

Q2 2025

# FINANCIAL STATEMENTS

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E N E R G Y



# Disclaimer

Certain statements included or incorporated by reference in this document may constitute forward-looking statements or information under applicable securities legislation. Such forward-looking statements or information typically contain statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking statements or information in this document may include, but are not limited to: capital expenditures, including Vermilion's 2025 guidance, and Vermilion's ability to fund such expenditures; the flexibility of Vermilion's capital program and operations; business strategies and objectives; operational and financial performance; wells expected to be drilled and the timing thereof; exploration and development plans and the timing thereof; future drilling prospects; the ability of our asset base to deliver modest production growth; the evaluation of international acquisition opportunities; statements regarding the return of capital; our asset petroleum and natural gas sales; future production levels and the timing thereof, including Vermilion's 2025 guidance, and rates of average annual production growth; the effect of changes in crude oil and natural gas prices, changes in exchange and inflation rates; the payment and amount of future dividends; the effect of possible changes in critical accounting estimates; the Company's review of the impact of potential changes to financial reporting standards; the potential financial impact of climate-related risks; Vermilion's goals regarding its debt levels, including maintenance of a ratio of net debt to four quarter trailing fund flows from operations; statements regarding Vermilion's hedging program and the stability of our cash flows; operating and other expenses; royalty and income tax rates and Vermilion's expectations regarding future taxes and taxability and the timing of regulatory proceedings and approvals.

Such forward-looking statements or information are based on a number of assumptions, all or any of which may prove to be incorrect. In addition to any other assumptions identified in this document, assumptions have been made regarding, among other things: the ability of Vermilion to obtain equipment, services and supplies in a timely manner to carry out its activities in Canada and internationally; the ability of Vermilion to market crude oil, natural gas liquids, and natural gas successfully to current and new customers; the timing and costs of pipeline and storage facility construction and expansion and the ability to secure adequate product transportation; the timely receipt of required regulatory approvals; the ability of Vermilion to obtain financing on acceptable terms; foreign currency exchange rates and interest rates; future crude oil, natural gas liquids, and natural gas prices; management's expectations relating to the timing and results of exploration and development activities; the impact of Vermilion's dividend policy on its future cash flows; credit ratings; hedging program; expected earnings/(loss) and adjusted earnings/(loss); expected earnings/(loss) or adjusted earnings/(loss) per share; expected future cash flows and free cash flow and expected future cash flow and free cash flow per share; estimated future dividends; financial strength and flexibility; debt and equity market conditions; general economic and competitive conditions; ability of management to execute key priorities; and the effectiveness of various actions resulting from the Vermilion's strategic priorities.

Although Vermilion believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because Vermilion can give no assurance that such expectations will prove to be correct. Financial outlooks are provided for the purpose of understanding Vermilion's financial position and business objectives, and the information may not be appropriate for other purposes. Forward-looking statements or information are based on current expectations, estimates, and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by Vermilion and described in the forward-looking statements or information. These risks and uncertainties include, but are not limited to: the ability of management to execute its business plan; the risks of the oil and gas industry, both domestically and internationally, such as operational risks in exploring for, developing and producing crude oil, natural gas liquids, and natural gas; risks and uncertainties involving geology of crude oil, natural gas liquids, and natural gas deposits; risks inherent in Vermilion's marketing operations, including credit risk; the uncertainty of reserves estimates and reserves life and estimates of resources and associated expenditures; the uncertainty of estimates and projections relating to production and associated expenditures; potential delays or changes in plans with respect to exploration or development projects; Vermilion's ability to enter into or renew leases on acceptable terms; fluctuations in crude oil, natural gas liquids, and natural gas prices, foreign currency exchange rates, interest rates and inflation; health, safety, and environmental risks; uncertainties as to the availability and cost of financing; the ability of Vermilion to add production and reserves through exploration and development activities; the possibility that government policies or laws may change or governmental approvals may be delayed or withheld; uncertainty in amounts and timing of royalty payments; risks associated with existing and potential future law suits and regulatory actions against or involving Vermilion; and other risks and uncertainties described elsewhere in this document or in Vermilion's other filings with Canadian securities regulatory authorities. References to Vermilion or the Company in this document include Westbrick Energy Ltd. ("Westbrick" or "Westbrick Energy") which was acquired by Vermilion Energy Inc. on February 26, 2025.

The forward-looking statements or information contained in this document are made as of the date hereof and Vermilion undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events, or otherwise, unless required by applicable securities laws.

This document discloses certain oil and gas metrics, including DCET costs, which do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Such metrics have been included in this MD&A to provide readers with additional measures to evaluate the Company's performance; however, such measures are not reliable indicators of the Company's future performance and future performance may not compare to the

Company's performance in previous periods and therefore such metrics should not be unduly relied upon. DCET costs includes all capital spent to drill, complete, equip and tie-in a well. Additional oil and gas metrics in this document may include, but are not limited to:

**Boe Equivalency:** Per barrel of oil equivalent amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil equivalent (6:1). Barrel of oil equivalents (boe) may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, as the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

**Estimates of Drilling Locations:** Unbooked drilling locations are the internal estimates of Vermilion based on Vermilion's prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources (including contingent and prospective). Unbooked locations have been identified by Vermilion's management as an estimation of Vermilion's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that Vermilion will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and natural gas reserves, resources or production. The drilling locations on which Vermilion will actually drill wells, including the number and timing thereof is ultimately dependent upon the availability of funding, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While a certain number of the unbooked drilling locations have been de-risked by Vermilion drilling existing wells in relative close proximity to such unbooked drilling locations, the majority of other unbooked drilling locations are farther away from existing wells where management of Vermilion has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

Financial data contained within this document are reported in Canadian dollars, unless otherwise stated.

# Consolidated Interim Financial Statements

## Consolidated Balance Sheet

thousands of Canadian dollars, unaudited

	Note	June 30, 2025	December 31, 2024
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents	13	69,187	131,730
Accounts receivable		279,469	298,493
Income taxes receivable		20,137	—
Crude oil inventory		62,898	40,694
Derivative instruments		76,558	40,312
Prepaid expenses		65,093	71,097
Assets held for sale	4	598,435	—
<b>Total current assets</b>		<b>1,171,777</b>	<b>582,326</b>
Derivative instruments		15,062	13,927
Investments	5	77,137	78,862
Deferred taxes		84,653	197,714
Exploration and evaluation assets	7	322,388	224,286
Capital assets	6	5,037,123	5,018,461
<b>Total assets</b>		<b>6,708,140</b>	<b>6,115,576</b>
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable and accrued liabilities		403,525	425,410
Dividends payable	11	20,022	18,521
Derivative instruments		25,415	52,944
Income taxes payable		30,042	113,715
Liabilities associated with assets held for sale	4	124,523	—
<b>Total current liabilities</b>		<b>603,527</b>	<b>610,590</b>
Derivative instruments		80,677	86,036
Long-term debt	10	1,951,250	963,456
Lease obligations		52,776	54,991
Asset retirement obligations	8	940,682	1,224,718
Deferred taxes		385,603	364,796
<b>Total liabilities</b>		<b>4,014,515</b>	<b>3,304,587</b>
<b>Shareholders' Equity</b>			
Shareholders' capital	11	3,899,500	3,918,898
Contributed surplus		36,351	45,225
Accumulated other comprehensive income		279,372	135,847
Deficit		(1,521,598)	(1,288,981)
<b>Total shareholders' equity</b>		<b>2,693,625</b>	<b>2,810,989</b>
<b>Total liabilities and shareholders' equity</b>		<b>6,708,140</b>	<b>6,115,576</b>

### Approved by the Board

(Signed "Manjit Sharma")

Manjit Sharma, Director

(Signed "Dion Hatcher")

Dion Hatcher, Director



# Consolidated Statements of Net Loss and Comprehensive Loss

thousands of Canadian dollars, except share and per share amounts, unaudited

		Three Months Ended		Six Months Ended	
	Note	Jun 30, 2025	Jun 30, 2024	Jun 30, 2025	Jun 30, 2024
<b>Revenue</b>					
Petroleum and natural gas sales		443,834	352,637	912,527	748,304
Royalties		(29,268)	(21,724)	(59,359)	(47,510)
Sales of purchased commodities		28,472	28,651	44,747	67,021
<b>Petroleum and natural gas revenue</b>		<b>443,038</b>	<b>359,564</b>	<b>897,915</b>	<b>767,815</b>
<b>Expenses</b>					
Purchased commodities		28,472	28,651	44,747	67,021
Operating	13	123,006	112,165	236,904	226,606
Transportation		33,612	21,820	61,853	41,486
Equity based compensation		6,978	10,501	12,909	16,019
(Gain) loss on derivative instruments		(118,268)	79,772	(115,712)	47,901
Interest expense		37,691	21,062	70,670	39,454
General and administration	13	23,937	20,262	53,725	37,700
Foreign exchange (gain) loss		(5,515)	(4,611)	28,000	14,725
Other expense		2,047	863	16,832	817
Accretion	8	17,716	16,146	33,517	32,050
Depletion and depreciation	6, 7	165,761	131,826	314,044	280,003
		315,437	438,457	757,489	803,782
<b>Earnings (loss) from continuing operations before income taxes</b>		<b>127,601</b>	<b>(78,893)</b>	<b>140,426</b>	<b>(35,967)</b>
<b>Income tax expense</b>					
Deferred		41,345	14,196	28,390	29,331
Current		11,871	15,718	33,948	52,140
		53,216	29,914	62,338	81,471
<b>Net earnings (loss) from continuing operations</b>		<b>74,385</b>	<b>(108,807)</b>	<b>78,088</b>	<b>(117,438)</b>
<b>Net (loss) earnings from discontinued operations</b>	4	<b>(307,843)</b>	<b>26,382</b>	<b>(296,593)</b>	<b>37,318</b>
<b>Net loss</b>		<b>(233,458)</b>	<b>(82,425)</b>	<b>(218,505)</b>	<b>(80,120)</b>
<b>Other comprehensive loss</b>					
Currency translation adjustments		70,854	(1,406)	141,893	(2,491)
Hedge accounting reserve, net of tax		—	1,631	1,632	3,263
Fair value adjustment on investment in securities, net of tax		—	—	—	(2,203)
<b>Comprehensive loss</b>		<b>(162,604)</b>	<b>(82,200)</b>	<b>(74,980)</b>	<b>(81,551)</b>
<b>Net earnings (loss) per share</b>					
Continuing operations - basic		0.48	(0.68)	0.51	(0.73)
Discontinued operations - basic		(1.99)	0.17	(1.92)	0.23
Net loss per share - basic		(1.51)	(0.52)	(1.42)	(0.50)
Continuing operations - diluted		0.48	(0.68)	0.51	(0.73)
Discontinued operations - diluted		(1.99)	0.16	(1.92)	0.23
Net loss per share - diluted		(1.51)	(0.52)	(1.42)	(0.50)
<b>Weighted average shares outstanding ('000s)</b>					
Basic		154,342	159,525	154,258	160,373
Diluted		155,778	161,069	154,258	162,022

# Consolidated Statements of Cash Flows

thousands of Canadian dollars, unaudited

		Three Months Ended		Six Months Ended	
	Note	Jun 30, 2025	Jun 30, 2024	Jun 30, 2025	Jun 30, 2024
<b>Operating</b>					
Net loss		(233,458)	(82,425)	(218,505)	(80,120)
Adjustments:					
Accretion	8	19,872	18,209	37,752	36,143
Depletion and depreciation	6, 7	184,167	161,184	360,555	339,618
Impairment expense	6	372,386	—	372,386	—
Unrealized (gain) loss on derivative instruments		(59,522)	125,789	(45,847)	314,533
Equity based compensation		1,286	(3,860)	7,217	1,658
Unrealized foreign exchange (gain) loss		(5,450)	(3,069)	30,449	18,572
Unrealized other expense		1,394	208	1,713	345
Deferred tax expense		(20,997)	20,667	(30,013)	37,312
Asset retirement obligations settled	8	(8,386)	(11,745)	(17,733)	(16,720)
Changes in non-cash operating working capital		(110,825)	41,364	(77,123)	(30,724)
<b>Cash flows from operating activities</b>		<b>140,467</b>	<b>266,322</b>	<b>420,851</b>	<b>620,617</b>
<b>Investing</b>					
Drilling and development	6	(111,238)	(109,350)	(278,702)	(291,648)
Exploration and evaluation	7	(4,251)	(1,260)	(18,906)	(9,404)
Acquisitions, net of cash acquired	3, 5	(1,591)	(5,450)	(1,086,047)	(5,829)
Acquisition of securities	5	—	—	—	(9,373)
Changes in non-cash investing working capital		(81,909)	(36,965)	(71,080)	(18,114)
<b>Cash flows used in investing activities</b>		<b>(198,989)</b>	<b>(153,025)</b>	<b>(1,454,735)</b>	<b>(334,368)</b>
<b>Financing</b>					
Net draw on the revolving credit facility	10	333,892	—	632,341	—
Repayment of 2025 senior unsecured notes	10	—	(27,592)	(399,467)	(31,561)
Issuance of 2033 senior unsecured notes	10	—	—	562,968	—
Issuance of term loan	10	—	—	445,392	—
Repayment of term loan	10	(199,636)	—	(199,636)	—
Payments on lease obligations		(3,852)	(7,830)	(7,681)	(11,932)
Repurchase of shares	11	(6,323)	(46,555)	(22,899)	(82,964)
Cash dividends	11	(20,043)	(19,183)	(38,564)	(35,410)
Changes in non-cash financing working capital		124	1,627	(2,306)	1,627
<b>Cash flows from (used in) financing activities</b>		<b>104,162</b>	<b>(99,533)</b>	<b>970,148</b>	<b>(160,240)</b>
Foreign exchange gain (loss) on cash held in foreign currencies		19	(743)	1,193	207
Net change in cash and cash equivalents		45,659	13,021	(62,543)	126,216
Cash and cash equivalents, beginning of period		23,528	254,651	131,730	141,456
<b>Cash and cash equivalents, end of period</b>	13	<b>69,187</b>	<b>267,672</b>	<b>69,187</b>	<b>267,672</b>
Supplementary information for cash flows from operating activities					
Interest paid		51,792	28,330	73,201	41,982
Income taxes paid		92,687	64,849	122,576	67,827

## Consolidated Statements of Changes in Shareholders' Equity

thousands of Canadian dollars, unaudited

		Six Months Ended	
	Note	June 30, 2025	June 30, 2024
<b>Shareholders' capital</b>	11		
Balance, beginning of period		3,918,898	4,142,566
Shares issued for acquisition	3	13,363	—
Vesting of equity based awards		16,091	9,998
Share-settled dividends on vested equity based awards		599	1,257
Repurchase of shares		(49,451)	(133,552)
<b>Balance, end of period</b>		<b>3,899,500</b>	<b>4,020,269</b>
<b>Contributed surplus</b>	11		
Balance, beginning of period		45,225	43,348
Equity based compensation		7,217	1,658
Vesting of equity based awards		(16,091)	(9,998)
<b>Balance, end of period</b>		<b>36,351</b>	<b>35,008</b>
<b>Accumulated other comprehensive income</b>			
Balance, beginning of period		135,847	109,302
Currency translation adjustments		141,893	(2,491)
Hedge accounting reserve		1,632	3,263
Fair value adjustment on investment in securities, net of tax	5	—	(2,203)
<b>Balance, end of period</b>		<b>279,372</b>	<b>107,871</b>
<b>Deficit</b>			
Balance, beginning of period		(1,288,981)	(1,263,568)
Net loss		(218,505)	(80,120)
Dividends declared		(40,065)	(38,164)
Share-settled dividends on vested equity based awards		(599)	(1,257)
Repurchase of shares	11	26,552	50,588
<b>Balance, end of period</b>		<b>(1,521,598)</b>	<b>(1,332,521)</b>
<b>Total shareholders' equity</b>		<b>2,693,625</b>	<b>2,830,627</b>

## Description of equity reserves

### *Shareholders' capital*

Represents the recognized amount for common shares issued (net of equity issuance costs and deferred taxes) less the weighted-average carrying value of shares repurchased. The price paid to repurchase common shares is compared to the carrying value of the shares and the difference is recorded against deficit.

### *Contributed surplus*

Represents the recognized value of unvested equity based awards that will be settled in shares. Once vested, the value of the awards are transferred to shareholders' capital.

### *Accumulated other comprehensive income*

Represents currency translation adjustments, hedge accounting reserve and fair value adjustments on investments.

Currency translation adjustments result from translating the balance sheets of subsidiaries with a foreign functional currency to Canadian dollars at period-end rates. These amounts may be reclassified to net loss if there is a disposal or partial disposal of a subsidiary.

The hedge accounting reserve represents the effective portion of the change in fair value related to cash flow and net investment hedges recognized in other comprehensive income, net of tax and reclassified to the consolidated statement of net loss in the same period in which the transaction associated with the hedged item occurs.

Fair value adjustment on investment in securities, net of tax, are a result of changes in the fair value of investments that have been elected to be subsequently measured at fair value through other comprehensive income.

### *Deficit*

Represents the cumulative net loss less distributed earnings and surplus of the price paid to repurchase common shares of Vermilion Energy Inc. over the weighted-average carrying value of the shares repurchased.



# Notes to the Condensed Consolidated Interim Financial Statements for the three and six months ended June 30, 2025 and 2024

tabular amounts in thousands of Canadian dollars, except share and per share amounts, unaudited

## 1. Basis of presentation

Vermilion Energy Inc. (the "Company" or "Vermilion") is a corporation governed by the laws of the Province of Alberta and is actively engaged in the business of crude oil and natural gas exploration, development, acquisition, and production.

These condensed consolidated interim financial statements are in compliance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting". These condensed consolidated interim financial statements have been prepared using the same accounting policies and methods of computation as Vermilion's consolidated financial statements for the year ended December 31, 2024.

The operating results attributable to the Company's Saskatchewan and United States operations have been classified and presented as discontinued operations, with all other operating results presented as continuing operations. The prior period results have been presented to conform with current period presentation. See Note 4 - "Discontinued Operations" for additional information.

These condensed consolidated interim financial statements should be read in conjunction with Vermilion's consolidated financial statements for the year ended December 31, 2024, which are contained within Vermilion's Annual Report for the year ended December 31, 2024 and are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) or on Vermilion's website at [www.vermilionenergy.com](http://www.vermilionenergy.com).

These condensed consolidated interim financial statements were approved and authorized for issuance by the Board of Directors of Vermilion on August 7, 2025.

## 2. Segmented information

The following tables present capital expenditures and reconcile fund flows from operations for our continuing and discontinued operations:

Three Months Ended June 30, 2025											
	Canada	France	Netherlands	Germany	Ireland	Australia	CEE	Corporate	Continuing operations	Discontinued operations <sup>(2)</sup>	Total
Drilling and development	45,211	10,246	13,873	15,458	817	8,755	4,048	—	98,408	12,830	111,238
Exploration and evaluation	—	—	—	2,629	—	—	1,622	—	4,251	—	4,251
Crude oil and condensate sales	108,201	54,481	192	9,940	10	20,853	14	—	193,691	82,964	276,655
NGL sales	23,545	—	—	—	—	—	—	—	23,545	4,877	28,422
Natural gas sales	80,623	—	27,996	34,864	67,784	—	15,331	—	226,598	2,473	229,071
Sales of purchased commodities	—	—	—	—	—	—	—	28,472	28,472	—	28,472
Royalties	(16,322)	(8,858)	—	(1,991)	—	—	(2,097)	—	(29,268)	(16,800)	(46,068)
Revenue from external customers	196,047	45,623	28,188	42,813	67,794	20,853	13,248	28,472	443,038	73,514	516,552
Purchased commodities	—	—	—	—	—	—	—	(28,472)	(28,472)	—	(28,472)
Transportation	(22,899)	(5,982)	—	(2,440)	(2,291)	—	—	—	(33,612)	(2,999)	(36,611)
Operating	(62,460)	(17,091)	(7,927)	(10,609)	(13,576)	(10,208)	(1,135)	—	(123,006)	(25,819)	(148,825)
General and administration	(2,028)	(2,898)	(1,528)	(3,704)	(1,270)	(1,677)	(1,151)	(9,681)	(23,937)	(10,334)	(34,271)
Petroleum resource rent tax	—	—	—	—	—	(755)	—	—	(755)	—	(755)
Corporate income tax expense	1	403	(2,490)	(4,131)	(308)	(413)	(1,852)	(2,326)	(11,116)	—	(11,116)
Interest expense	—	—	—	—	—	—	—	(37,691)	(37,691)	—	(37,691)
Equity based compensation	—	—	—	—	—	—	—	(5,692)	(5,692)	—	(5,692)
Realized gain on derivative instruments	—	—	—	—	—	—	—	47,699	47,699	—	47,699
Realized foreign exchange loss	—	—	—	—	—	—	—	(487)	(487)	—	(487)
Realized other expense	—	—	—	—	—	—	—	(653)	(653)	—	(653)
<b>Fund flows from operations</b>	<b>108,661</b>	<b>20,055</b>	<b>16,243</b>	<b>21,929</b>	<b>50,349</b>	<b>7,800</b>	<b>9,110</b>	<b>(8,831)</b>	<b>225,316</b>	<b>34,362</b>	<b>259,678</b>

Three Months Ended June 30, 2024											
	Canada	France	Netherlands	Germany	Ireland	Australia	CEE	Corporate <sup>(1)</sup>	Continuing operations	Discontinued operations <sup>(2)</sup>	Total
Drilling and development	43,594	11,389	4,033	20,637	356	8,809	2,606	—	91,424	17,926	109,350
Exploration and evaluation	—	—	—	1,260	—	—	—	—	1,260	—	1,260
Crude oil and condensate sales	75,090	83,656	481	9,954	—	32,787	34	—	202,002	116,810	318,812
NGL sales	13,002	—	—	—	—	—	—	—	13,002	7,698	20,700
Natural gas sales	17,670	—	30,060	19,203	69,793	—	907	—	137,633	1,780	139,413
Sales of purchased commodities	—	—	—	—	—	—	—	28,651	28,651	—	28,651
Royalties	(9,767)	(10,283)	—	(1,435)	—	—	(239)	—	(21,724)	(24,886)	(46,610)
Revenue from external customers	95,995	73,373	30,541	27,722	69,793	32,787	702	28,651	359,564	101,402	460,966
Purchased commodities	—	—	—	—	—	—	—	(28,651)	(28,651)	—	(28,651)
Transportation	(10,627)	(6,401)	—	(2,386)	(2,406)	—	—	—	(21,820)	(3,497)	(25,317)
Operating	(41,421)	(14,606)	(10,709)	(14,430)	(16,453)	(14,174)	(372)	—	(112,165)	(28,065)	(140,230)
General and administration	(2,450)	(3,807)	(1,775)	(3,062)	(1,462)	(2,005)	(1,737)	(3,964)	(20,262)	(6,275)	(26,537)
Petroleum resource rent tax	—	—	—	—	—	(3,638)	—	—	(3,638)	—	(3,638)
Corporate income tax expense	15	(5,956)	(7,858)	(1,704)	(318)	(349)	—	4,090	(12,080)	(16)	(12,096)
Interest expense	—	—	—	—	—	—	—	(21,062)	(21,062)	—	(21,062)
Equity based compensation	—	—	—	—	—	—	—	(14,361)	(14,361)	—	(14,361)
Realized gain on derivative instruments	—	—	—	—	—	—	—	46,017	46,017	—	46,017
Realized foreign exchange gain	—	—	—	—	—	—	—	2,267	2,267	—	2,267
Realized other expense	—	—	—	—	—	—	—	(655)	(655)	—	(655)
<b>Fund flows from operations</b>	<b>41,512</b>	<b>42,603</b>	<b>10,199</b>	<b>6,140</b>	<b>49,154</b>	<b>12,621</b>	<b>(1,407)</b>	<b>12,332</b>	<b>173,154</b>	<b>63,549</b>	<b>236,703</b>

<sup>(1)</sup> Central and Eastern Europe and Corporate have been presented separately in the prior year for comparability with current year presentation.

<sup>(2)</sup> Fund flows from discontinued operations is comprised of the fund flows from operations from the United States and Saskatchewan assets, which were held for sale at June 30, 2025. The prior period results have been presented to conform with current period presentation. Refer to Note 4 - "Discontinued operations" for additional information.

Six Months Ended June 30, 2025											
	Canada	France	Netherlands	Germany	Ireland	Australia	CEE	Corporate	Continuing operations	Discontinued operations <sup>(2)</sup>	Total
Drilling and development	165,363	17,002	21,620	26,418	1,145	18,457	5,209	—	255,214	23,488	278,702
Exploration and evaluation	—	—	—	16,904	—	—	2,002	—	18,906	—	18,906
Crude oil and condensate sales	192,637	115,543	522	26,961	53	51,685	29	—	387,430	172,690	560,120
NGL sales	43,272	—	—	—	—	—	—	—	43,272	11,187	54,459
Natural gas sales	142,724	—	70,552	71,178	168,727	—	28,644	—	481,825	6,590	488,415
Sales of purchased commodities	—	—	—	—	—	—	—	44,747	44,747	—	44,747
Royalties	(34,979)	(16,324)	(10)	(4,329)	—	—	(3,717)	—	(59,359)	(35,999)	(95,358)
Revenue from external customers	343,654	99,219	71,064	93,810	168,780	51,685	24,956	44,747	897,915	154,468	1,052,383
Purchased commodities	—	—	—	—	—	—	—	(44,747)	(44,747)	—	(44,747)
Transportation	(39,194)	(11,460)	—	(6,709)	(4,490)	—	—	—	(61,853)	(5,944)	(67,797)
Operating	(105,401)	(33,134)	(17,535)	(25,786)	(27,818)	(25,193)	(2,037)	—	(236,904)	(53,698)	(290,602)
General and administration	(7,564)	(6,507)	(2,852)	(6,785)	(2,945)	(2,867)	(2,372)	(21,833)	(53,725)	(15,206)	(68,931)
Petroleum resource rent tax	—	—	—	—	—	(3,773)	—	—	(3,773)	—	(3,773)
Corporate income tax (expense) recovery	1	(75)	(13,827)	(10,263)	(497)	(560)	(2,193)	(2,761)	(30,175)	—	(30,175)
Interest expense	—	—	—	—	—	—	—	(70,670)	(70,670)	—	(70,670)
Equity based compensation	—	—	—	—	—	—	—	(5,692)	(5,692)	—	(5,692)
Realized gain on derivative instruments	—	—	—	—	—	—	—	58,818	58,818	—	58,818
Realized foreign exchange gain	—	—	—	—	—	—	—	2,012	2,012	—	2,012
Realized other expense	—	—	—	—	—	—	—	(15,119)	(15,119)	—	(15,119)
<b>Fund flows from operations</b>	<b>191,496</b>	<b>48,043</b>	<b>36,850</b>	<b>44,267</b>	<b>133,030</b>	<b>19,292</b>	<b>18,354</b>	<b>(55,245)</b>	<b>436,087</b>	<b>79,620</b>	<b>515,707</b>

Six Months Ended June 30, 2024											
	Canada	France	Netherlands	Germany	Ireland	Australia	CEE	Corporate <sup>(1)</sup>	Continuing operations	Discontinued operations <sup>(2)</sup>	Total
Drilling and development	161,447	22,404	8,631	41,047	3,449	14,980	3,108	—	255,066	36,582	291,648
Exploration and evaluation	—	—	—	4,878	—	—	4,526	—	9,404	—	9,404
Crude oil and condensate sales	134,899	172,652	1,755	18,431	—	107,613	34	—	435,384	217,155	652,539
NGL sales	27,027	—	—	—	—	—	—	—	27,027	15,576	42,603
Natural gas sales	44,724	—	63,752	41,910	134,257	—	1,250	—	285,893	5,925	291,818
Sales of purchased commodities	—	—	—	—	—	—	—	67,021	67,021	—	67,021
Royalties	(20,880)	(23,335)	(217)	(2,790)	—	—	(288)	—	(47,510)	(47,653)	(95,163)
Revenue from external customers	185,770	149,317	65,290	57,551	134,257	107,613	996	67,021	767,815	191,003	958,818
Purchased commodities	—	—	—	—	—	—	—	(67,021)	(67,021)	—	(67,021)
Transportation	(18,664)	(11,764)	—	(5,578)	(5,480)	—	—	—	(41,486)	(6,793)	(48,279)
Operating	(75,223)	(36,046)	(21,319)	(25,191)	(27,057)	(40,960)	(810)	—	(226,606)	(62,935)	(289,541)
General and administration	(12,448)	(8,996)	(3,713)	(5,634)	(3,632)	(3,743)	(3,631)	4,097	(37,700)	(12,540)	(50,240)
Petroleum resource rent tax	—	—	—	—	—	(14,421)	—	—	(14,421)	—	(14,421)
Corporate income tax expense	17	(11,781)	(18,869)	(6,076)	(769)	(1,190)	—	949	(37,719)	(19)	(37,738)
Interest expense	—	—	—	—	—	—	—	(39,454)	(39,454)	—	(39,454)
Equity based compensation	—	—	—	—	—	—	—	(14,361)	(14,361)	—	(14,361)
Realized gain on derivative instruments	—	—	—	—	—	—	—	266,632	266,632	—	266,632
Realized foreign exchange gain	—	—	—	—	—	—	—	4,138	4,138	—	4,138
Realized other expense	—	—	—	—	—	—	—	(472)	(472)	—	(472)
<b>Fund flows from operations</b>	<b>79,452</b>	<b>80,730</b>	<b>21,389</b>	<b>15,072</b>	<b>97,319</b>	<b>47,299</b>	<b>(3,445)</b>	<b>221,529</b>	<b>559,345</b>	<b>108,716</b>	<b>668,061</b>

<sup>(1)</sup> Central and Eastern Europe and Corporate have been presented separately in the prior year for comparability with current year presentation.

<sup>(2)</sup> Fund flows from discontinued operations is comprised of the fund flows from operations from the United States and Saskatchewan assets, which were held for sale at June 30, 2025. The prior period results have been presented to conform with current period presentation. Refer to Note 4 - "Discontinued operations" for additional information.

*Reconciliation of fund flows from continuing operations to net earnings (loss) from continuing operations:*

	Three Months Ended		Six Months Ended	
	Jun 30, 2025	Jun 30, 2024	Jun 30, 2025	Jun 30, 2024
Fund flows from continuing operations	225,316	173,154	436,087	559,345
Equity based compensation	(1,286)	3,860	(7,217)	(1,658)
Unrealized gain (loss) on derivative instruments	70,569	(125,789)	56,894	(314,533)
Unrealized foreign exchange gain (loss)	6,002	2,344	(30,012)	(18,863)
Accretion	(17,716)	(16,146)	(33,517)	(32,050)
Depletion and depreciation	(165,761)	(131,826)	(314,044)	(280,003)
Deferred tax expense	(41,345)	(14,196)	(28,390)	(29,331)
Unrealized other expense	(1,394)	(208)	(1,713)	(345)
<b>Net earnings (loss) from continuing operations</b>	<b>74,385</b>	<b>(108,807)</b>	<b>78,088</b>	<b>(117,438)</b>

### 3. Business combination

#### *Westbrick Energy Ltd*

On February 26, 2025, Vermilion purchased 100% of the shares outstanding of Westbrick Energy Ltd. ("Westbrick" or "Westbrick Energy") a private company with assets located adjacent to Vermilion's existing Alberta assets for total consideration of \$1.1 billion, including 1,104,357 shares of Vermilion valued at \$12.10 per share for an aggregate \$13.4 million in fair value share consideration upon closing, with the balance paid in cash. Total transaction costs included in Vermilion's general and administrative expenses for the six months ended June 30, 2025 related to the acquisition are approximately \$8.3 million (\$0.8 million in the year ended December 31, 2024).

The total consideration paid and the fair value of the assets acquired and liabilities assumed at the date of acquisition are detailed in the table below:

	Consideration
Cash consideration paid	1,089,805
Share consideration	13,363
<b>Total consideration paid</b>	<b>1,103,168</b>

	Allocation of consideration
Cash acquired	6,159
Capital assets	1,185,212
Exploration and evaluation assets	129,578
Acquired working capital deficit	(36,555)
Derivative asset	13,376
Lease liability	(3,434)
Asset retirement obligations	(46,190)
Deferred tax liability	(144,978)
<b>Net assets acquired</b>	<b>1,103,168</b>

The results of operations from the assets acquired and liabilities assumed have been included in Vermilion's condensed consolidated interim financial statements beginning February 26, 2025 and have contributed revenues net of royalties of \$131.4 million and net earnings of \$12.6 million. Had the acquisition occurred on January 1, 2025, consolidated petroleum and natural gas revenue net of royalties would have been \$912.1 million and consolidated net loss would have been \$202.9 million for the six months ended June 30, 2025.

Vermilion acquired contractual obligations and commitments as part of the Westbrick acquisition completed on February 26, 2025. Please refer to Note 13 "Supplemental Information" for a summary of the Company's contractual obligations and commitments as at June 30, 2025.

## 4. Discontinued operations

### *Adoption of accounting policy - Assets held for sale and discontinued operations*

The Company classifies capital assets and exploration and evaluation assets as held for sale if it is highly probable their carrying amounts will be recovered through a disposition rather than through future operating cash flows. This condition is met when the sale is highly probable, the asset is available for immediate sale in its present condition and the sale is expected to be completed within one year from the date of classification. Assets held for sale are measured at the lower of the carrying amount and recoverable amount, with impairments or impairment reversals recognized in the consolidated statements of net earnings and comprehensive income.

Assets held for sale are classified as current assets and are not subject to depletion and depreciation. Decommissioning, lease and derivative liabilities associated with assets held for sale are classified as current liabilities.

Upon classification, the Company assesses whether the assets held for sale represent a major component of the business. If this criteria is met, the operating results attributable to the assets held for sale are presented as discontinued operations, with prior periods reclassified to conform with current period presentation.

### *Saskatchewan and Manitoba*

On May 23, 2025, Vermilion announced it had entered into an agreement for the sale of the Saskatchewan and Manitoba assets for cash proceeds of \$415.0 million, before closing adjustments. At June 30, 2025, the sale was considered to be highly probable and therefore the assets and liabilities associated with the disposal group were reclassified to held for sale and measured at the lower of their carrying amount and fair value less costs to sell with resulting impairment of \$230.9 million. On July 10, 2025 Vermilion announced the closing of the sale. Refer to Note 14 "Subsequent events" for additional information.

### *United States*

On June 5, 2025, Vermilion announced it had entered into an agreement for the sale of the United States assets for cash proceeds of US \$80.5 million, before an additional US \$7.0 million of contingent payments and closing adjustments. The sale is considered to be highly probable and therefore the assets and liabilities associated with the disposal group have been reclassified to held for sale and measured at the lower of their carrying amount and fair value less costs to sell with resulting impairment of \$141.5 million. On July 31, 2025 Vermilion closed the sale. Refer to Note 14 "Subsequent events" for additional information.

The following table reconciles the assets held for sale and liabilities associated with assets held for sale as at June 30, 2025:

	June 30, 2025
Exploration and evaluation assets	63,528
Capital assets	534,967
Foreign exchange	(60)
<b>Assets held for sale</b>	<b>598,435</b>
Asset retirement obligation	111,364
Lease liabilities	2,172
Derivative liabilities	11,047
Foreign exchange	(60)
<b>Liabilities associated with assets held for sale</b>	<b>124,523</b>



The following table summarizes the Company's financial results from discontinued operations:

	Three Months Ended		Six Months Ended	
	Jun 30, 2025	Jun 30, 2024	Jun 30, 2025	Jun 30, 2024
<b>Revenue</b>				
Petroleum and natural gas sales	90,314	126,288	190,467	238,656
Royalties	(16,800)	(24,886)	(35,999)	(47,653)
<b>Petroleum and natural gas revenue</b>	<b>73,514</b>	<b>101,402</b>	<b>154,468</b>	<b>191,003</b>
<b>Expenses</b>				
Operating	25,819	28,065	53,698	62,935
Transportation	2,999	3,497	5,944	6,793
Unrealized loss on derivative instruments	11,047	—	11,047	—
General and administration	10,334	6,275	15,206	12,540
Foreign exchange loss (gain)	552	(725)	437	(291)
Accretion	2,156	2,063	4,235	4,093
Depletion and depreciation	18,406	29,358	46,511	59,615
Impairment expense	372,386	—	372,386	—
	443,699	68,533	509,464	145,685
<b>(Loss) earnings from discontinued operations before income taxes</b>	<b>(370,185)</b>	<b>32,869</b>	<b>(354,996)</b>	<b>45,318</b>
<b>Income tax (recovery) expense</b>				
Deferred	(62,342)	6,471	(58,403)	7,981
Current	—	16	—	19
	(62,342)	6,487	(58,403)	8,000
<b>Net (loss) earnings from discontinued operations</b>	<b>(307,843)</b>	<b>26,382</b>	<b>(296,593)</b>	<b>37,318</b>

The following table summarizes cash flows from discontinued operations reported in the consolidated statements of cash flows:

	Three Months Ended		Six Months Ended	
	Jun 30, 2025	Jun 30, 2024	Jun 30, 2025	Jun 30, 2024
Cash flows from operating activities	18,072	58,608	58,014	95,348
Cash flows used in investing activities	(20,456)	(21,691)	(45,744)	(49,415)
<b>Cash flows from discontinued operations</b>	<b>(2,384)</b>	<b>36,917</b>	<b>12,270</b>	<b>45,933</b>

## 5. Investments

Investments are comprised of Vermilion's ownership interest in Coelacanth Energy Inc. ("CEI"), an oil and natural gas company, actively engaged in the acquisition, development, exploration, and production of oil and natural gas reserves in northeastern British Columbia, Canada.

The following table reconciles the change in Vermilion's investments:

	2025
<b>Balance at January 1</b>	<b>78,862</b>
Vermilion's share of net loss <sup>(1)</sup>	(1,725)
<b>Balance at June 30</b>	<b>77,137</b>

<sup>(1)</sup> Investment losses are recognized within other expense (income) on the consolidated statements of net earnings and comprehensive income.

The following table summarizes the net assets of CEI based on their most recent and publicly available financial statements as at March 31, 2025, and Vermilion's respective share:

Current assets	3,431
Non-current assets	226,566
Current liabilities	(36,009)
Non-current liabilities	(28,226)
<b>Net assets</b>	<b>165,762</b>
Vermilion's ownership	20.7 %
<b>Vermilion's share of net assets</b>	<b>34,313</b>

In February 2024, Vermilion acquired additional securities, increasing its ownership to approximately 21% of the issued and outstanding common shares of CEI. As such, Vermilion concluded it had acquired significant influence over the entity and should prospectively be accounted for using the equity method of accounting subsequently, recording Vermilion's share of CEI's profit or loss. Prior to acquiring significant influence, this investment was accounted for under IFRS 9 as an investment in securities using the fair value method of accounting. The transaction was treated as a disposal of the original investment at fair value and an acquisition of an investment in associate, with no resulting gain or loss recognized in the consolidated statement of net earnings.

For the six months ended June 30, 2025 and the four months ended June 30, 2024 after acquiring significant influence over the entity, Vermilion adjusted the value of the investment for its share of CEI's profit or loss. The following table summarizes CEI's estimated revenue and net loss and Vermilion's respective share, based on CEI's most recent and publicly available financial statements and other market factors, including but not limited to, relevant market prices:

	Six Months Ended Jun 30, 2025	Four Months Ended Jun 30, 2024
Total revenue	4,687	5,089
Net loss	(8,333)	(1,446)
Vermilion's ownership	20.7 %	20.8 %
<b>Vermilion's share of net loss</b>	<b>(1,725)</b>	<b>(302)</b>

At June 30, 2025, the fair value of Vermilion's investment in CEI is \$92.6 million or \$0.84/share (December 31, 2024 - \$88.1 million or \$0.80/share).

## 6. Capital assets

The following table reconciles the change in Vermilion's capital assets:

	2025
<b>Balance at January 1</b>	<b>5,018,461</b>
Acquisitions	1,182,598
Additions	278,702
Increase in right-of-use assets	6,066
Reclassified to asset held for sale <sup>(1)</sup>	(534,967)
Impairment expense on assets held for sale <sup>(1)</sup>	(372,386)
Depletion and depreciation	(366,443)
Changes in asset retirement obligations	(300,478)
Foreign exchange	125,570
<b>Balance at June 30</b>	<b>5,037,123</b>

<sup>(1)</sup> Refer to Note 4 "Discontinued Operations" for additional information.

## 7. Exploration and evaluation assets

The following table reconciles the change in Vermilion's exploration and evaluation assets:

	2025
<b>Balance at January 1</b>	<b>224,286</b>
Acquisitions	129,578
Additions	18,906
Changes in asset retirement obligations	3,075
Reclassified to assets held for sale <sup>(1)</sup>	(63,528)
Depreciation	(161)
Foreign exchange	10,232
<b>Balance at June 30</b>	<b>322,388</b>

<sup>(1)</sup> Refer to Note 4 "Discontinued Operations" for additional information.

## 8. Asset retirement obligations

The following table reconciles the change in Vermilion's asset retirement obligations:

	2025
<b>Balance at January 1</b>	<b>1,224,718</b>
Additional obligations recognized	49,742
Obligations settled	(17,733)
Accretion	37,752
Changes in rates	(300,955)
Reclassified to liabilities associated with assets held for sale <sup>(1)</sup>	(111,364)
Foreign exchange	58,522
<b>Balance at June 30</b>	<b>940,682</b>

<sup>(1)</sup> Refer to Note 4 "Discontinued Operations" for additional information.

Vermilion calculated the present value of the obligations using a credit-adjusted risk-free rate, calculated using a credit spread of 4.4% as at June 30, 2025 (December 31, 2024 - 2.6%) added to risk-free rates based on long-term, risk-free government bonds. Vermilion's credit spread is determined using the Company's expected cost of borrowing at the end of the reporting period.

The country-specific risk-free rates used as inputs to discount the obligations were as follows:

	Jun 30, 2025	Dec 31, 2024
Canada	3.6 %	3.2 %
United States	4.9 %	4.8 %
France	4.0 %	3.7 %
Netherlands	3.0 %	2.7 %
Germany	3.0 %	2.6 %
Ireland	3.1 %	2.8 %
Australia	4.4 %	4.6 %
Central and Eastern Europe	4.8 %	4.7 %

## 9. Capital disclosures

Vermilion defines capital as net debt and shareholders' capital. Net debt consists of long-term debt (excluding unrealized foreign exchange on swapped USD borrowings) plus adjusted working capital (defined as current assets less current liabilities, excluding current derivatives and current lease liabilities). In managing capital, Vermilion reviews whether fund flows from operations is sufficient to fund capital expenditures, dividends, share buybacks, and asset retirement obligations.

The following table calculates Vermilion's ratio of net debt to four quarter trailing fund flows from operations:

	Jun 30, 2025	Dec 31, 2024
Long-term debt	1,951,250	963,456
Adjusted working capital <sup>(1)</sup>	(540,502)	3,426
Unrealized FX on swapped USD borrowings	2,573	—
<b>Net debt</b>	<b>1,413,321</b>	<b>966,882</b>
<b>Ratio of net debt to four quarter trailing fund flows from operations <sup>(2)</sup></b>	<b>1.4</b>	<b>0.8</b>

<sup>(1)</sup> Adjusted working capital is defined as current assets (excluding current derivatives), less current liabilities (excluding current derivatives and current lease liabilities). These figures include amounts for assets held for sale and liabilities associated with assets held for sale which represent the estimated cash proceeds from dispositions that closed subsequent to June 30, 2025.

<sup>(2)</sup> Subsequent to February 26, 2025, net debt to four quarter trailing fund flows from operations is calculated inclusive of Westbrick Energy's pre-acquisition four quarter trailing fund flows from operations, as if the acquisition of Westbrick Energy occurred at the beginning of the four-quarter trailing period, and exclusive of the four quarter trailing fund flows from discontinued operations from assets held for sale to reflect the Company's ability to repay debt on a pro forma basis.

## 10. Long-term debt

The following table summarizes Vermilion's outstanding long-term debt:

	As at Jun 30, 2025	Dec 31, 2024
Revolving credit facility	632,341	—
Term loan	245,756	—
2025 senior unsecured notes	—	398,275
2030 senior unsecured notes	536,642	565,181
2033 senior unsecured notes	536,511	—
<b>Long-term debt</b>	<b>1,951,250</b>	<b>963,456</b>

The fair value of the 2030 senior unsecured notes as at June 30, 2025 was \$527.7 million (December 31, 2024 - \$571.2 million). The fair value of the 2033 senior notes as at June 30, 2025 was \$512.6 million.

The following table reconciles the change in Vermilion's long-term debt:

	2025
<b>Balance at January 1</b>	<b>963,456</b>
Net borrowings on the revolving credit facility	632,341
Repayment of 2025 senior unsecured notes	(399,467)
Issuance of 2033 senior unsecured notes	562,968
Issuance of term loan	445,392
Repayment of term loan	(199,636)
Amortization of transaction costs	1,342
Foreign exchange	(55,146)
<b>Balance at June 30</b>	<b>1,951,250</b>

### *Revolving credit facility*

As at June 30, 2025, Vermilion had in place a bank revolving credit facility maturing May 25, 2029 with the following terms:

	As at	
	Jun 30, 2025	Dec 31, 2024
Total facility amount	1,350,000	1,350,000
Amount drawn	(632,341)	—
Letters of credit outstanding	(32,173)	(22,731)
<b>Unutilized capacity</b>	<b>685,486</b>	<b>1,327,269</b>

The facility can be extended from time to time at the option of the lenders and upon notice from Vermilion. If no extension is granted by the lenders, the amounts owing pursuant to the facility are due at the maturity date. The facility is secured by various fixed and floating charges against the subsidiaries of Vermilion. The facility bears interest at a rate applicable to demand loans plus applicable margins.

On June 9, 2025, the maturity date of the syndicate facility was extended to May 25, 2029 (previously May 26, 2028). The total facility amount of \$1.35 billion and aggregate amount available under the facility of \$1.8 billion remain unchanged.

As at June 30, 2025, the revolving credit facility was subject to the following financial covenants:

Financial covenant	Limit	As at	
		Jun 30, 2025	Dec 31, 2024
Consolidated total debt to consolidated EBITDA	Less than 4.0	1.45	0.72
Consolidated total senior debt to consolidated EBITDA	Less than 3.5	0.65	—
Consolidated EBITDA to consolidated interest expense	Greater than 2.5	11.57	16.59

The financial covenants include financial measures defined within the revolving credit facility agreement that are not defined under IFRS® Accounting Standards. These financial measures are defined by the revolving credit facility agreement as follows:

- Consolidated total debt: Includes all amounts classified as "Long-term debt" and "Lease obligations" (including the current portion included within "Accounts payable and accrued liabilities" but excluding operating leases as defined under IAS 17) on the consolidated balance sheet.
- Consolidated total senior debt: Consolidated total debt excluding unsecured and subordinated debt.
- Consolidated EBITDA: Consolidated net loss before interest, income taxes, depreciation, accretion and certain other non-cash items, adjusted for the impact of the acquisition of a material subsidiary.
- Consolidated total interest expense: Includes all amounts classified as "Interest expense", but excludes interest on operating leases as defined under IAS 17.

As at June 30, 2025 and December 31, 2024, Vermilion was in compliance with the above covenants.

### *Term loan*

Concurrent with the completion of the Westbrick acquisition on February 26, 2025, Vermilion's credit facility agreement was amended to incorporate a new \$450.0 million term loan (the "Term Loan") which was immediately drawn. The Term Loan does not require principal repayments prior to its May 26, 2028 maturity, is non-revolving, and is subject to the same financial covenants as Vermilion's revolving credit facility. The Term Loan bears interest based on a reference rate plus an applicable margin.



During the second quarter of 2025, \$200.0 million of the term loan was repaid. Subsequent to the June 30, 2025, the term loan was repaid in full using proceeds from the sale of the Saskatchewan assets.

### *2025 senior unsecured notes*

On March 13, 2017, Vermilion issued US \$300.0 million of senior unsecured notes at par. The notes bore interest at a rate of 5.625% per annum paid semi-annually on March 15 and September 15. The notes matured on March 15, 2025 and the balance was repaid in full.

### *2030 senior unsecured notes*

On April 26, 2022, Vermilion closed a private offering of US \$400.0 million of senior unsecured notes, priced at 99.241% of par. The notes bear interest at a rate of 6.875% per annum, to be paid semi-annually on May 1 and November 1. The notes mature on May 1, 2030. As direct senior unsecured obligations of Vermilion, the notes rank equally with existing and future senior unsecured indebtedness of the Company.

The senior unsecured notes were recognized at amortized cost and include the transaction costs directly related to the issuance.

On or after May 1, 2025, Vermilion may redeem some or all of the senior unsecured notes at the redemption prices set forth below, together with accrued and unpaid interest.

Year	Redemption price
2025	103.438 %
2026	102.292 %
2027	101.146 %
2028 and thereafter	100.000 %

### *2033 senior unsecured notes*

On February 11, 2025 Vermilion closed a private offering of US \$400.0 million of senior unsecured notes at par. The notes bear interest at a rate of 7.250% per annum, to be paid semi-annually on February 15 and August 15. The notes mature on February 15, 2033. As direct senior unsecured obligations of Vermilion, the notes rank equally with existing and future senior unsecured indebtedness of the Company.

The senior unsecured notes were recognized at amortized cost and include the transaction costs directly related to the issuance.

Vermilion may, at its option, redeem the notes prior to maturity as follows:

- Prior to February 15, 2028, Vermilion may redeem up to 40% of the original principal amount of the notes with an amount of cash not greater than the net cash proceeds of certain equity offerings at a redemption price of 107.250% of the principal amount of the notes, together with accrued and unpaid interest.
- Prior to February 15, 2028, Vermilion may also redeem some or all of the notes at a price equal to 100% of the principal amount of the notes, plus a "make-whole premium," together with applicable premium, accrued and unpaid interest.
- On or after February 15, 2028, Vermilion may redeem some or all of the senior unsecured notes at the redemption prices set forth below, together with accrued and unpaid interest.

Year	Redemption price
2028	103.625 %
2029	101.813 %
2030 and thereafter	100.000 %

## 11. Shareholders' capital

The following table reconciles the change in Vermilion's shareholders' capital:

Shareholders' Capital	2025	
	Shares ('000s)	Amount
<b>Balance at January 1</b>	<b>154,344</b>	<b>3,918,898</b>
Shares issued for acquisition	1,104	13,363
Vesting of equity based awards	439	16,091
Share-settled dividends on vested equity based awards	66	599
Repurchase of shares	(1,934)	(49,451)
<b>Balance at June 30</b>	<b>154,019</b>	<b>3,899,500</b>

Dividends are approved by the Board of Directors and are paid quarterly. Dividends declared to shareholders for the six months ended June 30, 2025 were \$40.1 million or \$0.26 per common share (June 30, 2024 - \$38.2 million or \$0.24 per common share).

On July 9, 2025, the Toronto Stock Exchange approved the Company's notice of intention to renew its normal course issuer bid ("the NCIB"). The NCIB renewal allows Vermilion to purchase up to 15,259,187 common shares (representing approximately 10% of outstanding common shares) beginning July 12, 2025 and ending July 11, 2026. Common shares purchased under the NCIB will be cancelled.

In the second quarter of 2025, Vermilion purchased 0.7 million common shares under the NCIB for total consideration of \$6.3 million. The common shares purchased under the NCIB were cancelled.

Subsequent to June 30, 2025, Vermilion purchased and cancelled 0.2 million shares under the NCIB for total consideration of \$2.6 million.

## 12. Financial instruments

The following table summarizes the increase (positive values) or decrease (negative values) to net loss before tax due to a change in the value of Vermilion's financial instruments as a result of a change in the relevant market risk variable. This analysis does not attempt to reflect any interdependencies between the relevant risk variables.

	Jun 30, 2025
<b>Currency risk - Euro to Canadian dollar</b>	
\$0.01 increase in strength of the Canadian dollar against the Euro	5,136
\$0.01 decrease in strength of the Canadian dollar against the Euro	(5,136)
<b>Currency risk - US dollar to Canadian dollar</b>	
\$0.01 increase in strength of the Canadian dollar against the US \$	9,703
\$0.01 decrease in strength of the Canadian dollar against the US \$	(9,703)
<b>Commodity price risk - North American natural gas</b>	
\$0.25/GJ increase in North American natural gas price used to determine the fair value of derivatives	(28,171)
\$0.25/GJ decrease in North American natural gas price used to determine the fair value of derivatives	30,838
<b>Commodity price risk - European natural gas</b>	
€1.0/GJ increase in European natural gas price used to determine the fair value of derivatives	(8,739)
€1.0/GJ decrease in European natural gas price used to determine the fair value of derivatives	16,245
<b>Commodity price risk - Crude oil</b>	
US \$5.00/bbl increase in crude oil price used to determine the fair value of derivatives	(5,219)
US \$5.00/bbl decrease in crude oil price used to determine the fair value of derivatives	19,603
<b>Share price risk - Equity swaps</b>	
\$1.00 increase from initial share price of the equity swap	3,750
\$1.00 decrease from initial share price of the equity swap	(3,750)

### 13. Supplemental information

Cash and cash equivalents was comprised of the following:

	As at	
	Jun 30, 2025	Dec 31, 2024
Cash on deposit with financial institutions	68,812	124,938
Guaranteed investment certificates	375	6,792
<b>Cash and cash equivalents</b>	<b>69,187</b>	<b>131,730</b>

As at June 30, 2025, Vermilion had the following contractual obligations and commitments:

(\$M)	Less than 1 year	1 - 3 years	3 - 5 years	After 5 years	Total
Long-term debt <sup>(1)(2)</sup>	123,377	492,214	1,359,824	664,414	2,639,829
Lease obligations <sup>(3)</sup>	27,113	35,000	30,611	44,680	137,404
Processing and transportation agreements	85,902	112,874	148,358	814,891	1,162,025
Purchase obligations	31,032	10,691	332	368	42,423
Drilling and service agreements	34,150	24,012	—	—	58,162
<b>Total contractual obligations and commitments</b>	<b>301,574</b>	<b>674,791</b>	<b>1,539,125</b>	<b>1,524,353</b>	<b>4,039,843</b>

<sup>(1)</sup> Includes interest on senior unsecured notes.

<sup>(2)</sup> Includes the term loan, which was repaid subsequent to June 30, 2025.

<sup>(3)</sup> Includes undiscounted IFRS 16 - Leases obligations of \$83.8 million as at June 30, 2025, net of office subleases, surface lease rental commitments of \$51.9 million and other of \$1.7 million that are not considered leases under IFRS 16 and are not represented on the balance sheet.

<sup>(4)</sup> Commitments denominated in foreign currencies have been translated using the related spot rates on June 30, 2025.

### 14. Subsequent events

On July 10, 2025 Vermilion announced the closing of the sale of Saskatchewan assets for proceeds of \$415.0 million before closing adjustments. The assets are comprised of approximately 10,500 boe/d (86% oil and liquids) of non-core light oil production in Saskatchewan and Manitoba.

On July 31, 2025 Vermilion closed the sale of United States assets for proceeds of US \$80.5 million, before an additional US \$7.0 million of contingent payments and closing adjustments. The assets consist of approximately 5,500 boe/d (81% oil and liquids) of production.

Subsequent to the June 30, 2025, proceeds from dispositions were used to repay debt, including extinguishing the remaining balance of the term loan.

**DIRECTORS**

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Calgary, Alberta

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Edwards, Colorado

Carin Knickel<sup>3, 9</sup>  
Golden, Colorado

Stephen P. Larke<sup>3, 4</sup>  
Calgary, Alberta

William Roby<sup>6, 9</sup>  
Katy, Texas

Manjit Sharma<sup>2, 5</sup>  
Toronto, Ontario

Judy Steele<sup>3, 7</sup>  
Halifax, Nova Scotia

<sup>1</sup> Chairman (Independent)

<sup>2</sup> Audit Committee Chair (Independent)

<sup>3</sup> Audit Committee Member (Independent)

<sup>4</sup> Governance and Human Resources Committee Chair  
(Independent)

<sup>5</sup> Governance and Human Resources Committee Member  
(Independent)

<sup>6</sup> Safety & Sustainability Committee Chair  
(Independent)

<sup>7</sup> Safety & Sustainability Committee Member  
(Independent)

<sup>8</sup> Technical Committee Chair (Independent)

<sup>9</sup> Technical Committee Member  
(Independent)

**OFFICERS / CORPORATE SECRETARY**

Dion Hatcher  
President & Chief Executive Officer

Lars Glemser  
Vice President & Chief Financial Officer

Lara Conrad  
Vice President Business Development

Tamar Epstein  
General Counsel & Corporate Secretary

Terry Hergott  
Vice President Marketing

Yvonne Jeffery  
Vice President Sustainability

Darcy Kerwin  
Vice President International & HSE

Geoff MacDonald  
Vice President Geosciences

Randy McQuaig  
Vice President North America

Kyle Preston  
Vice President Investor Relations

Averyl Schraven  
Vice President People & Culture

Gerard Schut  
Vice President European Operations

**AUDITORS**

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Calgary, Alberta

**BANKERS**

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The Bank of Nova Scotia

Canadian Imperial Bank of Commerce

National Bank of Canada

Royal Bank of Canada

Wells Fargo Bank N.A., Canadian Branch

ATB Financial

Bank of America N.A., Canada Branch

Export Development Canada

Fédération des caisses Desjardins du Québec

Citibank, N.A., Canadian Branch

JPMorgan Chase Bank, N.A., Toronto Branch

Goldman Sachs Lending Partners LLC

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**LEGAL COUNSEL**

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Calgary, Alberta

**TRANSFER AGENT**

Odyssey Trust Company

**STOCK EXCHANGE LISTINGS**

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The New York Stock Exchange ("VET")

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