INITIATION OF COVERAGE

PEDEVCO CORP. (NYSE: PED)

Dave Storms, CFA
dave@stonegateinc.com
214-987-4121

Market Statistics in USD	
Price	$ 16.30
52 week Range	$8.64 - $18.89
Daily Vol (3-mo. average)	33,071
Market Cap (M)	$ 216.8
Enterprise Value (M)	$ 300.6
Shares Outstanding: (M)	13.3

Financial Summary in USD	
Cash (M)	$ 3.2
Cash/Share	$ 0.24
Debt (M)	$ 87.0
Equity (M)	$ 207.4
Equity/Share	$ 15.59

FYE: Dec	2025	2026E	2027E
(all figures in M, expect per share information)			
Rev	$ 45.8	$ 121.6	$ 127.4
Chng%	16%	166%	5%
EBITDA	$ 27.0	$ 64.9	$ 70.8
Net Income	$ (10.4)	$ 21.1	$ 25.3
EPS	$ (2.25)	$ 1.58	$ 1.87
EV/Revenue	0.9x	2.5x	2.4x
EV/EBITDA	1.6x	4.6x	4.2x
P/E	-5.0x	10.3x	8.7x

Company Description

PEDEVCO Corp. is a U.S. onshore oil and gas exploration and production company focused on acquiring and developing oil-weighted, legacy producing assets where modern drilling, completion, and field management techniques have not yet been fully applied. The Company targets properties with long production histories, well-defined geology, and existing infrastructure, and seeks to enhance recoveries and capital efficiency through horizontal redevelopment and disciplined capital allocation.

PEDEVCO exited FY25 as a much larger, oil-weighted Rockies platform following the Juniper merger. For FY25, production increased 35% y/y to 910.1 Mboe (2,494 Boe/d), revenue rose 16% to $45.8M, and adjusted EBITDA increased 18% to $27.0M despite a 19% decline in realized crude oil prices. Reported earnings moved to a net loss of $(10.4)M (vs. net income of $12.3M in FY24), driven by merger costs, accelerated share-based compensation, new interest expense, a note write-off, and tax expense. In 4Q25, the first quarter reflecting the combined platform, production increased 143% y/y to 483.2 Mboe (5,310 Boe/d), revenue more than doubled to $23.1M, and adjusted EBITDA nearly tripled to $15.4M. Management emphasized that the quarter included only two months of acquired contribution, making normalized earnings power the better lens, while the merger-close bridge to 6,500+ Boe/d and roughly over 310,000 net acres helps frame the larger earnings base now embedded in the portfolio.

The Inventory is the Story: In our view, the key differentiator is not simply greater scale, but the depth of PED's inventory relative to its market cap. Since closing the merger, management has framed the combined company as a 310,000+ net acre platform with an ~88% liquids mix, more than a decade of runway, and over 1,100 gross identified drilling locations. At year-end 2025, proved reserves increased 77% y/y to 32.1 MMBoe and PV-10 rose 100% y/y to $357.7M, with management citing reserve value of roughly $26.90/share on a post-split basis. Just as importantly, PED does not need M&A to make the story work as the current asset base supports years of development, cash flow, and reserve conversion, with acquisitions no longer required. In our view, that also leaves the Company well positioned in a stronger commodity backdrop, as higher oil prices can make acquisitions more competitive and expensive, while PED already has ample internal inventory to lean more heavily on owned drilling opportunities.

D-J Now, Powder River Next: The D-J is the clear near-term engine, driving the large majority of 4Q and FY25 volumes and is expected to receive the most capital. PED participated in 32 D-J wells during 2025; 31 began contributing in late 2025, and 31 of 32 wells in progress at merger close are now online, with the majority outperforming type curves. By contrast, the Powder River is the longer-dated growth leg, with management indicating near-term activity will stay concentrated in the D-J while the PRB becomes a larger focus over time as returns, cash flow, and commodity prices support broader development. Management also cautioned that 1Q26 should be viewed as a peak production quarter and not annualized, with volumes expected to settle closer to 6,400 - 6,500 Boe/d before new activity.

Visible Self-Help: Beyond scale and inventory, cost-out is key. Management has identified meaningful optimization opportunities and is targeting approximately $10M-$12M of annualized LOE savings, with full run-rate benefits expected forv2027, though the full EBITDA uplift is more of a late-2026 to 2027 event. The balance sheet also matters more post-merger: PEDEVCO ended 2025 with $3.2M of cash and $87.0M drawn on its revolver, with $98.0M drawn as of the 10-K filing, partly offset by $10.7M net derivative assets with hedges through October 2028. This mix supports a clearer path to cleaner margins, stronger cash generation, and a better multiple if execution follows.

Valuation: We use a DCF Model and a EV/EBITDA comp analysis to guide our valuation. Our DCF analysis produces a valuation range of $17.94 to $22.83 with a mid-point of $20.02. Our EV/EBITDA valuation results in a range of $15.00 to $25.65 with a mid-point of $20.32.

Business Overview

PEDEVCO Corp. is a U.S. onshore oil and gas exploration and production company focused on acquiring and developing oil-weighted, legacy producing assets where modern drilling, completion, and field management techniques have not yet been fully applied. The Company targets properties with long production histories, well-defined geology, and existing infrastructure, and seeks to enhance recoveries and capital efficiency through horizontal redevelopment and disciplined capital allocation.

Following the completion of the Juniper acquisition, which included the North Peak (NPOG) and Century transactions in 2025, PEDEVCO operates a diversified asset base across the Rocky Mountain region and the Permian Basin, with exposure to the Niobrara and Codell formations in the Denver-Julesburg Basin, multiple productive benches in the Powder River Basin (PRB), as wells as the San Andres formation in the Permian Basin. The portfolio includes a mix of operated and non-operated interests and is primarily oil focused. Post-merger, PEDEVCO has increased scale and a broader operating footprint, supported by a simple capital structure that includes senior secured debt and public equity.

Asset Overview

Denver-Julesburg Basin - Legacy & North Peak Assets

PEDEVCO's Denver-Julesburg Basin assets represent the Company's most important operating area and has long served as the foundation of its production and development story. Recently, the D-Jhas become PEDEVCO's primary asset, driving significant development activity, production growth, and capital investment, with the majority of the Company's production from 2022 through 2025 tied primarily to its D-J development program. That recent growth has established PEDEVCO's basin presence through mature producing properties, existing infrastructure, and operating familiarity.

The NPOG acquisition materially upgraded the quality and scale of that foundation, transforming the D-J from a Colorado-centric producing asset into PEDEVCO's core operating growth platform. The combined D-J position now offers a more attractive mix of characteristics, including a larger operating footprint, higher working interest, stronger control over development timing and capital allocation, meaningful near-term drilling visibility, and a multi-year inventory base. Management also highlights the basin's high oil content, low-cost well economics, multiple productive horizons, active offset operator activity, and ongoing joint development in the Colorado D-J as factors supporting both lower-risk development and continued organic growth. In addition, the Company continues to enhance the D-J position through leasing, pooling, acreage swaps, and bolt-ons to continue gaining operatorship.

As of December 31, 2025, PEDEVCO's combined D-J position totaled approximately 99,561 net leasehold acres, including roughly 76,845 net acres in Wyoming and 22,716 net acres in Colorado. More than 88% of the net acreage was located on private lands, approximately 70% was held by production, and the Company reported an average working interest of approximately 92% across its operated net D-J acreage, inclusive of net royalty acres. At year-end, PEDEVCO held interests in 184 gross (79.4 net) wells in the D-J, including 74 gross (66.9 net) operated wells and 110 gross (12.5 net) non-operated wells.

Powder River Basin – Century Assets (Wyoming)

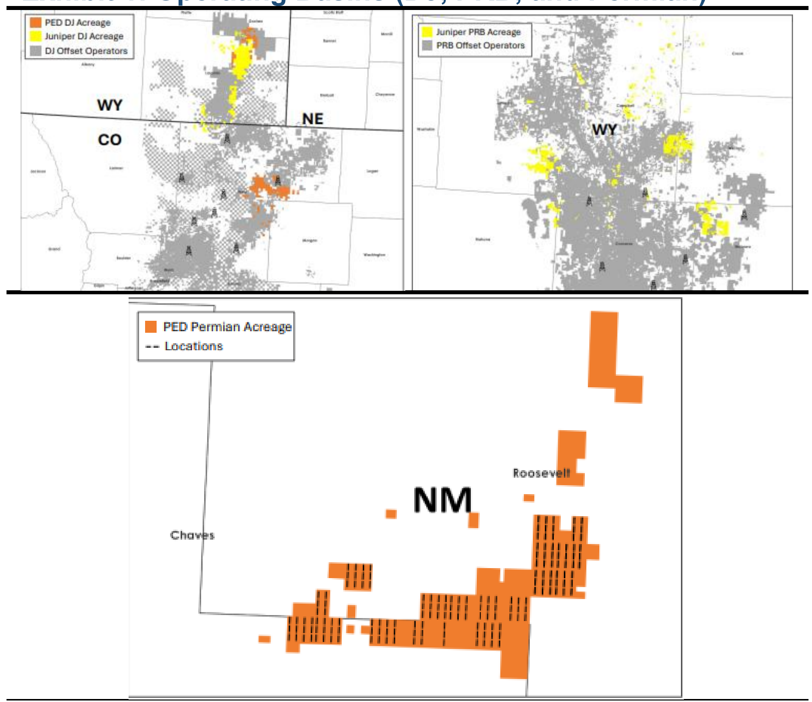
PEDEVCO's Powder River Basin assets expand the Company's Rockies footprint beyond the Denver-Julesburg Basin and provides a large-scale position with tremendous long-term optionality. While the D-J is expected to remain the primary near-term driver of production and cash flow, the PRB adds another meaningful development runway and represents a meaningful longer-dated inventory and development option beyond the D-J. The basin strengthens the portfolio through its scale, undeveloped inventory, and strategic flexibility, giving PEDEVCO another avenue for future capital deployment, reserve growth, and drilling activity.

The Century acquisition established PEDEVCO's PRB position and added a sizeable asset base with existing production and significant undeveloped acreage. Compared with the more mature and active D-J position, development in the PRB is expected to be more selective in the near term, but the basin's large inventory and longer-dated nature make it an important source of future upside and portfolio optionality.

As of December 31, 2025, PEDEVCO's Powder River Basin position totaled approximately 201,886 net leasehold acres in northeastern Wyoming. Approximately 53,222 net acres were held by production, with the remainder held primarily by production payment (suspense) or on primary term, and the Company reported an average working interest of approximately 76% across its operated net PRB acreage, inclusive of net royalty acres. At year-end, PEDEVCO held interests in 156 gross (135.4 net) wells in the basin, including 140 gross (134.1 net) operated wells and 16 gross (1.4 net) non-operated wells.

Permian Basin – Legacy San Andres Formation (New Mexico)

Exhibit 1: Operating Basins (DJ, PRB, and Permian)



Source: Company Reports

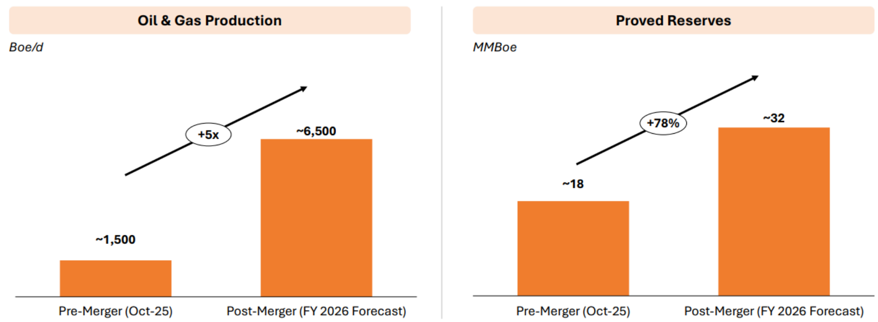
PEDEVCO's Permian Basin assets, located in Chaves and Roosevelt Counties, New Mexico, give the Company a meaningful operating footprint in a well-established oil basin anchored by legacy San Andres production. Strategically, the asset offers a lower-risk redevelopment opportunity supported by long-lived field history, full operatorship, and owned infrastructure. While the Permian is no longer the Company's primary growth focus following its expansion in the Rockies, it remains an asset that offers operational control, redevelopment upside, and capital allocation flexibility within the broader portfolio.

The asset is centered on the Chaveroo and Chaveroo Northeast fields, which have long production histories in the Permian Basin and provide a stable foundation for future redevelopment. Qualitatively, the position benefits from full operatorship, existing field infrastructure, injector and saltwater disposal capacity, and the potential to improve recoveries through modern drilling and completion techniques. Management has also indicated that the fields were historically developed with vertical wells on 40-acre spacing, leaving room for infill drilling and redevelopment on tighter spacing. That said, relative to PEDEVCO's much larger Rockies position, the Permian asset is more limited in scale and is therefore positioned as a secondary capital allocation opportunity rather than a primary driver of consolidated growth.

As of December 31, 2025, PEDEVCO held approximately 14,105 net acres in the Permian Basin in Chaves and Roosevelt Counties, New Mexico, all operated through its wholly owned subsidiary, Ridgeway Arizona Oil Corp. At year-end, the asset included interests in 38 gross (34.5 net) wells, consisting of 34 producing wells, two injection wells, and two saltwater disposal wells.

Growth Drivers

Exhibit 3: Merger Key Statistics



Source: Company Reports

The October 2025 combination with Juniper Capital Rockies represents a structural inflection point for PEDEVCO, repositioning the company from a sub-scale operator into a scaled, oil-weighted Rockies platform with meaningful production, reserve depth, and free cash flow capacity. Pro Forma the Company is expected to increase production by more than 3.5x, approximately 88% of which is liquid. This also brings the Company's net acres to over 300,000. We anticipate that this will have a significant positive impact on EBITDA generation. This step-change in scale materially enhances operating relevance, improves cost absorption, strengthens capital markets credibility, and provides the financial flexibility necessary to execute a disciplined growth strategy. The Company now possesses both the asset base and balance sheet required to compete for capital and acquisition opportunities in a consolidating sector.

A central pillar of the investment case is PEDEVCO's meaningful, oil-weighted reserve base and embedded development runway. At the end of FY25, proved reserves totaled approximately 32.1 MMBoe, comprised of roughly 72% oil and 85% total liquids, with a PV-10 value of approximately $358M. Importantly, a meaningful portion of the reserve value resides in proved undeveloped locations, creating a clear pathway for converting reserves into production and cash flow growth. The DJ Basin accounts for the majority of reserve value, supported by high-return Niobrara and Codell inventory. At the same time, the Permian contributes additional oil-weighted depth through the San Andres development program. This reserve composition provides tangible underlying asset support relative to enterprise value, while also anchoring multi-year organic growth potential.

Exhibit 4: Proved Reserves

		Proved Developed Producing	Proved Developed Non-Producing	Proved Developed	Proved Undeveloped	Total Proved
Net Reserves						
Oil	- Mbbl	11,871.9	372.0	12,243.9	10,742.4	22,986.3
Gas	- MMcf	12,675.1	395.1	13,070.2	15,713.3	28,783.5
NGL	- Mbbl	1,895.1	64.5	1,959.6	2,381.0	4,340.6
Net Revenue						
Oil	- M$	744,021.8	23,498.6	767,520.4	678,832.7	1,446,353.0
Gas	- M$	37,938.3	1,161.3	39,099.6	48,348.5	87,448.1
NGL	- M$	48,909.2	1,621.5	50,530.8	61,344.7	111,875.5
Severance Taxes	- M$	43,484.6	1,314.4	44,799.0	28,041.8	72,840.7
Ad Valorem Taxes	- M$	51,653.0	1,692.5	53,345.4	45,961.9	99,307.3
Future Production Costs	- M$	301,055.9	7,128.2	308,184.1	225,639.9	533,824.0
Future Development Costs	- M$	30,849.0	3,927.0	34,776.0	230,090.2	264,866.2
Net Operating Income (BFIT)	- M$	403,826.9	12,219.3	416,046.2	258,792.1	674,838.3
Discounted @ 10%	**- M$**	**249,586.3**	**7,832.7**	**257,419.0**	**100,282.3**	**357,701.2**

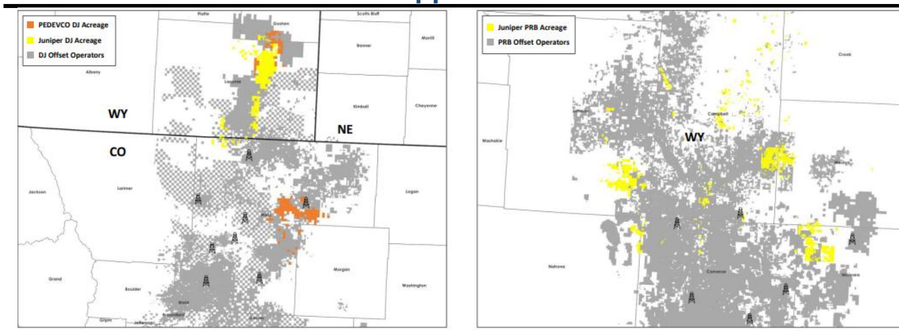
Souce: Company Reports Effective December 31, 2025

The asset portfolio is structured to deliver sustainable, capital-efficient organic growth across commodity cycles. The DJ Basin provides near-term drilling cadence and pad-scale development opportunities, particularly in Wyoming's oil-friendly regulatory environment, where permitting visibility and infrastructure access reduce execution risk. The Powder River Basin enhances longer-duration inventory optionality and positions the company within an increasingly active consolidation corridor. In the Permian, the Chaveroo San Andres field offers capital-efficient horizontal infill drilling supported by established infrastructure, including flowlines, SWD capacity, power access, and field-level operating control. This combination of short-cycle DJ inventory and lower-decline Permian production creates a balanced growth profile with both production acceleration and base stability.

Well-level economics reinforces the durability of the development thesis. DJ Niobrara wells demonstrate the ability to generate triple-digit internal rates of return under $70 WTI assumptions, supported by strong initial production rates and efficient capital intensity per lateral foot. Permian San Andres infill wells, while having lower peak rates, offer attractive returns with lower absolute capital requirements and a repeatable development geometry. These economics support rapid capital payback, strong early cash flow, and the ability to fund incremental development internally. As scale improves and pad efficiencies are realized, per-unit capital and operating costs should further compress, enhancing corporate-level margins and return on invested capital.

Beyond organic growth, the Rockies region remains highly fragmented, with numerous private operators and private equity-backed portfolios facing capital constraints, fund life pressures, and limited exit avenues. In this environment, PEDEVCO's public listing, expanded reserve-based lending capacity, and conservative leverage profile position the company as a natural consolidation vehicle. The NPOG and Century acquisitions establish a larger-scale operating and acreage foundation from which PEDEVCO can pursue accretive bolt-on opportunities that deepen inventory, increase working-interest concentration, and support growth in cash flow per share.

Exhibit 5: D-J and PR Basin Opportunities



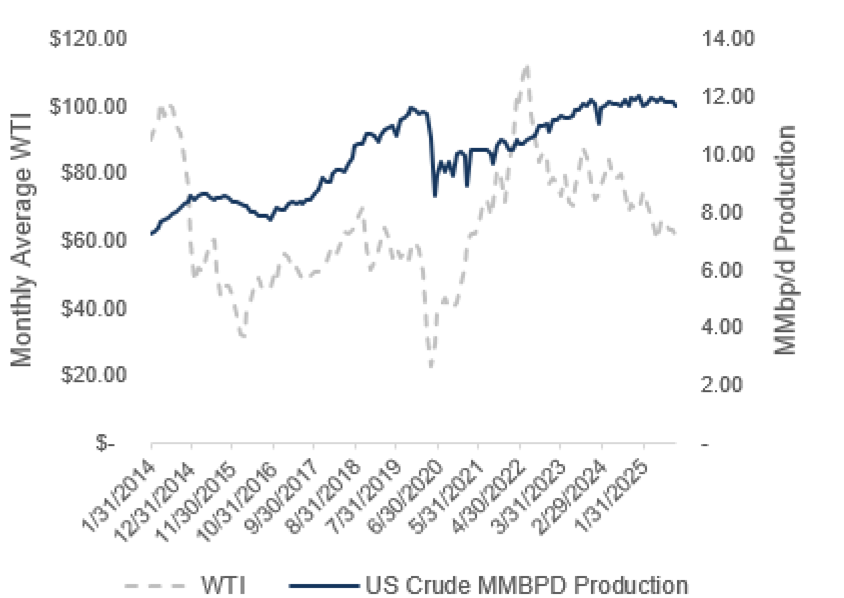
Source: Company Reports

Market Overview

U.S. Onshore Oil Fundamentals

Since 2014, the U.S. onshore oil sector has progressed through four distinct phases: the 2014-2016 commodity collapse, the 2017-2019 shale expansion, the 2020 COVID demand shock, and the post-2021 capital discipline era. WTI declined from over $100/bbl in 2014 to below $30/bbl in early 2016 before recovering into the $50-$70 range during the late-cycle shale expansion (Exhibit 6). Production accelerated materially during 2017-2019, driven by efficiency gains and multi-well pad development.

Exhibit 6: Monthly Avg. WTI vs. U.S. Crude Oil



Source: S&P Capital IQ

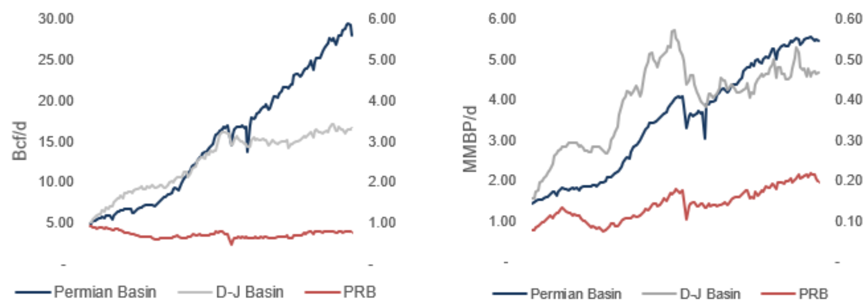
The 2020 COVID shock caused a sharp contraction in both pricing and production. However, the subsequent recovery differed structurally from prior upcycles. Despite WTI exceeding $100/bbl in 2022, U.S. operators broadly maintained capital discipline, prioritizing free cash flow generation, leverage reduction, and shareholder returns over aggressive volumetric growth. This decoupling of price and supply growth is visible in basin-level production trends relative to WTI.

PEDEVCO's Operating Markets

PEDEVCO's operating footprint spans the DJ Basin, Powder River Basin and Permian Basin, each positioned differently along the development cycle. Per CapIQ, the Permian Basin Market remains the dominant U.S. hydrocarbon basin, with oil production across the basin increasing from approximately 1.4 MMBp/d in 2014 to over 5.5 MMBp/d by 2025 and associated natural gas rising to nearly 30 Bcf/d. While production continues to expand, growth has moderated relative to earlier cycles, reflecting a mature, efficiency-driven basin that serves as a stable production anchor.

The DJ Basin represents a mid-scale, oil-weighted platform with visible capacity for incremental growth. Although production stabilized following regulatory changes in Colorado, oil output remains near .40 - .50 MMBp/d and gas near 3.0 - 3.5 Bcf/d, per CapIQ, supported by established infrastructure and a sizable resource base. With permitting activity normalizing, the basin offers steady, measured expansion potential.

Exhibit 7: Operating Markets Oil & Gas Growth 2014 - Present (Bcf/d & MMBP/d)



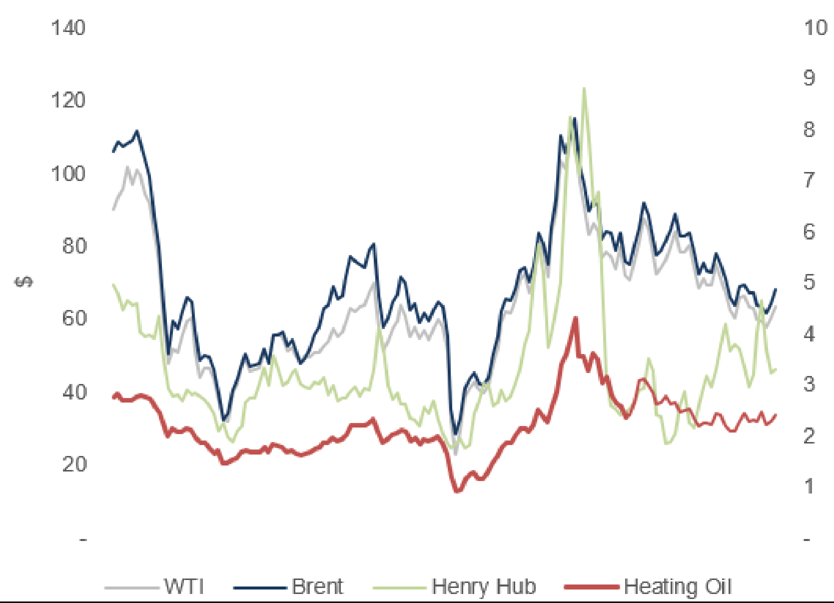
Source: S&P Capital IQ

The Powder River Basin provides the strongest relative growth profile from a smaller base. Oil production across the entire basin has increased from approximately 0.08 MMBp/d in 2014 to nearly 0.20 MMBp/d by 2025, per CapIQ, while gas volumes remain modest, reinforcing its oil-weighted economics. As a comparatively earlier-stage basin operating within a favorable Wyoming regulatory environment, the PRB offers meaningful development runway and positions DJ and PRB as the primary drivers of forward growth relative to the more mature Permian platform.

Crude and Natural Gas Pricing Dynamics

Hydrocarbon pricing remains the primary determinant of upstream cash flow across PEDEVCO's operating basins. Since 2014, crude benchmarks have exhibited pronounced cyclicality, including the 2015–2016 oversupply downturn and the 2020 demand shock, followed by a structurally stronger recovery supported by capital discipline, constrained global investment, and geopolitical risk. WTI and Brent have largely moved in tandem, with Brent maintaining a consistent premium reflective of international market exposure, and post-2021 price levels have generally supported disciplined reinvestment in oil-weighted plays. By contrast, Henry Hub natural gas prices have been more volatile and structurally weaker on an energy-equivalent basis, with periodic weather- and LNG-driven spikes often retracing amid robust U.S. supply growth. In this context, the asset base in the Permian, the DJ and Powder River basins provide more direct leverage to oil pricing, aligning PEDEVCO's margin sensitivity primarily with crude market fundamentals rather than gas price variability.

Exhibit 8: Monthly Avg. Benchmark Commodity (2014-Present)



Source: S&P Capital IQ

Risks

As with any investment, there are certain risks associated with PEDEVCO's operations as well as with the surrounding economic and regulatory environments common to the oil and gas exploration and production industry.

- Commodity prices heavily influence PEDEVCO's results, and the Company's production is primarily oil-weighted, increasing sensitivity to oil price movements. While hedging activities may reduce near-term exposure to price volatility, they do not eliminate commodity risk. They may introduce earnings volatility through mark-to-market adjustments on derivatives and through settlement timing.

- PEDEVCO's development activities are capital-intensive and depend on operating cash flow, access to capital, and commodity prices. Following recent acquisitions, the Company's capital structure includes secured debt and public equity, which may restrict financial flexibility, introduce refinancing risk, and result in potential dilution during periods of weaker commodity prices.

- The Company's expanded operating footprint following the North Peak and Century transactions requires effective integration of assets, personnel, and operational systems. Management has acknowledged that merger-related processes can affect development activity and production levels, and execution challenges could adversely impact operating performance and cash flow.

- Estimates of reserves, development inventory, and expected returns are inherently uncertain and based on assumptions regarding reservoir performance, costs, development timing, and commodity prices. A portion of the Company's reserves are proved undeveloped reserves and require substantial capital to convert to production, and actual results may differ materially from expectations.

- PEDEVCO operates in jurisdictions subject to evolving federal, state, and local regulations governing oil and gas development. Changes in permitting requirements, environmental regulations, or enforcement practices - particularly in the Rocky Mountain region - could increase costs, delay development timelines, or limit operational flexibility.

- The Company has asset retirement obligations associated with legacy and acquired assets, including inactive wells and remediation activities. Required plugging and abandonment expenditures could reduce available cash flow and increase financial obligations over time.

Valuation

DCF

Given PEDEVCO's materially larger post-Juniper asset base, visible cost optimization runway, and deep multi-basin inventory, we believe a DCF is an appropriate method to capture the longer-duration value of the platform. Our DCF assumes PED continues to scale revenue and EBITDA as the Company realizes greater benefit from recently turned-in-line wells, ongoing optimization projects, and disciplined development across its D-J, Powder River, and Permian positions. We also assume margin improvement over time as per-unit costs decline and overhead is absorbed across a larger production base.

Sensitivity Analysis:

Discount rate	Terminal Growth Rates: 0%	1%	2%	3%	4%
9.50%	$18.83	$20.13	$21.77	$23.93	$26.86
9.75%	$18.15	$19.36	$20.87	$22.83	$25.47
10.00%	$17.51	$18.63	$20.02	$21.81	$24.20
10.25%	$16.91	$17.94	$19.22	$20.86	$23.02
10.50%	$16.33	$17.29	$18.48	$19.98	$21.94

Our DCF analysis relies on a discount rate range of 9.75% to 10.25%, with a midpoint of 10.0%, and a range of terminal growth assumptions. This implies a valuation range of $17.94 to $22.83 with a midpoint of $20.02.

Comparison Analysis

PEDEVCO operates in a small-cap upstream universe where direct comparables are limited, particularly given its post-Juniper Rockies asset mix, inventory depth, and visible cost-out opportunity. As a result, our comp analysis uses a focused peer set of smaller oil-weighted E&Ps to frame where PED could trade as it demonstrates the normalized earnings power of the combined platform. In our view, PED still screens at a discount despite its larger reserve base, deeper runway, and improving margin profile.

Comparative Analysis
(all figures in M, expect per share information)

						EV/Revenue (2, 3)			EV/EBITDA (2, 3)			P/E (2, 3)		
Company Name	Symbol	Price (1)	Mrkt Cap	EV	BV/Share	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E
Amplify Energy Corp.	AMPY	$ 6.19	$ 255.4	$ 198.5	$ 11.27	1.22x	1.27x	1.03x	3.9x	5.6x	3.0x	4.4x	22.9x	7.0x
Evolution Petroleum Corpor	EPM	$ 4.56	$ 155.6	$ 206.8	$ 1.98	2.01x	2.58x	2.50x	5.6x	7.7x	8.2x	43.4x	N/A	912.0x
HighPeak Energy, Inc.	HPK	$ 7.05	$ 890.8	$ 1,922.5	$ 12.72	1.88x	2.39x	2.83x	2.8x	3.8x	4.3x	35.2x	N/A	N/A
Ring Energy, Inc.	REI	$ 1.56	$ 326.7	$ 749.0	$ 4.03	2.09x	2.59x	2.40x	3.0x	4.5x	4.1x	N/A	19.5x	8.7x
Riley Exploration Permian, I	REPX	$ 36.84	$ 794.5	$ 1,027.9	$ 29.20	2.37x	2.03x	1.79x	4.0x	3.6x	2.9x	3.5x	7.7x	5.2x
				Average	**$ 11.84**	**1.9x**	**2.2x**	**2.1x**	**3.9x**	**5.0x**	**4.5x**	**21.6x**	**16.7x**	**233.2x**
				Median	**$ 11.27**	**2.0x**	**2.4x**	**2.4x**	**3.9x**	**4.5x**	**4.1x**	**19.8x**	**19.5x**	**7.9x**
PEDEVCO Corp.	PED	$ 16.30	$ 216.8	$ 300.6	$ 42.54	0.9x	2.5x	2.4x	1.6x	4.6x	4.2x	-5.0x	10.3x	8.7x

(1) Previous day's closing price
(2) Estimates are from Capital IQ
(3) Forward estimates as of calendar year
Source: Company reports, CapitalIQ, Stonegate Capital Partners

We are using an EV/EBITDA framework to value PED. Given its transition into a larger, oil-weighted Rockies platform, we view EV/EBITDA as the most relevant market-based methodology, particularly as the Company works to demonstrate normalized earnings power. We believe 2027E EBITDA is the most appropriate forward period, as it better reflects a more normalized earnings base following integration, the fade of early post-merger flush production, and greater realization of cost optimization efforts. In our view, PED still screens at too steep a discount to peers despite greater scale, a larger reserve base, visible self-help opportunities, and a longer inventory runway.

EV/EBITDA			
2027E	**4.00x**	**5.00x**	**6.00x**
Adj EBITDA	70.8	70.8	70.8
TEV	283.3	354.1	424.9
Cash	3.2	3.2	3.2
Debt	87.0	87.0	87.0
Mrkt Cap	199.5	270.3	341.1
S/O	13.3	13.3	13.3
Price	**$ 15.00**	**$ 20.32**	**$ 25.65**

Therefore, we are using an EV/EBITDA range of 4.0x to 6.0x with a midpoint of 5.0x, which moves PED within peer range. This arrives at a valuation range of $15.00 to $25.65 with a midpoint of $20.32.

BALANCE SHEET

PEDEVCO Corp.
Consolidated Balance Sheets ($M)
Fiscal Year End: December

ASSETS	FY 2021	FY 2022	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025
Cash and cash equivalents	25.9	29.4	18.5	13.3	6.1	4.6	4.0	4.0	10.4	8.5	10.9	3.2	3.2
Note, receivable, current	-	-	0.0	0.1	0.2	0.2	0.3	0.3	0.5	-	-	-	-
Accounts receivable, current	1.8	2.4	5.8	6.7	8.6	5.3	8.0	8.0	11.8	8.6	5.0	25.7	25.7
Inventory	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1
Derivative Contract Assets	-	-	-	-	-	-	-	-	-	-	-	8.4	8.4
Prepaid expenses and other	0.3	0.2	0.3	0.2	0.1	0.8	0.9	0.9	0.8	0.6	0.2	0.4	0.4
Total Current Assets	**28.0**	**32.1**	**24.6**	**20.3**	**15.1**	**11.0**	**13.2**	**13.2**	**23.6**	**17.6**	**16.2**	**37.8**	**37.8**
Oil and gas properties, subject to amort.	63.9	79.4	81.9	87.5	85.2	92.2	95.1	95.1	93.6	96.2	93.4	-	-
Oil and gas properties, not subject to amort.	2.6	0.8	12.4	6.6	6.5	6.9	8.4	8.4	11.4	6.2	14.4	-	-
Oil and gas properties, net	-	-	-	-	-	-	-	-	-	-	-	322.3	322.3
Note receivable	-	-	1.1	1.1	1.0	1.0	0.9	0.9	0.8	-	-	-	-
Operating Lease - ROU asset	0.2	0.1	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.3	0.3	0.2	0.2
Derivative contract assets	-	-	-	-	-	-	-	-	-	-	-	9.6	9.6
Deferred income taxes	-	-	-	-	-	-	12.8	12.8	12.7	13.2	7.8	-	-
Other assets	3.5	3.8	2.4	2.5	2.9	3.0	3.2	3.2	3.4	3.3	3.8	6.0	6.0
Total Assets	**98.2**	**116.1**	**122.7**	**118.3**	**111.0**	**114.3**	**133.8**	**133.8**	**145.6**	**136.8**	**135.9**	**375.9**	**375.9**
LIABILITIES AND SHAREHOLDERS' EQUITY													
Accounts payable	2.6	1.6	6.6	12.1	1.7	1.3	2.6	2.6	3.5	5.8	10.3	32.4	32.4
Accrued expense	1.5	13.8	8.7	1.3	1.6	2.2	2.3	2.3	9.2	1.6	1.3	8.2	8.2
Revenue payable	0.9	1.0	3.4	1.9	1.3	1.3	1.3	1.3	3.4	2.5	2.2	21.5	21.5
Operating lease liabilities, current	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2
Derivative contract liabilities, current	-	-	-	-	-	-	-	-	-	-	-	1.0	1.0
Asset retirement obligations, current	0.0	0.5	0.1	0.2	0.4	0.4	0.7	0.7	0.7	0.6	0.6	1.2	1.2
Total Current Liabilities	**5.2**	**17.0**	**18.9**	**15.5**	**5.1**	**5.2**	**6.9**	**6.9**	**16.9**	**10.6**	**14.6**	**64.5**	**64.5**
Revolving credit facility	-	-	-	-	-	-	-	-	-	-	-	87.0	87.0
Operating lease liabilities, net of curr. Port.	0.1	-	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Derivative contract liabilities	-	-	-	-	-	-	-	-	-	-	-	6.4	6.4
Asset retirment obligations, net of curr. Port.	1.5	2.7	2.2	2.5	2.5	2.4	5.7	5.7	6.8	5.5	5.8	7.6	7.6
Deferred income taxes	-	-	-	-	-	-	-	-	-	-	-	0.8	0.8
Other long-term liabilities	-	-	-	-	-	-	-	-	-	-	-	2.2	2.2
Total Liabilities	**6.7**	**19.7**	**21.3**	**18.3**	**7.8**	**7.8**	**12.7**	**12.7**	**23.9**	**16.2**	**20.5**	**168.5**	**168.5**
Series A preferred stock	-	-	-	-	-	-	-	-	-	-	-	17.0	17.0
Common Stock	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Additional-Paid-In-Capital	221.0	223.1	225.2	225.6	226.1	226.6	227.0	227.0	227.5	228.1	228.6	312.2	312.2
Accumulated Defecit	(129.6)	(126.7)	(123.8)	(125.7)	(123.0)	(120.1)	(106.0)	(106.0)	(105.9)	(107.5)	(113.4)	(121.9)	(121.9)
Total Parent Net Equity	**91.5**	**96.5**	**101.5**	**100.0**	**103.2**	**106.5**	**121.1**	**121.1**	**121.7**	**120.7**	**115.4**	**207.4**	**207.4**
Total Liabilities and Shareholders' Equity	**98.2**	**116.1**	**122.7**	**118.3**	**111.0**	**114.3**	**133.8**	**133.8**	**145.6**	**136.8**	**135.9**	**375.9**	**375.9**

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

PEDEVCO Corp.
Consolidated Statements of Income (in $M, except per share amounts)
Fiscal Year End: December

	FY 2022	FY 2023	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 E Mar-26	Q2 E Jun-26	Q3 E Sep-26	Q4 E Dec-26	FY 2026E	Q1 E Mar-27	Q2 E Jun-27	Q3 E Sep-27	Q4 E Dec-27	FY 2027E
Oil and Gas Sales	$ 30.0	$ 30.8	$ 39.6	$ 8.7	$ 7.0	$ 7.0	$ 23.1	$ 45.8	$ 38.7	$ 36.2	$ 24.7	$ 22.0	$ 121.6	$ 33.6	$ 34.0	$ 31.9	$ 27.9	$ 127.4
Total Revenues	**30.0**	**30.8**	**39.6**	**8.7**	**7.0**	**7.0**	**23.1**	**45.8**	**38.7**	**36.2**	**24.7**	**22.0**	**121.6**	**33.6**	**34.0**	**31.9**	**27.9**	**127.4**
Lease Operating Costs	10.4	9.8	12.4	3.4	2.8	2.1	10.8	19.1	12.3	11.6	9.6	9.4	42.9	12.0	12.2	11.5	10.1	45.8
SGnA	5.9	6.0	6.4	1.6	1.7	1.5	12.0	16.8	5.0	4.8	4.5	4.3	18.5	4.0	4.0	4.0	4.0	16.0
Impairment of Oil and Gas Properties	-	-	-	0.2	0.5	0.2	0.0	0.9	-	-	-	-	-	-	-	-	-	-
D&A	11.2	9.4	15.9	3.3	3.9	4.0	6.8	18.0	6.8	6.8	6.8	6.8	27.2	6.8	6.8	6.8	6.8	27.2
Total Operating Expenses	27.4	25.3	34.8	8.6	8.9	7.8	29.6	54.8	24.1	23.2	20.9	20.5	88.7	22.8	23.0	22.3	20.9	89.0
Other Expenses																		
Gain/Loss on Sale of O&G Properties	-	(4.3)	(0.1)	-	1.0	-	1.6	2.6	-	-	-	-	-	-	-	-	-	-
Note Receivable	-	-	-	-	(1.4)	-	-	(1.4)	-	-	-	-	-	-	-	-	-	-
Operating Income	**2.6**	**1.2**	**4.7**	**0.2**	**(2.2)**	**(0.8)**	**(4.9)**	**(7.9)**	**14.7**	**13.0**	**3.8**	**1.5**	**32.9**	**10.8**	**10.9**	**9.6**	**7.0**	**38.3**
Interest Income	0.1	0.4	0.4	0.1	0.1	0.1	0.1	0.3	0.1	0.1	0.1	0.1	0.3	0.1	0.1	0.1	0.1	0.3
Interest Expense	-	-	-	-	-	(0.1)	(1.3)	(1.4)	(1.3)	(1.3)	(1.3)	(1.2)	(5.1)	(1.2)	(1.2)	(1.2)	(1.2)	(4.9)
Gain on Sale of Fixed Asset	-	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Gain on Derivative Contracts	-	-	-	-	-	-	6.3	6.3	-	-	-	-	-	-	-	-	-	-
Other gains/loses	0.1	0.0	(0.0)	0.0	0.0	0.4	0.0	0.4	-	-	-	-	-	-	-	-	-	-
Profit Before Taxes	**2.8**	**1.7**	**5.0**	**0.2**	**(2.2)**	**(0.5)**	**0.1**	**(2.3)**	**13.4**	**11.8**	**2.6**	**0.3**	**28.1**	**9.6**	**9.8**	**8.4**	**5.9**	**33.7**
Provision for Income Tax	-	-	12.8	(0.1)	0.5	0.2	(8.6)	(8.1)	(3.4)	(2.9)	(0.6)	(0.1)	(7.0)	(2.4)	(2.4)	(2.1)	(1.5)	(8.4)
Net Income To Common	**2.8**	**1.7**	**17.8**	**0.1**	**(1.7)**	**(0.3)**	**(8.5)**	**(10.4)**	**10.1**	**8.8**	**1.9**	**0.2**	**21.1**	**7.2**	**7.3**	**6.3**	**4.4**	**25.3**
Basic EPS	**$ 0.03**	**$ 0.02**	**$ 0.20**	**$ 0.00**	**$ (0.02)**	**$ (0.00)**	**$ (0.09)**	**$ (2.25)**	**$ 0.76**	**$ 0.66**	**$ 0.14**	**$ 0.02**	**$ 1.58**	**$ 0.54**	**$ 0.54**	**$ 0.47**	**$ 0.32**	**$ 1.87**
Diluted EPS	**$ 0.03**	**$ 0.02**	**$ 0.20**	**$ 0.00**	**$ (0.02)**	**$ (0.00)**	**$ (0.09)**	**$ (2.25)**	**$ 0.76**	**$ 0.66**	**$ 0.14**	**$ 0.02**	**$ 1.58**	**$ 0.54**	**$ 0.54**	**$ 0.47**	**$ 0.32**	**$ 1.87**
WTD Shares Out - Basic	85.8	87.3	89.2	90.9	91.4	92.2	92.3	4.6	13.3	13.3	13.4	13.4	13.4	13.4	13.6	13.6	13.6	13.5
WTD Shares Out - Diluted	85.8	87.3	89.2	90.9	91.4	92.2	92.3	4.6	13.3	13.3	13.4	13.4	13.4	13.4	13.6	13.6	13.6	13.5
EBITDA	**14.0**	**11.1**	**21.0**	**3.6**	**1.7**	**3.6**	**8.2**	**17.1**	**21.5**	**19.9**	**10.6**	**8.4**	**60.4**	**17.7**	**17.8**	**16.5**	**13.9**	**65.8**
Adjusted EBITDA	**$ 16.1**	**$ 17.5**	**$ 22.9**	**$ 4.3**	**$ 3.0**	**$ 4.3**	**$ 15.4**	**$ 27.0**	**$ 22.7**	**$ 21.0**	**$ 11.8**	**$ 9.5**	**$ 64.9**	**$ 18.9**	**$ 19.1**	**$ 17.7**	**$ 15.1**	**$ 70.8**
Margin Analysis																		
Operating Margin	8.8%	4.0%	11.9%	1.7%	-32.2%	-12.0%	-21.3%	-17.2%	37.9%	35.9%	15.2%	6.8%	27.1%	32.2%	32.2%	30.1%	25.0%	30.1%
EBITDA Margin	53.6%	56.7%	57.8%	48.9%	43.5%	62.1%	66.7%	59.1%	58.5%	58.0%	47.6%	43.2%	53.4%	56.3%	56.1%	55.5%	54.2%	55.6%
Pre-Tax Margin	9.5%	5.5%	12.7%	2.5%	-31.1%	-7.0%	0.6%	-5.0%	34.7%	32.6%	10.4%	1.4%	23.1%	28.7%	28.8%	26.5%	21.0%	26.5%
Net Income Margin	9.5%	5.5%	45.0%	1.6%	-24.0%	-4.7%	-36.8%	-22.6%	26.0%	24.4%	7.8%	1.1%	17.3%	21.5%	21.6%	19.8%	15.7%	19.9%
Tax Rate	0.0%	0.0%	253.1%	-35.2%	-22.6%	-33.5%	-6540.2%	349.2%	-25.0%	-25.0%	-25.0%	-25.0%	-25.0%	-25.0%	-25.0%	-25.0%	-25.0%	-25.0%
Growth Rate Y/Y																		
Total Revenue	89.4%	2.5%	28.5%	7.6%	-41.0%	-23.1%	118.2%	15.7%	343.4%	418.8%	254.5%	-4.8%	165.7%	-13.1%	-6.1%	29.2%	26.9%	4.8%
Operating Expenses	40.3%	-7.8%	37.5%	14.3%	-3.4%	12.1%	166.0%	57.7%	180.3%	161.8%	168.3%	-30.8%	61.7%	-5.2%	-0.8%	6.6%	2.1%	0.4%
Operating Income	-240.9%	-53.0%	281.3%	-75.7%	-185.1%	-129.5%	259.9%	-266.5%	9678.5%	-678.5%	-551.1%	-130.2%	-518.9%	-26.2%	-15.7%	154.7%	368.6%	16.5%
Pre-Tax Income	-318.9%	-40.3%	196.5%	-72.1%	-180.8%	-116.8%	-109.9%	-145.8%	6125.8%	-643.7%	-626.1%	138.5%	-1318.5%	-28.2%	-16.9%	228.0%	1758.4%	20.0%
Net Income	-318.9%	-40.3%	947.0%	-81.9%	-162.5%	-111.1%	-174.4%	-158.2%	7104.2%	-627.0%	-693.7%	-102.8%	-303.5%	-28.2%	-16.9%	228.0%	1758.4%	20.0%

Source: Company Reports, Stonegate Capital Partners estimates

CASH FLOW STATEMENT

PEDEVCO Corp.
Consolidated Cash Flow Statements ($M)
Fiscal Year End: December

CASH FLOW	FY 2021	FY 2022	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025
Operating Activities													
Net Income	(1.3)	2.8	1.7	0.8	2.7	2.9	11.4	17.8	0.1	(1.7)	(0.3)	(8.5)	(10.4)
Depreciation, depletion, amortization and accretion	7.4	11.2	9.4	3.5	4.2	3.1	5.1	15.9	3.3	3.9	4.0	6.8	18.0
Impairment of oil and gas properties	-	-	-	-	-	-	-	-	0.2	0.5	0.2	0.0	0.9
Note receivable - credit loss	-	-	-	-	-	-	-	-	-	1.4	-	-	1.4
Amortization of right-of-use asset	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.2
Amortization of deferred financing costs	-	-	-	-	-	-	-	-	-	-	0.1	0.2	0.3
Share-based compensation expense	2.5	2.1	2.0	0.5	0.5	0.5	0.5	1.9	0.5	0.5	0.5	1.3	2.8
Unrealized gain on derivatives, net	-	-	-	-	-	-	-	-	-	-	-	(6.3)	(6.3)
Cash received on derivative settlements, net	-	-	-	-	-	-	-	-	-	-	-	2.1	2.1
Disposition of escrow cash account	-	-	-	-	(0.1)	0.1	-	0.1	-	-	-	-	-
Deferred Income taxes	-	-	-	-	-	-	(12.8)	(12.8)	0.1	(0.5)	(0.2)	8.6	8.1
Gain/loss on sale of oil and gas properties, net	(1.8)	-	4.3	-	-	(0.7)	0.8	0.1	-	(1.0)	-	(1.6)	(2.6)
Gain on disposal of fixed asset and other	(0.4)	-	-	(0.0)	-	-	-	(0.0)	-	-	-	-	-
Cash Flow from operating activities before working capital changes	**6.5**	**16.2**	**17.6**	**4.7**	**7.4**	**5.8**	**5.1**	**23.0**	**4.3**	**3.1**	**4.4**	**2.7**	**14.5**
Decrease/(Increase) in Accounts receivable - oil and gas	(1.1)	(0.6)	(3.4)	(0.9)	(1.9)	3.3	(2.6)	(2.1)	(3.9)	3.2	3.6	(7.9)	(5.0)
Inventory	-	-	-	-	-	-	-	-	-	-	-	(0.1)	(0.1)
Increase/ (Decrease) Note receivable accrued interest	-	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	-	-	-	(0.0)
Decrease/(Increase) Prepaid expenses and other current assets	(0.3)	0.1	(0.0)	0.1	0.1	(0.7)	(0.1)	(0.7)	0.1	0.3	(0.4)	(0.8)	(0.9)
Decrease/(Increase) Accounts payable	(0.4)	(0.2)	(0.0)	(0.1)	(0.3)	(0.7)	1.6	0.5	(3.2)	0.9	9.5	(5.0)	2.3
Decrease/(Increase) Accrued Interest	1.2	0.4	7.0	(6.6)	0.0	0.6	0.2	(5.9)	6.4	(6.9)	(9.4)	8.8	(1.1)
Other long term liabilities	-	-	-	-	-	-	-	-	-	-	-	(0.0)	(0.0)
Decrease/(Increase) Revenue payable	0.1	0.1	2.4	(1.5)	(0.6)	(0.0)	0.0	(2.1)	2.2	(1.0)	(0.3)	0.1	1.1
Cash flow generated/(absorbed) from operating Activities	**6.0**	**16.0**	**23.5**	**(4.3)**	**4.6**	**8.3**	**4.2**	**12.8**	**5.9**	**(0.4)**	**7.4**	**(2.1)**	**10.8**
Investing Activities													
Cash paid for merger and acquisition costs	-	-	-	-	-	-	-	-	-	-	-	(115.6)	(115.6)
Cash paid for drilling and completion costs	(4.6)	(12.3)	(35.0)	(0.9)	(11.4)	(10.8)	(4.7)	(27.9)	(1.4)	(2.3)	(5.2)	(11.6)	(20.5)
Cash received for sale of oil and gas property	1.9	-	0.4	-	-	1.1	0.0	1.1	2.0	0.6	0.3	0.0	2.9
Cash received for sale of vehicle	-	-	-	0.0	-	-	-	0.0	-	-	-	-	-
Cash paid for vehicle	-	-	-	(0.1)	-	(0.0)	0.1	-	-	-	-	-	-
Cash received from security deposit reimbursement	-	(0.0)	0.0	-	-	-	-	-	-	-	-	-	-
Cash paid for property and equipment	(0.0)	-	(0.0)	-	-	-	(0.2)	(0.2)	-	-	-	-	-
Cash paid for issuance of note receivable	-	-	(1.1)	-	-	-	-	-	-	-	-	-	-
Cash flow generated by Investing Activities	**(2.8)**	**(12.3)**	**(35.7)**	**(0.9)**	**(11.4)**	**(9.8)**	**(4.8)**	**(26.9)**	**0.6**	**(1.7)**	**(4.9)**	**(127.2)**	**(133.2)**
Financing Activities													
Proceeds from credit facility	-	-	-	-	-	-	-	-	-	-	-	87.0	87.0
Proceeds from the issuance of convertible preferred stock	-	-	-	-	-	-	-	-	-	-	-	35.0	35.0
Proceeds from issuance of shares, net of offering costs	14.7	0.0	-	-	-	-	-	-	-	0.1	-	-	0.1
Cash flow generated/(absorbed) by financing Activities	**14.7**	**0.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.1**	**-**	**122.0**	**122.1**
Net Cash flow in the year	**17.9**	**3.8**	**(12.3)**	**(5.2)**	**(6.8)**	**(1.5)**	**(0.6)**	**(14.1)**	**6.6**	**(1.9)**	**2.5**	**(7.3)**	**(0.3)**
Cash and Cash Equivalents													
Beginning Cash balance	11.3	29.2	33.0	20.7	15.5	8.7	7.2	20.7	6.6	13.2	11.2	13.7	6.6
Ending Cash balance	29.2	33.0	20.7	15.5	8.7	7.2	6.6	6.6	13.2	11.2	13.7	6.3	6.3

Source: Company Reports, Stonegate Capital Partners

IMPORTANT DISCLOSURES AND DISCLAIMER

(a) The research analyst and/or a member of the analyst's household do not have a financial interest in the debt or equity securities of the subject company.
(b) The research analyst responsible for the preparation of this report has not received compensation that is based upon Stonegate's investment banking revenues.
(c) Stonegate or any affiliate have not managed or co-managed a public offering of securities for the subject company in the last twelve months, received investment banking compensation from the subject company in the last 12 months, nor expects or receive or intends or seek compensation for investment banking services from the subject company in the next three months.
(d) Stonegate Capital Partners has a contractual agreement with the subject company to provide research services, investor relations support, and investor outreach. SCP receives a monthly retainer for these non-investment banking services.
(e) Stonegate or its affiliates do not beneficially own 1% or more of any class of common equity securities of the subject company.
(f) Stonegate does not make a market in the subject company.
(g) The research analyst has not received any compensation from the subject company in the previous 12 months.
(h) Stonegate, the research analyst, or associated person of Stonegate with the ability to influence the content of the research report knows or has reason to know of any material conflicts of interest at the time of publication or distribution of the research report.
(i) No employee of Stonegate has a position as an officer or director of the subject company.

Ratings - Stonegate does not provide ratings for the covered companies.
Distribution of Ratings - Stonegate does not provide ratings for covered companies.
Price Chart - Stonegate does not have, nor has previously had, a rating for its covered companies.
Price Targets - Stonegate does not provide price targets for its covered companies. However, Stonegate does provide valuation analysis.

Regulation Analyst Certification:
I, Dave Storms, CFA, hereby certify that all views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this report.

For Additional Information Contact:
Stonegate Capital Partners, Inc.
Dave Storms, CFA
Dave@stonegateinc.com
214-987-4121