

Results for the first half of 2022

- **Financial performance up sharply thanks to the continuation of financial discipline in a favourable context of high prices**
 - Average oil price of \$105.0/bbl, versus \$63.0/bbl in H1 2021
 - EBITDA of \$250 million, up 113% on H1 2021 (\$117 million)
 - Net income of \$138 million, more than four times greater than in H1 2021 (\$32 million)
- **Fast deleveraging thanks to strong cash flow generation**
 - Available cash of \$155 million versus \$38 million in H1 2021
 - Net debt of \$195 million at 30 June 2022, a reduction of \$148 million from 31 December 2021 (\$343 million)
 - New borrowing facilities drawn down in early July, offering six-year visibility and annual repayments compatible with a Brent price of \$45/bbl
- **Continuation of growth strategy while maintaining financial discipline**
 - Exploration drilling on the COR-15 permit in Colombia scheduled to begin in Q4 2022
 - Dividend of €0.14 per share (for a total amount of \$28 million) paid post half-year closing on 5 July 2022

Main financial indicators in H1 2022

<i>in \$mm</i>	H1 2022	H1 2021	Change
Income statement			
Sales	355	188	+89%
Opex & G&A	-84	-77	
Royalties and production taxes	-45	-37	
Change in overlift/underlift position	25	43	
Other	-	-	
EBITDA	250	117	+113%
Depreciation, amortisation and provisions and impairment on assets in production and under development	-40	-43	
Expenses and impairment of exploration assets	-1	-0	
Other	-4	-1	
Operating income	205	74	+179%
Financial income	-17	-13	
Income tax	-68	-36	
Share of income/loss of associates	17	7	
Net income	138	32	+333%
<i>O/w net income before non-recurring items</i>	<i>143</i>	<i>33</i>	<i>+337%</i>
Cash flows			
Cash flow before income tax	250	118	
Income tax paid	-54	-16	
Operating cash flow before change in working capital	196	101	+94%
Change in working capital requirement	3	-44	
Operating cash flow	199	57	+252%
Development capex	-44	-19	
Exploration capex	-	-	
M&A	-	-	
Free cash flow	155	38	+303%
Net cost of debt	-105	-46	
Dividends received	6	9	
Dividends paid	-	-	
Other	-2	-2	
Change in cash position	54	-1	N/A
Opening cash	196	168	
Closing cash	250	167	

At its meeting of 4 August 2022, chaired by John Anis, the Board of Directors of the Maurel & Prom Group (“M&P” or “the Group”) approved the financial statements for the half year ended 30 June 2022.

Olivier de Langavant, Chief Executive Officer at Maurel & Prom, stated: *“The Group’s first-half results reflect the current sector dynamic. Amid this favourable environment, we keep working on maximising financial performance by maintaining operational discipline and keeping costs under control. We have refreshed our portfolio of assets by exiting Canada and expanding in Colombia, which is testament to our strategy of rational development. One aspect of this is the exploration drilling in Colombia, scheduled for the fourth quarter of 2022. In addition, the refinancing we struck in May enables us to serenely implement this growth strategy, whilst simultaneously returning value created to shareholders, as evidenced by the dividend paid at the beginning of July”.*

Financial performance

The Group’s valued production (income from production activities, excluding lifting imbalances and inventory revaluation) in H1 2022 was \$352 million. The restatement for lifting imbalances net of inventory revaluation had virtually no impact on the period, and the Group’s consolidated sales for the first half of the year consequently stood at \$355 million, up 89% from the same period of 2021.

Opex and G&A were \$84 million during the period, in line with the average level of 2021 (\$77 million in H1 2021, \$91 million in H2 2021, after well interventions resumed in July 2021). The increase in crude prices took royalties and production taxes to \$45 million.

EBITDA reached \$250 million in the first half of 2022, compared with \$117 million in the same period of the previous year. Depreciation and amortisation charges stood at \$40 million. Operating income rose sharply from \$74 million in H1 2021 to \$205 million.

Net of financial expense (structurally negative at \$17 million), income tax (\$68 million, which rose because of higher income), and the share of income from equity associates (\$17 million, referring mainly to the 20.46% stake in Seplat Energy), the Group’s net income climbed to \$138 million in the first half of 2022, compared with \$32 million in H1 2021.

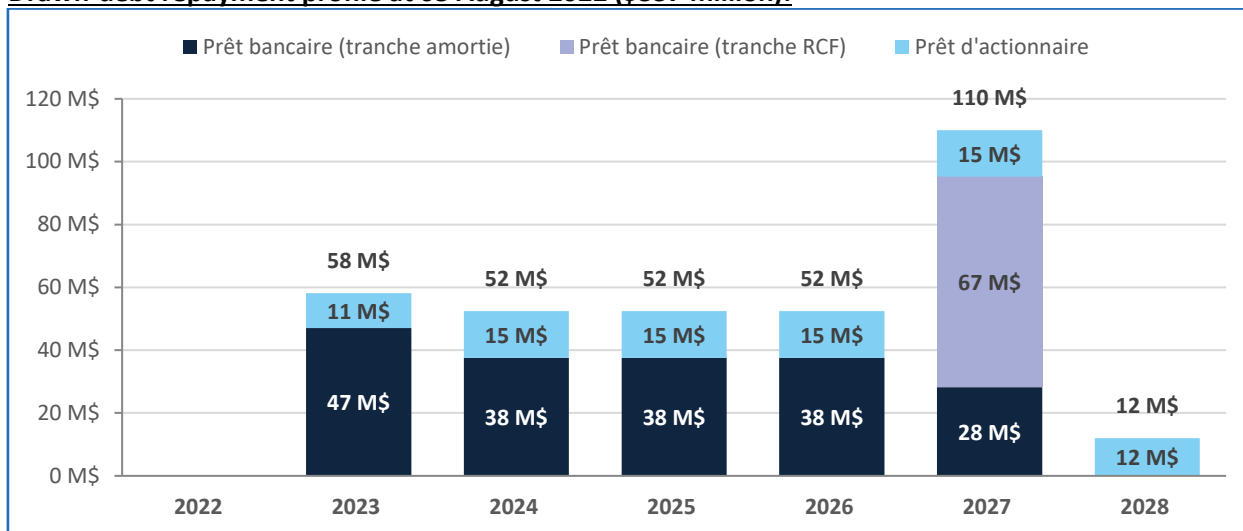
Turning to cash flows, operating activities generated \$199 million in H1 2022. After taking into account \$44 million of development capex, free cash flow before financing stood at \$155 million, compared with \$57 million in the first half of 2021.

The cash position as at 30 June 2022 was \$250 million. Gross debt stood at \$445 million (\$363 million for the term loan and \$82 million for the shareholder loan), meaning net debt fell by \$148 million during the period, from \$343 million at 31 December 2021 to \$195 million at 30 June 2022.

In early July 2022, M&P refinanced its debt. It drew down the full amount of the \$255 million new bank loan (\$67 million being the RCF tranche) and repaid the \$363 million outstanding on the former term loan, reducing gross debt by \$108 million. In view of the favourable cash position, M&P decided to keep the shareholder loan at its current level of \$82 million and not to draw down the second tranche of \$100 million. That \$100 million therefore remains available to M&P until the shareholder loan’s final maturity.

The refinancing completed in early July resulted in a cash outflow of \$108 million. Upon closing of the transaction, the Group’s proforma cash position was \$143 million (vs. \$250 million as at 30 June 2022), before the dividend payment of €0.14 per share on 5 July, for a total amount of \$28 million.

Drawn-debt repayment profile at 05 August 2022 (\$337 million):



Key terms of the debt facilities:

	Bank loan Amortising portion	Bank loan Revolving portion	Shareholder loan
Amount drawn	\$188mm	\$67mm	\$82mm (+ \$100mm available)
Interest rate	SOFR + 2.00%	SOFR + 2.25% (0.675% on the undrawn portion)	SOFR + 2.10%
Repayments	18 quarterly instalments	At maturity	22 quarterly instalments
First instalment	Q2 2023	–	Q2 2023
Last instalment	Q3 2027	Q3 2027	Q3 2028

Production activities

		Q1 2022	Q2 2022	H1 2022	H1 2021	H2 2021	Change H1 2022 vs H1 2021 H2 2021	
M&P working interest production								
Gabon (oil)	bopd	14,222	13,439	13,828	15,189	15,886	-9%	-13%
Angola (oil)	bopd	3,856	3,947	3,902	3,561	3,273	+10%	+19%
Tanzania (gas)	mmcf/d	47.3	41.5	44.4	38.6	39.8	+15%	+12%
Total	boepd	25,966	24,296	25,126	25,182	25,793	-0%	-3%
Average sale price								
Oil	\$/bbl	94.2	112.0	105.0	63.0	79.4	+67%	+32%
Gas	\$/mmBtu	3.49	3.50	3.50	3.35	3.35	+5%	+4%

- Gabon

M&P's working interest oil production (80%) on the Ezanga permit stood at 13,828 bopd (gross production: 17,285 bopd) for the first half of 2022.

As mentioned previously, production in Q2 2022 was affected by the interruption to activity at the Cap Lopez terminal, which forced M&P to reduce production for two weeks. Consequently, average production in May was 10,701 bopd for M&P's working interest (gross production: 13,377 bopd). The export situation returned to normal in June, with average production of 15,120 bopd for M&P's working interest (gross production: 18,900 bopd).

- **Tanzania**

M&P's working interest gas production (48.06%) on the Mnazi Bay permit was 44.4 mmcf/d (gross production: 92.3 mmcf/d) for the first half of 2022, up 15% from H1 2021 and 12% from H2 2021.

- **Angola**

M&P's working interest production (20%) on Block 3/05 in Q1 2022 was 3,902 bopd (gross production: 19,507 bopd). Production had been affected by maintenance operations in 2021 but returned to a higher level once those operations were completed.

Exploration activities

- **Colombia**

M&P received approval from the National Hydrocarbons Agency (ANH) to extend the COR-15 permit until July 2023. Drilling of the first exploration well is expected to start by October.

Français		Anglais	
pieds cubes	pc	cf	cubic feet
millions de pieds cubes par jour	Mpc/j	mmcfd	million cubic feet per day
milliards de pieds cubes	Gpc	bcf	billion cubic feet
baril	B	bbl	barrel
barils d'huile par jour	b/j	bopd	barrels of oil per day
millions de barils	Mb	mmbbls	million barrels
barils équivalent pétrole	bep	boe	barrels of oil equivalent
barils équivalent pétrole par jour	bep/j	boepd	barrels of oil equivalent per day
millions de barils équivalent pétrole	Mbep	mmbpe	million barrels of oil equivalent

For more information, visit www.maureletprom.fr/en/

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