

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>Unaudited, in thousands of Canadian dollars</i>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	27,741	26,216
Restricted cash	1,150	1,348
Accounts receivable (Note 11)	52,478	49,637
Prepaid expenses and deposits	7,317	5,060
Inventories	2,782	2,515
Assets held for sale (Note 4)	15,569	-
	<b>107,037</b>	<b>84,776</b>
Property, plant and equipment (Note 4)	381,968	528,366
Exploration and evaluation assets (Note 5)	7,803	6,062
Right-of-use assets	2,172	2,736
Other assets	600	600
<b>Total assets</b>	<b>499,580</b>	<b>622,540</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	117,578	143,849
Current portion of decommissioning obligations (Note 7)	5,390	5,390
Liabilities related to assets held for sale (Note 7)	14,512	-
Current portion of lease liabilities	1,532	1,549
Current portion of long-term debt (Note 6)	29,659	21,654
	<b>168,671</b>	<b>172,442</b>
Other amounts payable	1,033	3,099
Long-term debt (Note 6)	190,413	209,927
Decommissioning obligations (Note 7)	137,935	269,097
Lease liabilities	633	1,185
<b>Total liabilities</b>	<b>498,685</b>	<b>655,750</b>
<b>Shareholder's equity</b>		
Share capital (Note 8)	275,079	274,322
Contributed surplus	12,780	12,882
Warrants	1,349	1,349
Accumulated other comprehensive income	2,877	2,958
Deficit	(290,813)	(324,344)
Equity attributable to equity holders of the Company	1,272	(32,833)
Non-controlling interests	(377)	(377)
<b>Total shareholders' equity</b>	<b>895</b>	<b>(33,210)</b>
<b>Total liabilities and shareholders' equity</b>	<b>499,580</b>	<b>622,540</b>

Commitments (Note 13)

See accompanying notes to the consolidated financial statements.

## CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

<i>Unaudited, in thousands of Canadian dollars, except per share amounts</i>	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
<b>Revenue</b>				
Petroleum and natural gas (Note 9)	131,086	71,397	254,474	153,118
Royalties	(23,426)	(3,872)	(42,558)	(7,694)
	<b>107,660</b>	67,525	<b>211,916</b>	145,424
Third party processing and other income	7,513	5,120	13,895	10,968
	<b>115,173</b>	72,645	<b>225,811</b>	156,392
<b>Expenses</b>				
Operating	52,963	53,870	110,255	112,090
Transportation	6,241	4,331	12,292	8,982
General and administrative	7,211	5,676	14,286	11,612
Development	-	(4,862)	-	3,742
Finance (Note 10)	12,916	13,917	27,356	27,425
Depletion and depreciation (Note 4)	12,812	9,519	27,967	21,832
Share-based compensation	73	130	152	284
Foreign exchange (gain) loss	(25)	122	(28)	30
	<b>92,191</b>	82,703	<b>192,280</b>	185,997
<b>Net income (loss)</b>	<b>22,982</b>	(10,058)	<b>33,531</b>	(29,605)
<b>Other comprehensive income (loss), net of income tax</b>				
Foreign currency translation gain (loss)	(182)	151	(81)	508
<b>Total comprehensive income (loss)</b>	<b>22,800</b>	(9,907)	<b>33,450</b>	(29,097)
<b>Net income (loss) attributable to</b>				
Equity holders of the Company	22,982	(10,025)	33,531	(29,430)
Non-controlling interests	-	(33)	-	(175)
<b>Net income (loss) per share attributable to equity holders of the Company</b>				
Basic (Note 8)	0.15	(0.06)	0.21	(0.19)
Diluted (Note 8)	0.14	(0.06)	0.21	(0.19)

See accompanying notes to the consolidated financial statements.

## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

<i>Unaudited in thousands of Canadian dollars</i>	Contributed			Deficit	Accumulated Other Comprehensive Income (Loss)	Total Equity Attributable to Equity Holders	Non- Controlling Interests	Total Equity	
	Share Capital	Surplus	Warrants						
As at December 31, 2020	274,322	12,374	-	(284,668)	2,619	4,647	(263)	4,384	
Share-based compensation	-	284	-	-	-	284	-	284	
Issuance of warrants	-	-	1,349	-	-	1,349	-	1,349	
Net loss attributable to equity holders of the Company	-	-	-	(29,430)	508	(28,922)	(175)	(29,097)	
<b>As at June, 30 2021</b>	(Note 8)	<b>274,322</b>	<b>12,658</b>	<b>1,349</b>	<b>(314,098)</b>	<b>3,127</b>	<b>(22,642)</b>	<b>(438)</b>	<b>(23,080)</b>
As at December 31, 2021		274,322	12,882	1,349	(324,344)	2,958	(32,833)	(377)	(33,210)
Share-based compensation		-	152	-	-	-	152	-	152
Common shares issued on stock option exercise		757	(254)	-	-	-	503	-	503
Net income attributable to equity holders of the Company		-	-	-	33,531	(81)	33,450	-	33,450
<b>As at June 30, 2022</b>	(Note 8)	<b>275,079</b>	<b>12,780</b>	<b>1,349</b>	<b>(290,813)</b>	<b>2,877</b>	<b>1,272</b>	<b>(377)</b>	<b>895</b>

See accompanying notes to the consolidated financial statements.

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>Unaudited, in thousands of Canadian dollars</i>	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
<b>Operating activities</b>				
Net Income (loss)	22,982	(10,058)	33,531	(29,605)
Depletion and depreciation (Note 4)	12,812	9,519	27,967	21,832
Accretion of financing costs (Note 10)	4,795	5,944	11,216	11,470
Non-cash interest expense paid in kind (Note 10)	3,647	1,568	7,331	3,107
Accretion of decommissioning obligations (Note 7)	186	-	186	-
Share-based compensation	73	130	152	284
Other amounts payable	(1,033)	(8,607)	(2,066)	(9,734)
Settlement of decommissioning obligations (Note 7)	(498)	(291)	(1,636)	(1,677)
Changes in non-cash working capital (Note 12)	(8,042)	13,888	(38,547)	27,416
Cash provided by operating activities	34,922	12,093	38,134	23,093
<b>Investing activities</b>				
Additions to property, plant and equipment (Note 4)	(9,123)	(17,006)	(11,532)	(21,553)
Additions to exploration and evaluation assets (Note 5)	(616)	(953)	(1,741)	(2,020)
Proceeds from asset disposition	-	-	-	(54)
Changes in non-cash working capital (Note 12)	6,356	2,788	6,911	605
Cash used in investing activities	(3,383)	(15,171)	(6,362)	(23,022)
<b>Financing activities</b>				
Exercise of stock options	506	-	503	-
Restricted cash	198	-	198	(198)
Repayment of long-term debt (Note 6)	(26,437)	-	(29,656)	-
Payment of financing fees	(200)	-	(400)	(400)
Payments on lease obligations	(431)	(649)	(811)	(1,310)
Cash used in financing activities	(26,364)	(649)	(30,166)	(1,908)
Increase (decrease) in cash and cash equivalents	5,175	(3,727)	1,606	(1,837)
Cash and cash equivalents, beginning of period	22,748	13,316	26,216	11,069
Effect of foreign exchange on cash	(182)	151	(81)	508
Cash and cash equivalents, end of period	27,741	9,740	27,741	9,740
<b>Cash paid:</b>				
Interest paid in cash	4,253	6,271	8,464	12,410

See accompanying notes to the consolidated financial statements.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. Corporate Information

Pieridae Energy Limited (the “Company” or “Pieridae”) is a publicly traded, Canadian based Company in the business of developing, producing and processing natural gas, and the production of natural gas liquids (“NGL’s”). The common shares of Pieridae trade on the Toronto Stock Exchange (“TSX”) under the symbol PEA. The Company was incorporated on May 29, 2012, under the laws of Canada. It is headquartered at 3100, 308 – 4<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 0H7.

Many of the Company’s oil and natural gas activities involve jointly owned assets. These condensed interim consolidated financial statements reflect only the Company’s proportionate interest in such activities and are comprised of the Company and its subsidiaries. The Company previously reported two segments: Upstream and LNG & Corporate. Since the Goldboro LNG project was suspended in the prior year, the segment is immaterial and has been combined into one segment.

These condensed interim consolidated financial statements were approved by the Board of Directors of Pieridae on August 9, 2022.

### 2. Basis of Presentation

These unaudited condensed interim consolidated financial statements (“interim financial statements”) and the notes thereto have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting (“IAS 34”). These interim financial statements have been prepared following the same accounting policies and methods of computation as the Company’s annual consolidated financial statements as at and for the year ended December 31, 2021. Certain information and disclosures normally required to be included in the notes to the annual financial statements have been condensed or omitted. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements as at and for the year ended December 31, 2021. Comparative amounts have been reclassified to match the current period presentation.

#### Significant accounting judgments and estimates

The preparation of these interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenue and expenses, and related disclosures with respect to contingent assets and liabilities. Pieridae bases judgments, estimates and assumptions on current facts, historical experience and various other factors that are reasonable under the circumstances. The economic environment could also impact certain judgments, estimates and discount rates necessary to prepare these interim financial statements, including significant estimates and judgments used in assessing for impairment indicators in the current economic environment. Actual results could differ materially from estimates and assumptions. Pieridae reviews estimates and underlying assumptions on an ongoing basis and make revisions as determined necessary by management. Such revisions are recognized in the period in which the estimates are revised and may impact future periods as well.

Critical accounting judgments and estimates used in preparing the interim financial statements are described in Pieridae’s consolidated financial statements for the year ended December 31, 2021.

### 3. New Accounting Policies and Standards

#### New accounting standards and amendments not yet adopted

The Company has not adopted any new accounting policies in the current period. Further, there are currently no not-yet-effective IFRS or IFRIC interpretations that are expected to have a material impact on the Company.

#### 4. Property, Plant and Equipment

<i>(\$ 000s)</i>		
<b>Cost</b>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Balance, January 1	654,285	594,556
Additions	11,532	32,111
Capital spares <sup>(1)</sup>	-	21,034
Change in decommissioning obligations (Note 7)	(115,200)	6,584
Transfers to assets held for sale	(56,483)	-
<b>Balance, end of period</b>	<b>494,134</b>	<b>654,285</b>

  

<i>(\$ 000s)</i>		
<b>Accumulated Depletion and Depreciation</b>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Balance, January 1	125,919	79,829
Depletion and depreciation	27,161	46,090
Transfers to assets held for sale	(40,914)	-
<b>Balance, end of period</b>	<b>112,166</b>	<b>125,919</b>

  

<i>(\$ 000s)</i>		
<b>Net Book Value</b>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Balance, January 1	528,366	514,727
<b>Balance, end of period</b>	<b>381,968</b>	<b>528,366</b>

<sup>(1)</sup> At December 31, 2021, \$21.0 million of capital spares were reclassified from inventory to property, plant and equipment as items were deemed to be long-lead, unique, critical parts held for emergencies or major servicing based on new information and more experience with the assets.

In June 2022, the Company entered into an agreement to dispose of certain non-core oil and natural gas properties in Northeast British Columbia. As the carrying value of the asset was lower than the fair value less costs to sell, no impairment write-down was required. The carrying value of these assets of \$15.6 million has been classified as assets held for sale, and the associated liabilities of \$14.5 million relating to decommissioning obligations have been reclassified to current liabilities.

At June 30, 2022, the Company determined that no indicators of impairment or impairment reversal exist in any of the Company's CGUs, therefore impairment tests were not performed.

#### 5. Exploration and Evaluation Assets

<i>(\$ 000s)</i>		
	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Balance, January 1	6,062	3,255
Additions	1,741	2,807
<b>Balance, end of period</b>	<b>7,803</b>	<b>6,062</b>

Exploration and evaluation ("E&E") assets consist primarily of the Company's seismic assets, in addition to undeveloped land and exploration projects which are pending the determination of technical feasibility and commercial viability. At June 30, 2022 and December 31, 2021, no impairment indicators were identified related to the Company's E&E assets, therefore impairment tests were not performed.

#### 6. Long-Term Debt

<i>(\$ 000s)</i>		
	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Balance, January 1	231,581	219,555
Accretion of financing costs	11,216	6,537
Interest paid in kind	7,331	7,938
Financing fees <sup>(1)</sup>	(400)	(2,449)
Repayment of debt	(29,656)	-
<b>Balance, end of period</b>	<b>220,072</b>	<b>231,581</b>
Current portion	29,659	21,654
Long-term portion	190,413	209,927

<sup>(1)</sup> Financing fees for 2021 include the value of warrants issued to the senior debt lender.

In June, 2022, a waiver previously provided by the agent and lender to amend the requirement to hedge at least 60% of production volumes on an 18-month rolling average was extended through September 30, 2022. As at June 30, 2022, the Company was in compliance with, or had received waivers from the lender for all covenants under the terms of its term loan facility, and no prepayment was required.

For the six months ended June 30, 2022, interest was paid-in-kind in accordance with the term loan facility agreement, resulting in a \$7.3 million (June 30, 2021 – \$3.1 million) addition to the principal outstanding. In addition, 1.75% of the principal balance outstanding is repayable quarterly beginning in 2022 which amounted to \$4.6 million for the six months ended June 30, 2022.

As a result of excess cashflow sweep conditions being met at June 30, 2022, the Company is required to repay \$13.5 million in principal on August 29, 2022 under the terms of the terms of the credit agreement, in addition to the \$15.0 million voluntary repayment made on June 30, 2022. The Company may be required to pay additional principal payments, which may be material in nature, at each quarter end as it meets the excess cashflow requirements.

The effective interest rate on the Company's term loan for the period ended June 30, 2022, was 20.4% (December 31, 2021 – 20.0%).

#### Letter of Credit Guarantee Facility

In June 2022, the guarantee facility from Export Development Canada was renewed and increased to \$12.0 million (December 31, 2021- \$8.0 million). This facility provides for 100% guarantee to the issuing bank of the Company's existing and future letter of credit of which \$7.0 million was drawn at June 30, 2022 (December 31, 2021 - \$7.8 million). Outstanding letters of credit are not classified as long-term debt on the consolidated statements of financial position.

## 7. Decommissioning Obligations

<i>(\$ 000s)</i>	June 30, 2022	December 31, 2021
Balance, January 1	274,487	270,440
Change in cost estimates	-	24,243
Change in discount rate	(115,200)	(17,659)
Settlement of obligations	(1,636)	(2,537)
Accretion	186	-
Transfers to liabilities related to assets held for sale (Note 4)	(14,512)	-
<b>Balance, end of period</b>	<b>143,325</b>	<b>274,487</b>
Expected to be incurred within one year	5,390	5,390
Expected to be incurred beyond one year	137,935	269,097

The Company's decommissioning obligations result from net ownership interests in petroleum and natural gas assets including well sites, gathering systems and processing facilities. At June 30, 2022, the total undiscounted amount of cash flows required to settle its decommissioning obligations is approximately \$256.4 million (December 31, 2021 - \$256.4 million).

The Company used an observable, market-based and inflation adjusted risk-free real rate of return to estimate the present value of the decommissioning obligation. At June 30, 2022, the Company used a discount rate of 1.36% (December 31, 2021 – -0.14%).

## 8. Share Capital

#### Issued and Outstanding Common Shares

<i>(\$ 000s except share amount)</i>	June 30, 2022		December 31, 2021	
	Common shares	Amount	Common shares	Amount
Balance, January 1	157,645,871	274,322	157,641,871	274,322
Shares issued on stock option exercise	601,481	757	4,000	-
<b>Balance, end of period</b>	<b>158,247,352</b>	<b>275,079</b>	<b>157,645,871</b>	<b>274,322</b>

## Per Share Amounts

	Three months ended		Six months ended	
	June 30		June 30	
<i>(\$ 000s except share amount)</i>	2022	2021	2022	2021
Net income (loss) attributable to equity holders of the Company	22,982	(10,025)	33,531	(29,430)
Weighted average number of common shares ( <i>000s of shares</i> )	157,865	157,642	157,759	157,610
Dilutive effect of options	3,996	-	1,862	-
Weighted average common shares, diluted ( <i>000s of shares</i> )	161,861	157,642	159,621	157,610
<b>Net income (loss) per share – basic</b>	<b>0.15</b>	<b>(0.06)</b>	<b>0.21</b>	<b>(0.19)</b>
<b>Net income (loss) per share – diluted</b>	<b>0.14</b>	<b>(0.06)</b>	<b>0.21</b>	<b>(0.19)</b>

<sup>(1)</sup> For the three and six months ended June 30, 2022, 0.8 million and 4.4 million options respectively (for the three and six months ended June 30, 2021 all options and warrants) were anti-dilutive.

## 9. Petroleum and Natural Gas Sales

The Company's petroleum and natural gas revenues are set out below.

	Three months ended		Six months ended	
	June 30		June 30	
<i>(\$ 000s)</i>	2022	2021	2022	2021
Natural Gas	76,084	45,838	145,027	96,677
Condensate	30,392	16,127	60,971	32,727
NGL	16,333	6,343	33,583	17,636
Sulphur	8,277	3,089	14,893	6,078
<b>Total petroleum and natural gas sales</b>	<b>131,086</b>	<b>71,397</b>	<b>254,474</b>	<b>153,118</b>

For the three and six months ended June 30, 2022, Company also generated third party processing revenue and other income of \$7.5 million and \$13.9 million respectively (three and six months ended June 30, 2021 - \$5.1 million and \$11.0 million respectively) primarily for fees charged to third parties for processing through facilities in which Pieridae has an ownership interest. This revenue is classified as third-party processing on the consolidated statement of income (loss) and comprehensive income (loss).

## 10. Finance Expense

The following is a summary of finance expenses:

	Three months ended		Six months ended	
	June 30		June 30	
<i>(\$ 000s)</i>	2022	2021	2022	2021
Cash portion of interest	4,253	6,271	8,464	12,410
Non-cash interest paid in kind	3,647	1,568	7,331	3,107
Accretion on financing costs	4,795	5,944	11,216	11,470
Interest on lease liabilities	31	47	61	92
Other finance changes	4	87	98	346
Accretion of decommissioning obligations (Note 8)	186	-	186	-
<b>Total finance expense</b>	<b>12,916</b>	<b>13,917</b>	<b>27,356</b>	<b>27,425</b>

## 11. Financial Instruments and Risk Management

Financial instruments at June 30, 2022, consist of accounts receivable, accounts payable, other amounts payable and long-term debt. The carrying value of these financial instruments approximate their fair values.

The Company has exposure to counterparty credit risk, liquidity risk and market risk. Pieridae recognizes that effective management of these risks is a critical success factor in managing organization and shareholder value. Risk management strategies, policies and limits ensure risks and exposures are aligned to the Company's business strategy and risk tolerance. The Board of Directors is responsible for providing risk management oversight and oversees how management assesses and monitors risk. The following analysis provides an assessment of those risks as at June 30, 2022.



### Counterparty credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk arises principally from cash and cash equivalents held with major financial institutions and accounts receivable from natural gas marketers, and partners in jointly owned assets.

The carrying amount of accounts receivable represents the maximum credit exposure to the Company at June 30, 2022. As at June 30, 2022, and December 31, 2021, the Company's accounts receivables consisted of:

<i>(\$ 000s)</i>	June 30, 2022	December 31, 2021
Petroleum and natural gas marketers	39,966	33,308
Partners in jointly owned assets	11,344	14,848
Other (primarily government entities)	1,168	1,481
<b>Total</b>	<b>52,478</b>	<b>49,637</b>

As at June 30, 2022, and December 31, 2021, the Company's accounts receivables were aged as follows:

<i>(\$ 000s)</i>	June 30, 2022	December 31, 2021
Current (less than 90 days)	47,674	42,806
Past due (more than 90 days)	4,804	6,831
<b>Total</b>	<b>52,478</b>	<b>49,637</b>

The Company has assessed the past due receivables and determined that as at June 30, 2022, the recorded provision of \$0.8 million was appropriate (December 31, 2021 – \$0.8 million).

### Capital management

The Company manages capital structure and makes adjustments as required in light of changes in economic and market conditions and the risk characteristics of the underlying assets. The Company's objective when managing capital is to ensure it has sufficient funds to maintain and develop its operating properties, accelerate debt repayment, and advance its strategic opportunities, as well as meet its commitments. To maintain or adjust the capital structure, the Company may issue new shares, obtain additional debt facilities and/or consider strategic alliances including with joint venture partners.

Pieridae manages capital structure and financing requirements using adjusted funds flow from operations, a non-GAAP measure. Adjusted funds flow is used to monitor and assess liquidity and the flexibility of the Company's capital structure by providing management and investors with a measure of the cash flows generated by the Company's assets available to meet financial obligations. Adjusted fund flow from operations is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities.

The calculation of adjusted fund flow from operations is as follows:

<i>(\$ 000s)</i>	Three months ended		Six months ended	
	2022	June 30 2021	2022	June 30 2021
Cash provided by operating activities	34,922	12,093	38,134	23,093
Non-cash interest expense	(3,647)	(1,568)	(7,331)	(3,107)
Accretion of financing costs	(4,795)	(5,944)	(11,216)	(11,470)
Accretion of decommissioning obligation	(186)	-	(186)	-
Share-based compensation	(73)	(130)	(152)	(284)
Other amounts payable	1,033	8,607	2,066	9,734
Settlement of decommissioning obligations	498	291	1,636	1,677
Changes in non-cash working capital	8,042	(13,888)	38,547	(27,416)
Development expense	-	(4,862)	-	3,742
Finance expense	12,916	13,917	27,356	27,425
<b>Adjusted funds flow from operations</b>	<b>48,710</b>	<b>8,516</b>	<b>88,854</b>	<b>23,394</b>

## Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market conditions. Market risk comprises three types of risk: commodity price risk, interest rate risk and currency risk.

### a. Commodity price risk

The Company utilizes fixed price delivery contracts and derivative financial instruments as part of its overall risk management strategy to assist in managing the exposure to commodity price risk and the cost of power. Physical contracts are considered normal sales contracts and are not recorded at fair value but recognized in petroleum and natural gas revenue as contracts are settled. These financial instruments are not used for trading or speculative purposes.

The Company had the following fixed price physical commodity sales contracts and power contracts in place at June 30, 2022.

Type of contract	Quantity	Time Period	Contract Price (CAD)
Fixed Price - Natural Gas Sales	107,500 GJ/d	July –September 2022	\$2.66/GJ
Fixed Price - Natural Gas Sales	102,500 GJ/d	October 2022	\$2.58/GJ
Fixed Price - Natural Gas Sales	17,500 GJ/d	November – March 2023	\$2.88/GJ
Fixed Price - Condensate Sales	1,000 Bbl/d	July 2022	\$116.26/Bbl
Fixed Price - Condensate Sales	1,000 Bbl/d	August – December 2022	\$130.54/Bbl
Fixed price - Power Purchases	49 MW/h	July – December 2022	\$70.33/MWh
Fixed price - Power Purchases	53 MW/h	January – December 2023	\$71.93/MWh
Fixed price - Power Purchases	53 MW/h	January – December 2024	\$68.39/MWh

### b. Interest rate risk

Interest rate risk is the risk that future cashflows will fluctuate as a result of changes in market interest rate. While the Company's interest rate exposure under its Credit Agreement is fixed, any new or additional debt could be subject to higher and/ or variable interest rates. Any future rate increases could have an impact on the economics of future debt financings associated with Pieridae's capital management plan.

### c. Currency risk

Currency risk is the risk that cashflows will fluctuate as a result of changes in foreign currencies and the Canadian dollar. North American crude oil and natural gas prices are based upon US dollar denominated commodity prices. As a result, the price received by Canadian producers is affected by the Cdn\$/US\$ foreign exchange rate that may fluctuate over time. To date, the Company has not entered into any foreign currency transactions or financial instruments to manage currency risks, thus the sensitivities on 5% movement on Canadian/ US foreign exchange on such contracts are nil.

## 12. Presentation in Consolidated Statements of Cash Flows

The following table provides a detailed breakdown of certain line items contained within cashflow from operating and investing activities:

(\$ 000s)	Three months ended		Six months ended	
	2022	2021	2022	2021
		June 30		June 30
Accounts receivable	5,611	1,529	(2,841)	(910)
Prepaid expenses and deposits	(2,783)	637	(2,257)	440
Inventories	(423)	118	(267)	16
Accounts payable and accrued liabilities	(4,091)	14,392	(26,271)	28,475
<b>Total change in non-cash working capital</b>	<b>(1,686)</b>	<b>16,676</b>	<b>(31,636)</b>	<b>28,021</b>
Relating to:				
Operating activities	(8,042)	13,888	(38,547)	27,416
Investing activities	6,356	2,788	6,911	605

### 13. Commitments

The following is a summary of the Company's contractual obligations and commitments as at June 30, 2022:

<i>(\$ 000s)</i>	2022	2023	2024	2025	Thereafter	Total
Interest on long-term debt	13,726	20,491	-	-	-	34,217
Repayment of long-term debt	15,296	227,834	-	-	-	243,130
Firm transportation	5,436	10,576	3,412	1,037	248	20,709
<b>Total</b>	<b>34,458</b>	<b>258,901</b>	<b>3,412</b>	<b>1,037</b>	<b>248</b>	<b>298,056</b>