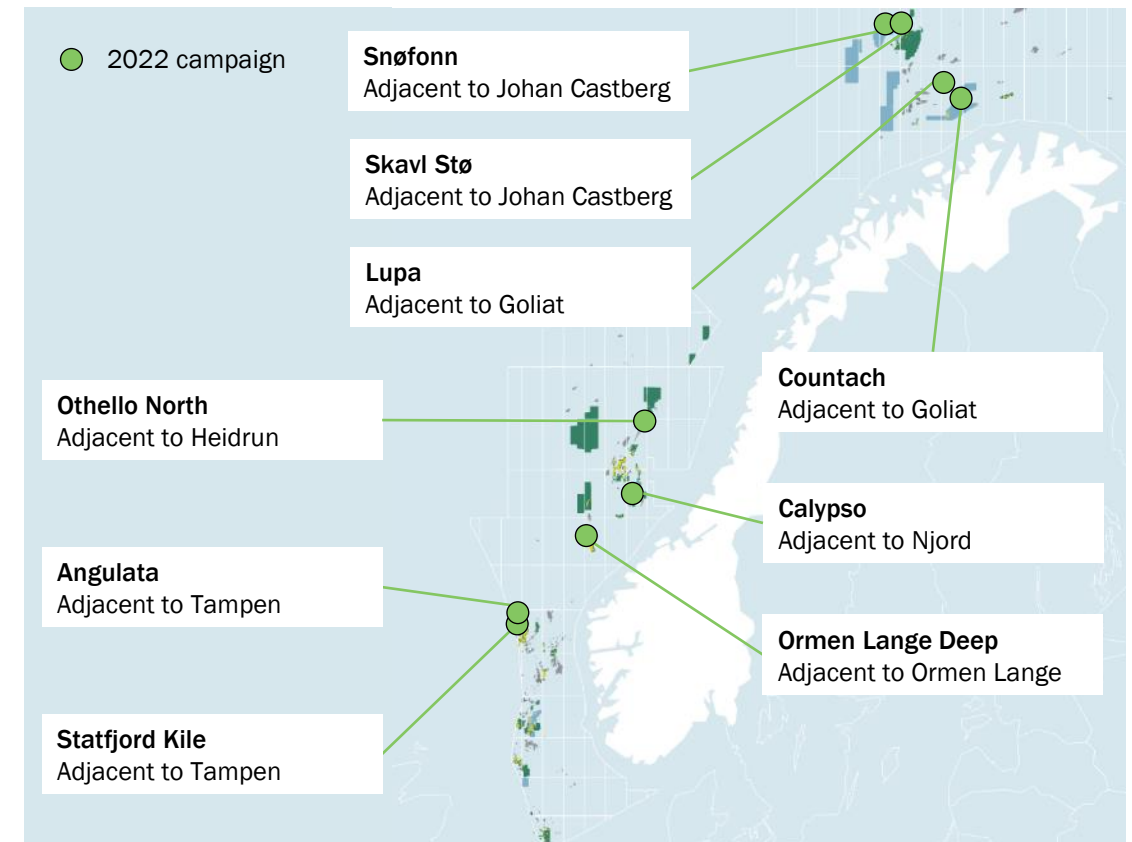
1. Net volumes based on mid-point estimates reported to the NPD
2. After tax (78%) and including cost of dry wells

2022 campaign targeting more high-value barrels

2022 work programme

License	Prospect	Operator	Vår Energi share	Pre-drill unrisked mmboe	Pre-drill unrisked mmboe VE	Timing
PL 532	Snøfonn	Equinor	30%	44	13	Q1/Q2
PL 532	Skavl Stø	Equinor	30%	20	6	Q1/Q2
PL 209	Ormen Lange Deep	Equinor	10%	290	29	Q1/Q2
PL 938	Calypso	Neptune	20%	34	7	Q2
PL 124	Othello North	Equinor	10%	43	4	Q2/Q3
PL 057	Statfjord Kile	Equinor	18.55%	6	1	Q3
PL 554	Angulata	Equinor	30%	58	17	Q3
PL 229E	Lupa	Vår Energi	50%	85	43	Q4
PL 229	Countach	Vår Energi	65%	41	27	Q4/Q1 23'

Continued hub-focused exploration





Financial review

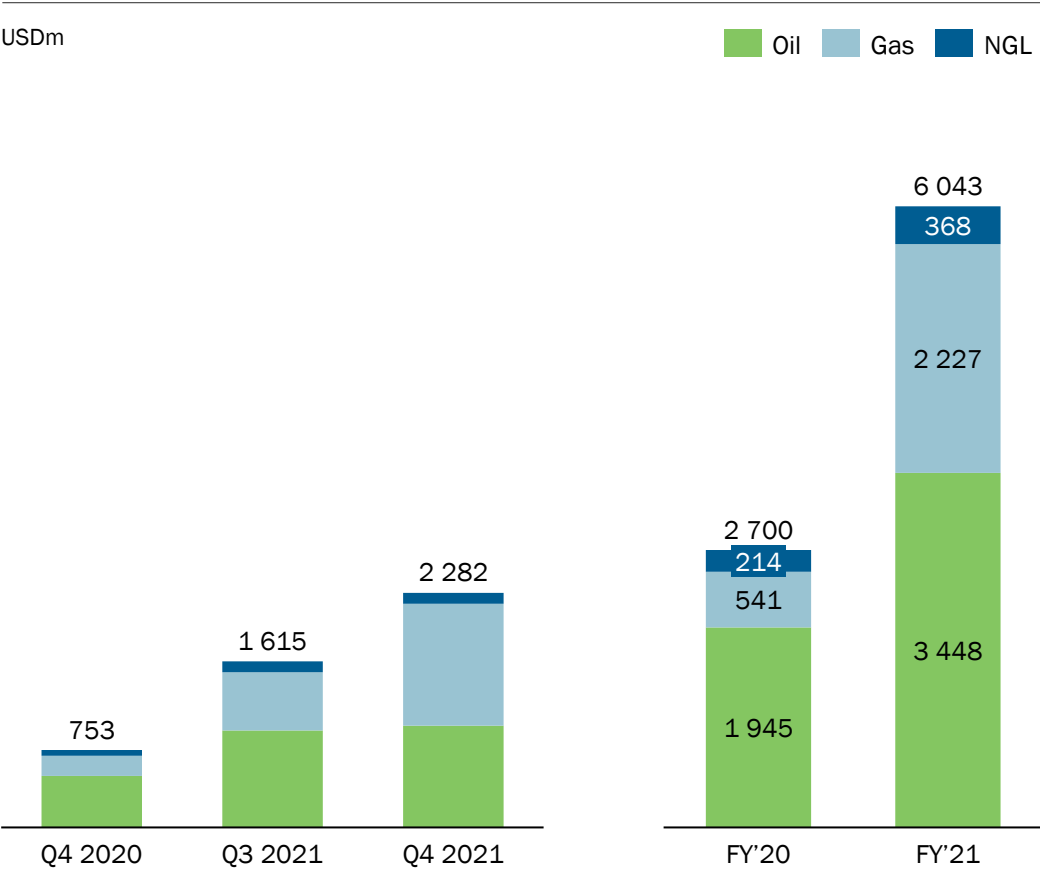
Key financials

USD million	Q4 2021	Q3 2021	Q4 2020	FY 2021	FY 2020
Petroleum revenues	2 282	1 615	791	6 043	2 869
EBIT	1 235	786	(748)	2 910	(2 253)
Profit before taxes	1 124	602	(180)	2 498	(2 204)
Production cost (USD/boe)	13.4	11.6	9.3	12.0	9.9
Operating CF before tax	1 495	1 292	595	4 274	2 087
CFFO	923	1 310	787	4 438	1 744
CAPEX	710	729	565	2 584	1 812
NIBD / EBITDAX	1.1x	1.4x	3.2x	1.1x	3.2x
Available liquidity	2 304	1 659	1 126	2 304	1 126

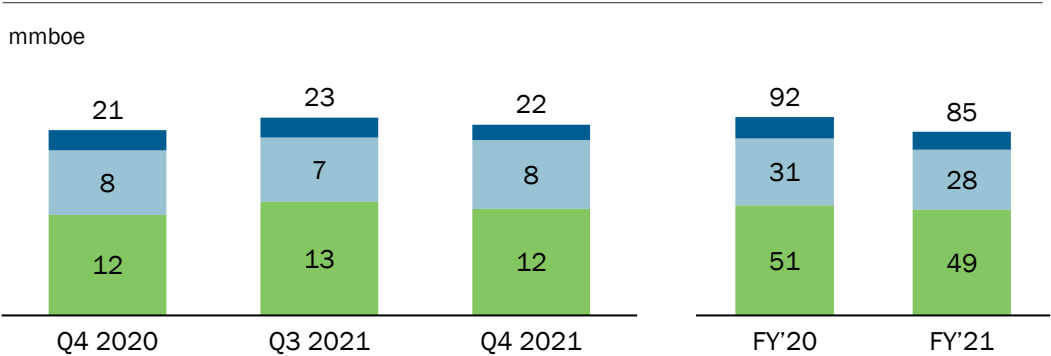


Capturing higher prices, gas 37% of production and 52% of revenues

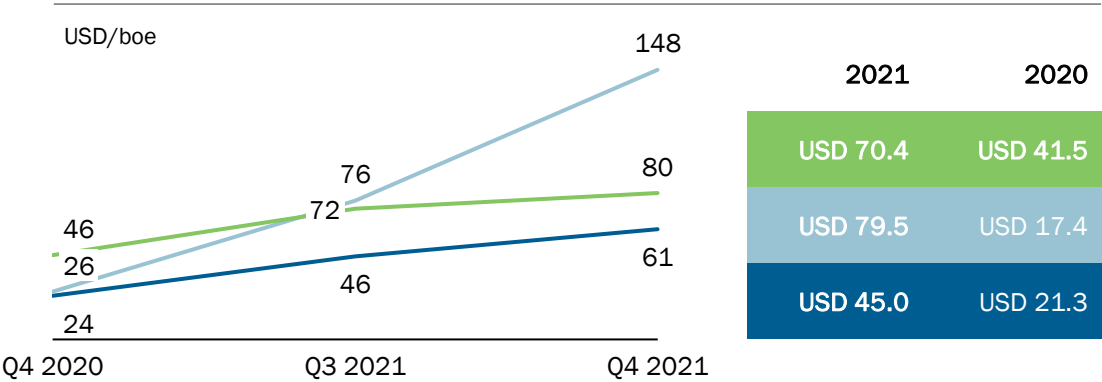
Total petroleum revenues



Sold volumes



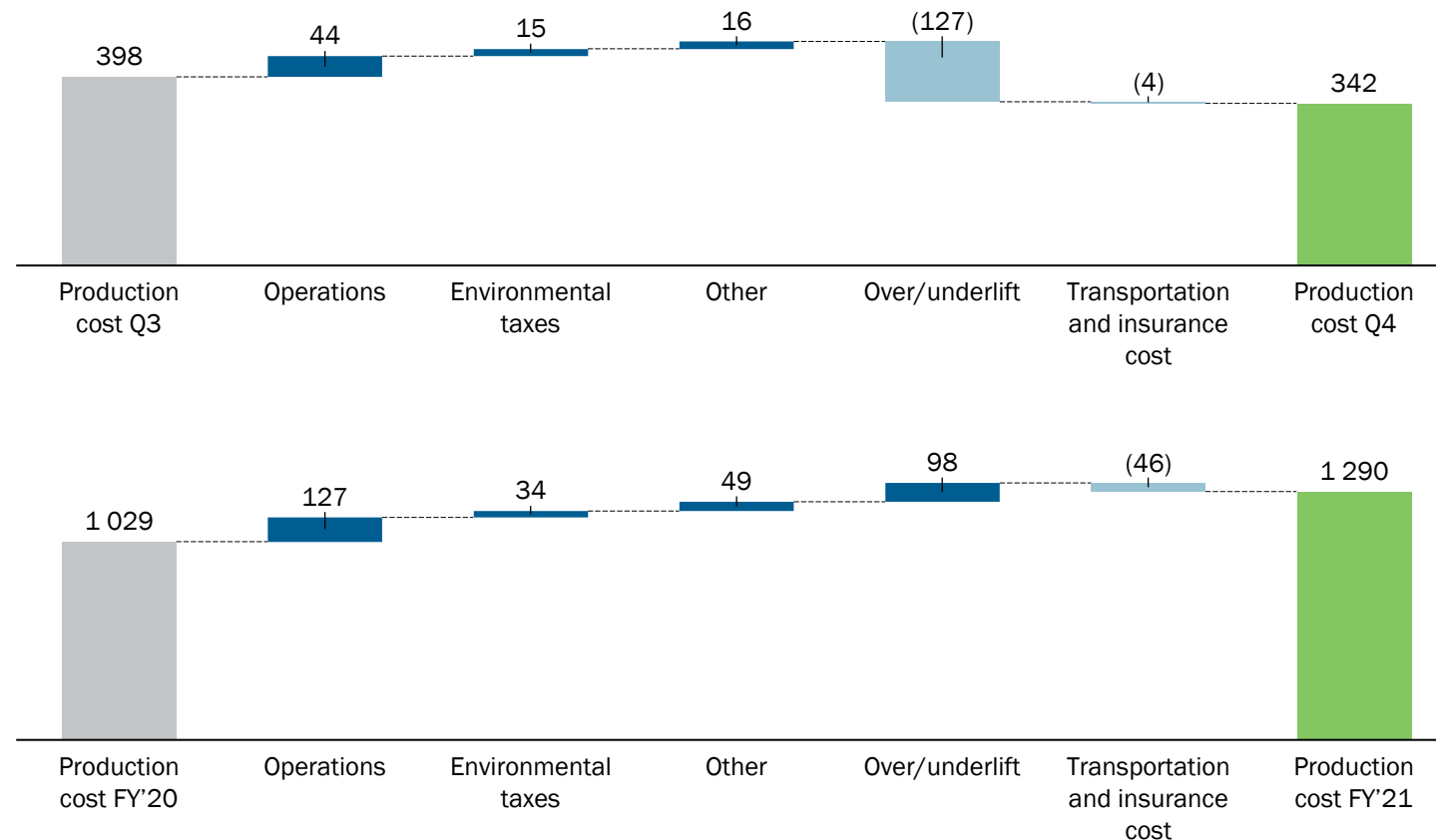
Realised prices



Several factors driving increased production cost

Production cost (sold volumes)

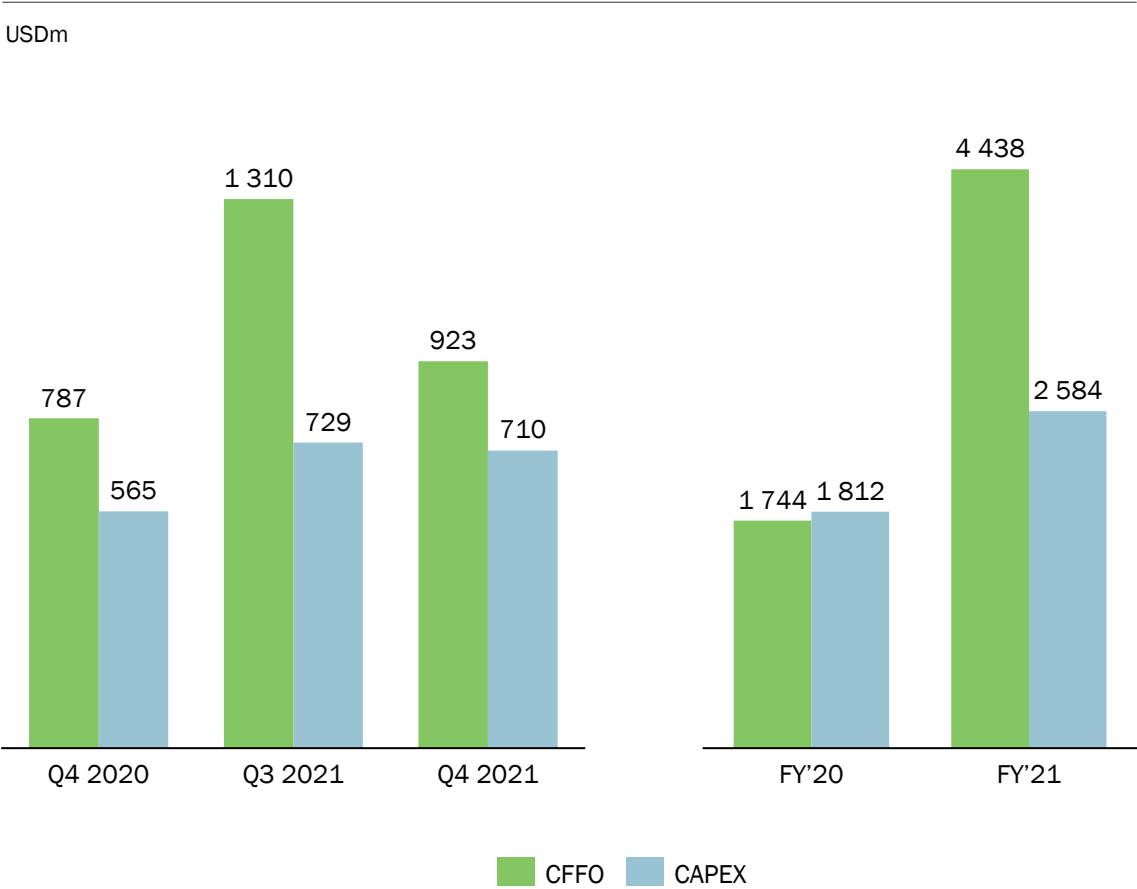
USDm



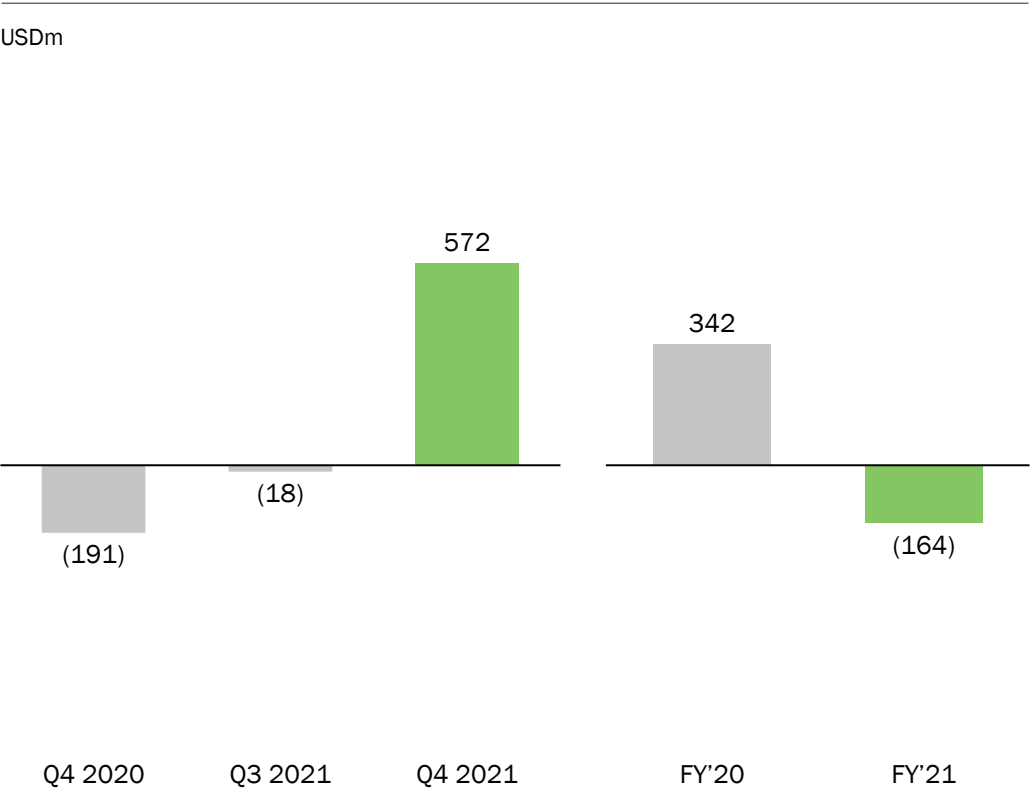
- Total production costs decreased due to overlift position in Q3 versus underlift position in Q4
- Cost of operations in Q4 increased due to restructuring costs and revised bonus provision estimates in the quarter

CFFO impacted by tax payments and working capital tied to higher sales

CFFO and CAPEX

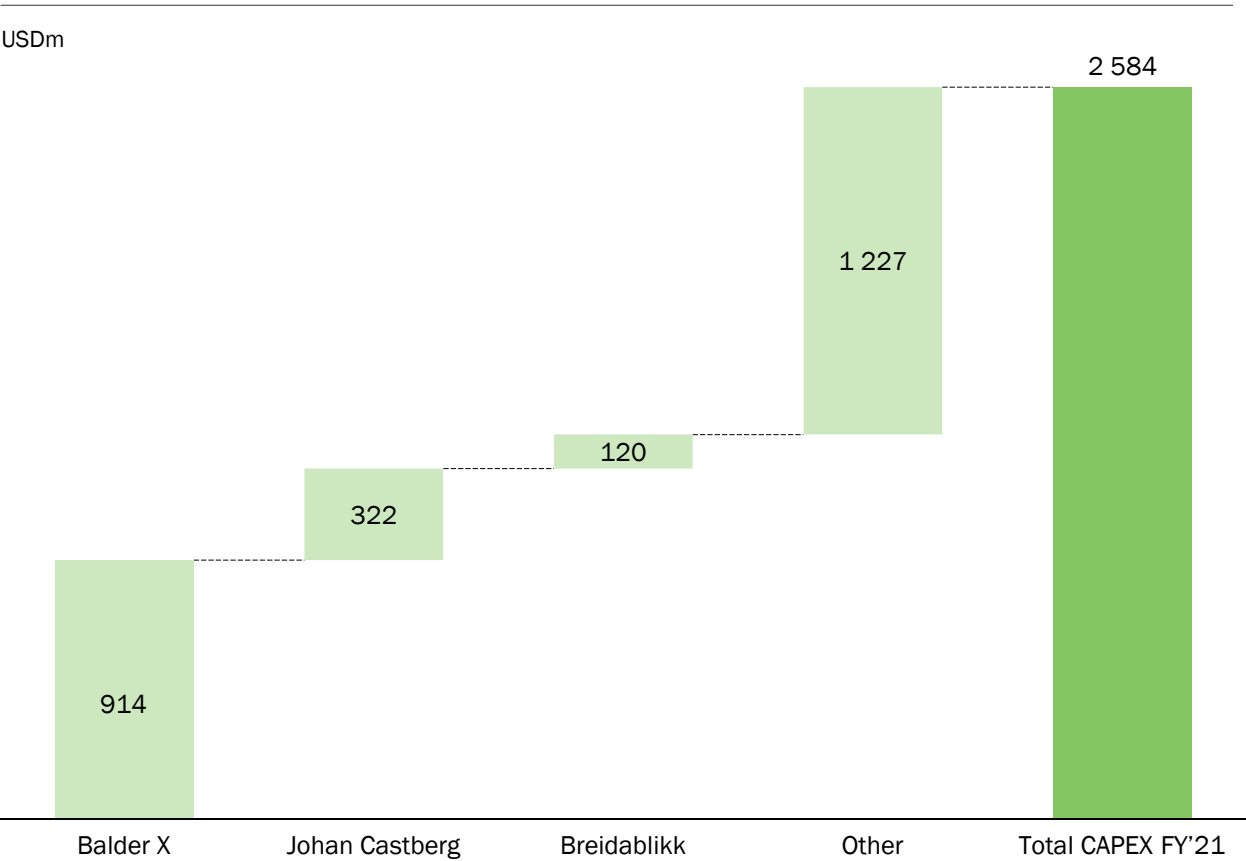


Income tax paid / (received)



Record high project investments in 2021

CAPEX split per asset

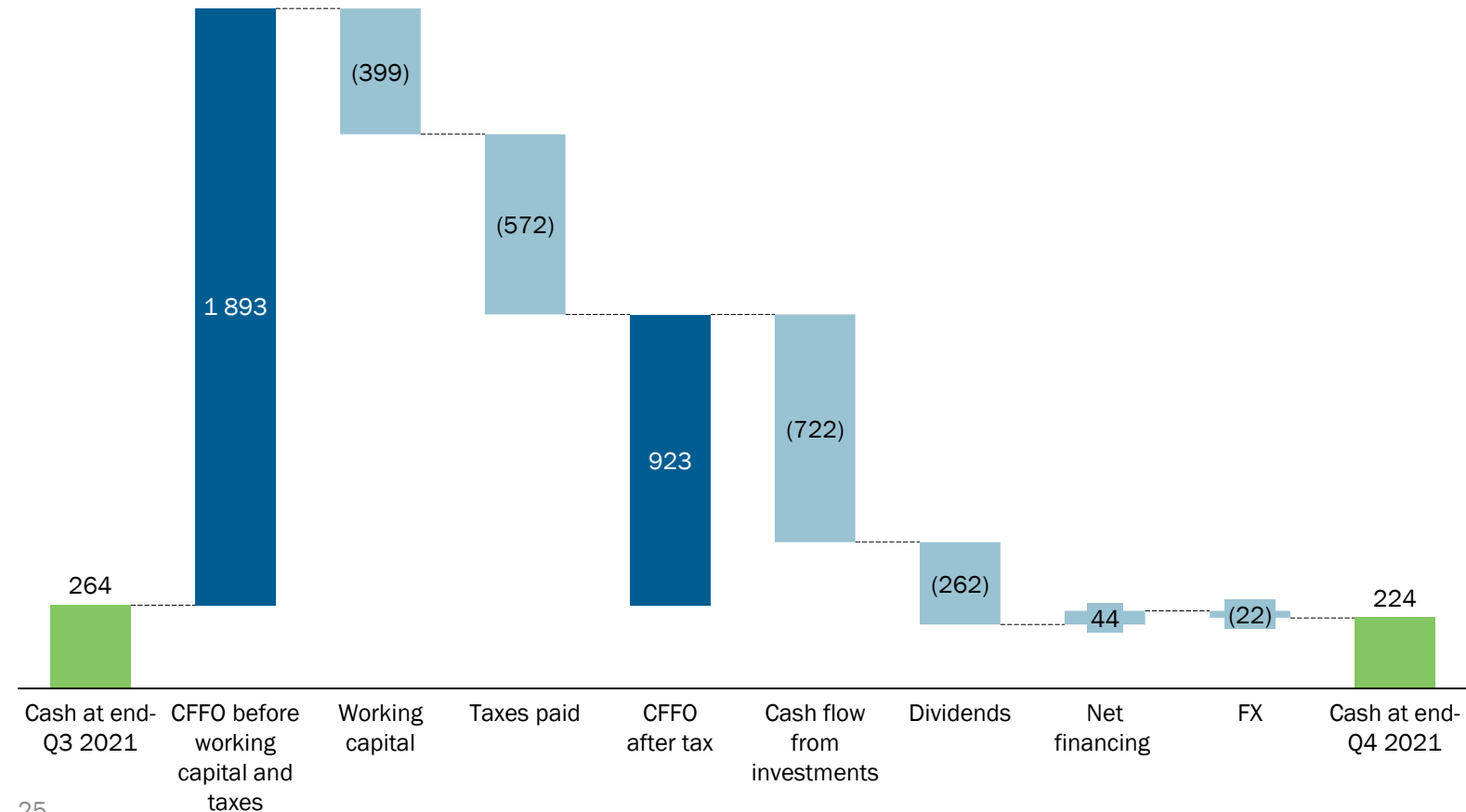


- Full-year project investments of USD 2.6 billion with main development projects progressing to plan
- Q4 capex USD 710 million excluding decommissioning capex, asset sales and investments in intangibles
- 2022 guidance USD 2.3–2.6 billion in development capex and USD 0.2 billion in exploration and abandonment capex

Strong cash flow supporting capex and material dividends

Cash flow development Q4 2021

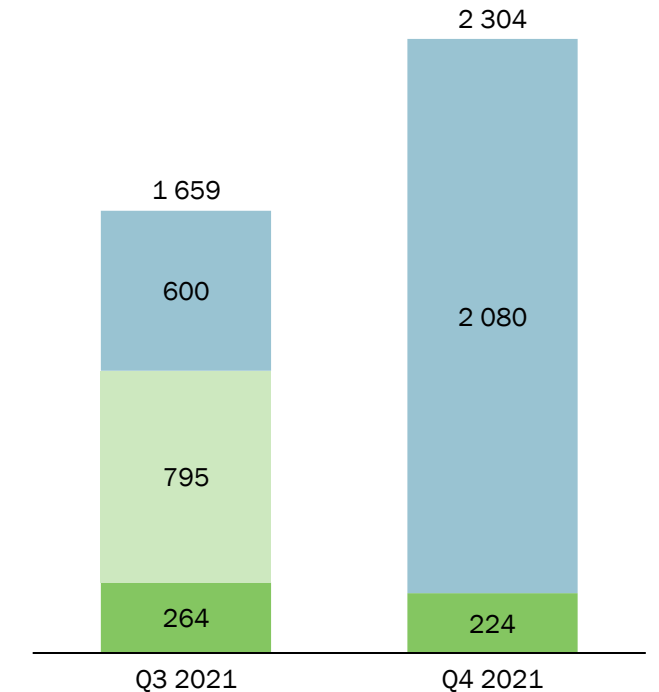
USDm



Available liquidity

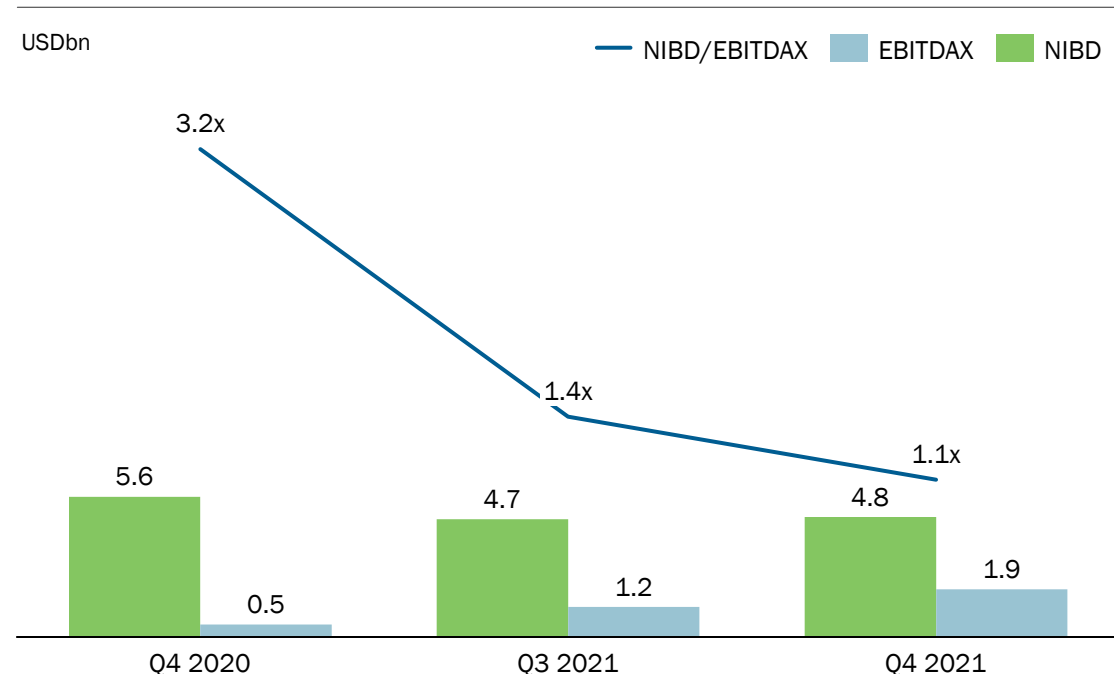
USDm

Cash and cash equivalents RBL RCF



Significant deleveraging on refinancing and strong cashflow, investment grade balance sheet

Net interest-bearing debt and leverage ratio¹



- Obtained investment grade credit ratings from S&P and Moody's
- USD 6bn of senior unsecured multicurrency facilities refinanced previous senior secured borrowing base facility
- Strong response in banking market – syndicate consisting of 12 international banks

S&P Global

BBB (Outlook Stable)
1st November 2021

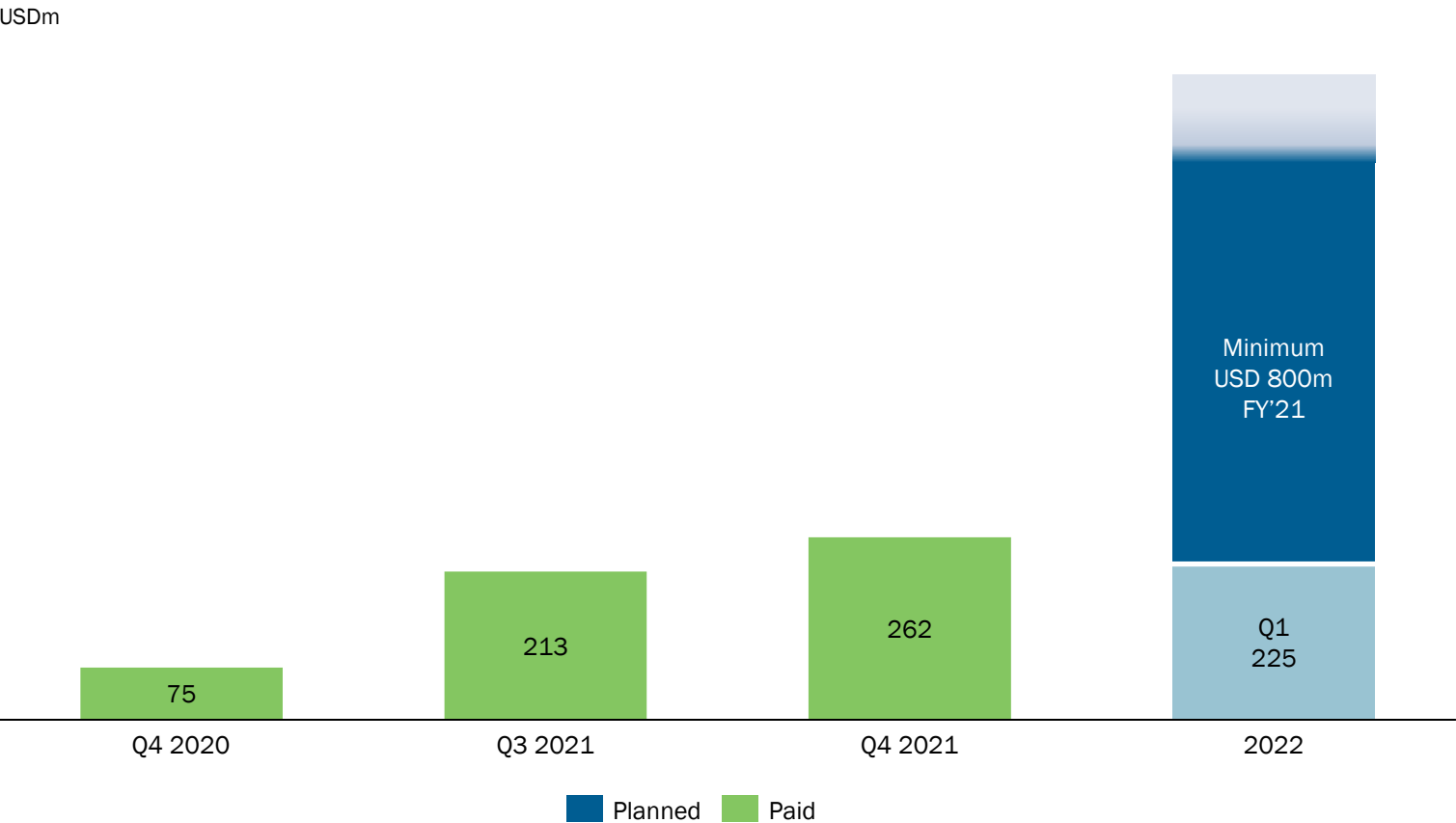
MOODY'S

Baa3 (Outlook Stable)
3rd November 2021

Committed to maintaining an Investment Grade rating

Dividend guidance of minimum USD 800 million for 2022

Dividend distribution



- USD 225m Q1 2022 dividend guidance
- Dividend for Q1 expected to be paid in May 2022
- Dividend policy of 20%-30% of cashflow from operations after tax from 2023 onwards

Outlook

Production	<ul style="list-style-type: none">• Production target in 2022 of 230-245 kboepd
Opex	<ul style="list-style-type: none">• Targeting opex/boe of USD 12.5-USD 13.5/boe in 2022• Opex/boe expected to decline over the medium term towards USD 8/boe as new projects come onstream and cost savings are achieved
Capex	<ul style="list-style-type: none">• 2022 capex guidance of USD2.3 billion – USD2.6bn excluding exploration and abandonment (exploration USD ~150m and abandonment USD ~50m)• Limited cash outflow on decommissioning in the next ten years
Other	<ul style="list-style-type: none">• Final payment to ExxonMobil of c. USD 300-350m due in 2022 as part of the 2019 acquisition
Leverage	<ul style="list-style-type: none">• Conservative through-the-cycle leverage target of 1.3x net debt / EBITDAX
Dividends	<ul style="list-style-type: none">• With respect to the dividend in 2022, targeting a minimum dividend of USD 800m (paid on a quarterly basis), assuming a stable commodity price environment. Dividend payment of USD 225 expected for Q1 2022.• From 2023 onwards plan to distribute around 20-30% of cash flow from operations (after tax) across the cycle



Concluding remarks

Summary

- Strong operational performance
- Record cash flow generation and material distributions
- Solid financial position
- Delivering on the growth strategy



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