



ANNUAL REPORT 2023

The board of directors' report 2023 for Deep Value Driller AS

Operations and locations

Mission: Drill ship investment and operation.

The Group includes, in addition to Deep Value Driller AS, the following subsidiaries:

Deep Value Driller Holding Ltd

Deep Value Driller Ltd

Deep Value Driller AS holds office address in Oslo, while the drill ship is operated from Deep Value Driller Ltd in Malta. Svend A. Maier is employed as CEO in Deep Value Driller Ltd in Malta, while for the time being there are no employees in Deep Value Driller AS. The company's asset, the drill ship Deep Value Driller, is owned and operated by Deep Value Driller Ltd in Malta.

The drill ship was throughout 2022 warm stacked on the Westcoast of Norway. Waiting for a contract the drillship was maintained, and slowly being prepared for reactivation.

23 February 2023 the company announced a bareboat charter for the drilling vessel Deep Value Driller. After a 7-month intensive recertification activity, the Drillship was delivered to the charterer Saipem 8. September 2023. The drill ship left the shipyard in Norway and since 1. November 2023 has been in full operation outside the West Coast of Africa.

Comments related to the financial statements

The Group income at USD 12.6 million originates from contractual daily rates for the mobilization period in September and October 2023, and from the full operational daily rates as from 1. November 2023. Group operational costs of USD 27.4 million last year is partly costs equivalent to warm stacking, partly non-investment costs in connection with recertification activities, and running operational costs of the three legal company units.

Group cash balance USD 0.1 million beginning of year increased end of year to USD 11.9 million.

Fixed assets end of year is USD 121.1 million, of which USD 60.7 million is remaining book value from acquisition, and USD 60.4 million is capitalized classification costs from recertification activities during 2023.

The Group's current liabilities at yearend is USD 31.6 million of which USD 7.5 million is short term loan from shareholders and USD 16.4 are trade payables. Long-term debt at yearend is USD 77.0 million, of which mainly liability to financial institution USD 75.0 million.

Total assets yearend amounted to USD 141.6 million, and equity USD 33.0 million which equals equity ratio 23%.

Treasury stock

We refer to note 8 for further information on changes in the holdings of treasury stock.

Future events

The drillship Deep Value Driller is in full operation outside the West Coast of Africa under a bare boat contract with Saipem for 11 wells. Saipem has on certain terms and conditions the right to prolong the Charter for additional 6 wells. The Board will in due time initiate identification and evaluation of alternatives following today's contract.

Financial risk

In February 2023 Deep Value Driller Ltd. entered into a USD 75.0 million loan facility agreement with a reputable private lender. In March 2024 this loan was upsized by USD 50.0 million to repay a shareholder's loan, cover the remaining part of recertification costs and to fast track the payment of dividends to shareholders.

Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the year 2024 and the Group's long-term strategic forecasts. The Group's economic and financial position is sound.

Allocation of net income

The Board of Directors has proposed the net profit/loss of Deep Value Driller AS to be allocated to:

Retained Earnings / loss 1 910 137 USD

Net income allocated 1 910 137 USD

The working environment and the employees

The company has one employee.

No incidences or reporting of work-related accidents resulting in significant material damage or personal injury occurred during the year.

Equal opportunities and discrimination

There is one employee in the company.

The company is facilitating a working place for many people employed by sub suppliers, and the company has a principal policy to support equal rights across nationality, gender, and age.

Environmental responsibility

The company has established an Environmental Protection Policy, as a part of a Safety Management Manual.

We aim to conduct our business in a professional and safe manner and to meet the requirements of ISM, applicable laws, rules, regulations, Flag State requirements and governing agreements. By doing so, we believe we reduce the risk of incidents and consequent or potential hazardous situation.

There shall be a continual improvement process by setting targets and goals which may be revised and optimized from time to time with a view to reduce the environmental risk.

All our employees and partners are encouraged to take interest in environment, health, and the best possible utilization of natural resources.

Insurance for board members and CEO

Insurance for board members and CEO is established.

Information about shareholders


The company is listed on Euronext Growth Oslo.

Corporate Governance Statement

The company is a single asset, single employee, investment operation. Corporate governance is managed through detailed contracts with major sub suppliers for vessel maintenance, activation, legal, accounting and auditor; to act in accordance with national and local law, and Euronext Growth regulations.

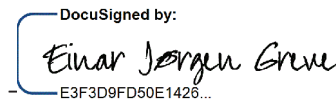
Being a global player with a variety of different possible partners and customers, the Board of Directors has signed and implemented an anti-bribery and -corruption policy in the company.

Oslo, 29. April 2022

DocuSigned by:

E85F7B62A2D044D...


Svend Anton Maier

CEO

DocuSigned by:

E3F3D9FD50E1426...


Einar J. Greve

Chairman

DocuSigned by:

3EA894E7E5224CA...

Gunnar Hvammen

Board member

DocuSigned by:

DF6DFE8175DC42C...

Glen Ole Rødland

Board member

Financial statements 2023

Income statement

Balance sheet

Cashflow statement

Notes

Board of directors' report

Independent auditors report

Deep Value Driller Group

Deep Value Driller AS (Norway)

Deep Value Driller Holding Ltd (Malta)

Deep Value Driller Ltd (Malta)

Income statement

Amounts in USD		Deep Value Driller AS		Deep Value Driller Group	
	Note	2023	2022	2023	2022
Daily rate	2	-	-	11 226 667	-
Other income	2	440 295	207 088	1 405 471	-
Total Income		440 295	207 088	12 632 138	-
Operational cost		(2 154)	-	(18 841 461)	(7 714 993)
Employee benefits expense	3	(67 679)	(160 304)	(1 011 496)	(826 962)
Depreciation and amortization	4	(4 449)	(4 214)	(5 983 438)	(2 886 891)
Other expenses		(692 682)	(399 759)	(1 544 418)	(1 474 705)
Total expenses		(766 964)	(564 278)	(27 380 812)	(12 903 552)
Operating profit (loss)		(326 669)	(357 190)	(14 748 674)	(12 903 552)
Financial income and expenses					
Financial income		92 051	182 857	2 033 238	183 480
Interest from group companies	5	5 336 198	3 035 105	-	-
Financial expenses		(1 877 843)	(702 301)	(10 360 299)	(700 563)
Net financial items		3 550 406	2 515 660	(8 327 061)	(517 083)
Net profit (loss) before tax		3 223 737	2 158 471	(23 075 735)	(13 420 636)
Income tax expense	6	(1 226 932)	(1 542 524)	(1 226 932)	(1 542 524)
Net profit (loss) after tax	7	1 996 806	615 947	(24 302 667)	(14 963 160)
Allocation of net result					
Transferred to retained earnings		1 996 806	615 947	-24 302 667	14 963 160

Balance sheet

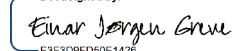
Amounts in USD		Deep Value Driller AS		Deep Value Driller Group	
Assets	Note	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Non-current assets					
Intangible assets					
Concessions, patents, licences	4	4 270	6 037	4 270	6 037
Total intangible assets		4 270	6 037	4 270	6 037
Property, plant and equipment					
Ships	4	-	-	60 678 856	63 561 533
Capitalised class costs	4	-	-	60 425 188	-
Equipment and other movables	4	1 305	3 987	1 305	3 987
Total property, plant and equipment		1 305	3 987	121 105 349	63 565 520
Non-current financial assets					
Shares in subsidiaries	8	1 413	1 413	-	-
Loan to group companies	5	68 663 387	68 663 387	-	-
Total non-current financial assets		68 664 800	68 664 800	-	-
Total fixed assets		68 670 375	68 674 824	121 109 618	63 571 557
Current assets					
Inventories	9	-	-	1 514 200	865 530
Debtors					
Other short-term receivables		22 428	496 656	7 008 116	743 253
Receivables from group companies	5	22 854 476	18 320 796	-	-
Total receivables		22 876 904	18 817 452	7 008 116	743 253
Cash and cash equivalents	10	147 245	108 138	11 931 255	108 138
Total current assets		23 024 149	18 925 590	20 453 570	1 716 921
Total assets		91 694 524	87 600 414	141 563 188	65 288 478

Balance sheet

Amounts in USD		Deep Value Driller AS		Deep Value Driller Group	
Equity and liabilities	Note	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Equity					
Paid-in capital					
Share capital	7,11	1 019 177	1 019 177	1 019 177	1 019 177
Treasury stock	7,11	(3 519)	(3 519)	(3 519)	(3 519)
Share premium reserve	7	82 209 233	82 209 233	82 209 233	82 209 233
Other paid-up equity	2,7,12	383 146	323 830	383 146	323 830
Total paid-up equity		83 608 037	83 548 722	83 608 037	83 548 722
Retained earnings					
Other equity	7,11	3 519	3 519	3 519	3 519
Uncovered loss	7	(2 441 680)	(4 438 485)	(51 388 791)	(27 086 124)
Total retained earnings		(2 438 160)	(4 434 966)	(51 385 272)	(27 082 605)
Total equity		81 169 877	79 113 756	32 222 766	56 466 117
Liabilities					
Long-term liabilities					
Deferred tax liabilities	6	2 365 486	1 542 524	2 365 486	1 542 524
Long-term liabilities to financial institutions	13	-	-	75 000 000	-
Total Long-term liabilities		2 365 486	1 542 524	77 365 486	1 542 524
Current liabilities					
Short-term liabilities to financial institutions	13	-	6 000 000	-	6 000 000
Trade payables		28 871	834 507	16 409 420	834 507
Payable tax	6	403 970	-	403 970	-
Other current liabilities		161 568	109 627	7 661 547	445 329
Shareholder loan	13	7 500 000	-	7 500 000	-
Payables to group companies	5	64 752	-	-	-
Total current liabilities		8 159 161	6 944 134	31 974 936	7 279 836
Total liabilities		10 524 647	8 486 658	109 340 423	8 822 360
Total equity and liabilities		91 694 524	87 600 414	141 563 188	65 288 477

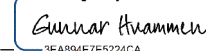
Oslo 29 April 2024, Board of Deep Value Driller AS

DocuSigned by:


E3F3D9FD50E1426...

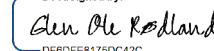
Einar J. Greve, Chairman of the board

DocuSigned by:


3EA894E7E5224CA...

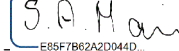
Gunnar Hvammen, Member of the board

DocuSigned by:


DF6DFE8175DC42C...

Glen Ole Rødland, Member of the board

DocuSigned by:


E85F7B62A2D044D...

Svend Anton Maier, General Manager

Cashflow

Amounts in USD	Deep Value Driller AS		Deep Value Driller Group	
	2023	2022	2023	2022
Cash flow from operating activities				
Profit (loss) before tax	3 223 737	2 158 471	(23 075 735)	(13 420 636)
Depreciation and amortization	4 449	4 214	5 983 438	2 886 891
Changes in:				
inventories	-	-	(648 670)	(232 458)
other short-term receivables	474 228	(60 546)	(6 264 863)	(307 143)
accounts receivable	(4 533 680)	(13 179 542)	-	-
accounts payable	(805 636)	(360 090)	15 574 913	(463 557)
other accrual items	116 693	41 384	7 216 218	140 793
Net cash flows from operating activities	(1 520 208)	(11 396 109)	(1 214 699)	(11 396 109)
Cash flow from investment activities				
Acquisition of tangible assets	-	(1 643)	(63 521 500)	(1 643)
Net cash flows from investment activities	-	(1 643)	(63 521 500)	(1 643)
Cash flow from financing activities				
Proceeds from equity	59 316	473 387	59 316	473 387
Short-term liabilities to financial institutions & Shareholders	7 500 000	6 000 000	7 500 000	6 000 000
Repayment of short-term liabilities to financial institutions & Shareholders	(6 000 000)	-	(6 000 000)	-
Long-term liabilities to financial institutions	-	-	75 000 000	-
Net cash flow from financing activities	1 559 316	6 473 387	76 559 316	6 473 387
Net change in cash and cash equivalents	39 108	(4 924 365)	11 823 117	(4 924 365)
Cash and cash equivalents at the end of period	147 245	108 138	11 931 255	108 138

Note 1 Accounting principles

at 31 December 2023

1. Reporting Entity

The registered address of Deep Value Driller AS is Munkedamsveien 45F 8th floor, 0250 Oslo, Norway. The purpose of the company is contracting, managing, and owning drilling rigs.

The company was founded 4 January 2021.

2. Basis of preparation

Consolidation

The group accounts include Deep Value Driller AS and companies where Deep Value Driller AS has a controlling influence. Controlling influence is normally achieved when the group owns more than 50% of the shares in the company and the group is in a position to exercise actual control over the company. Transactions and receivables between companies in the group have been eliminated. The group accounts have been prepared applying uniform principles, in that the subsidiary follows the same accounting principles as the parent company.

Statement of compliance

The financial statements have been prepared in compliance with the provisions laid down in the Norwegian Accounting Act and generally accepted accounting principles in Norway.

The proposed yearly accounts were approved by the Board of Directors on the date that is shown in the signed Balance Sheet.

Basis of measurement

The company's financial statements have been prepared on the historical cost basis.

Functional and presentation currency

The financial statements are presented in USD, which is the company's functional currency. The exchange rate as at 31 December 2023 was USD 1/NOK 10,1724.

Going concern

In accordance with Accounting Act 3-3a, the financial statements have been prepared under the assumption of going concern. The assumption is based on profit forecasts 2024-2026 based on existing bare boat contract with Saipem for the drillship Deep Value Driller.

3. Significant accounting policies

The Accounting policies set out below have been applied consistently for all periods.

Use of estimates

The management has used estimates and assumptions that have affected assets, liabilities, incomes, expenses and information on potential liabilities in accordance with generally accepted accounting principles in Norway.

Foreign currency transactions

Transactions made in foreign currencies are converted to the functional currencies using the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are converted to functional currency using the exchange rate on the transaction date. Changes in exchange rates are recognised in the income statement as they occur during the accounting period.

Income tax

The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 % (in Norway) and 35% (in Malta) on the basis of tax-reducing and tax-increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilized. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

Share based payments

Equity-settled share-based payments are recognised in the income statement as expenses during the vesting period. The financial instrument are measured at fair value at grant date using an opting pricing model.

Classification of balance sheet amounts

Current assets and liabilities include items due for payment within one year of the acquired date. The remaining items are classified as fixed assets/long term liabilities.

Current assets are valued at the lower of cost and fair value. Short term liabilities are recognized at nominal value. Fixed assets are valued at cost, less depreciation and impairment losses. Long term liabilities are recognized at nominal value.

Special periodic surveys

Special periodic surveys (also known as deferred drydock (deferred certification expenditure) are a five yearly thorough inspection and recertification of the hull and machinery components of the rig, which also includes obtaining required maritime certification. The associated costs are amortised on a straight-line basis over the period from the month following the end of the completed survey to the month of expiration of the survey certificate. The costs are classified as special periodic surveys within fixed assets. When the associated rig is in operation, these costs are carried by the rig operating company. When the associated rig is cold stacked, these costs are carried by the rig owning company.

Revenue Recognition

Revenue from charter hire services is recognized over the contract term as the services are rendered. For sales of goods, revenue is recognized at the point of delivery.

Rig mobilisation

Revenue corresponding to mobilization and demobilization is recognized over the span of the charter contract. This approach aligns the systematic recognition of costs incurred with the corresponding revenue, ensuring a matching principle for the financial period in which the service is delivered. Recognition hinges on both the expectation of economic benefit and the reliable measurability of revenue alongside these costs.

Inventory

Inventory is held at the lower of cost or net realisable value. When the associated rig is in operation, these costs are carried by the rig operating company. When the associated rig is cold stacked, these costs are carried by the rig owning company.

Tangible fixed assets

Tangible fixed assets are capitalized and depreciated over the expected economic life of the asset. The company's tangible fixed assets consist of the Deep Value Driller rig. The rig is componentised, and each component is evaluated for useful life. The components have an estimated useful life of 5-20 years.

Depreciation method, the useful life and residual values are assessed annually. Changes in accounting estimates are recognized in the income statement during the period when the estimates are changed.

Direct maintenance of operating assets is charged under operating expenses, while costs of improvements are added to the cost of the asset and depreciated in line with the asset. If the recoverable amount of the asset is lower than the carrying amount, an impairment is made to the recoverable amount. Recoverable amount is the highest of net sales value and value in use. Value in use is the present value of the future cash flows that the asset is expected to generate.

Borrowing costs are recognized as expenses when they occur, not capitalized as part of the asset's cost.

Accounts receivable and other receivables

Accounts receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful accounts. Provisions for doubtful accounts are based on an individual assessment of the different receivables. For the remaining receivables, a general provision is estimated based on expected loss.

Financial instruments

Liabilities with long-term maturities are recorded at their nominal value. Fees incurred from securing a loan are treated as prepaid finance costs and are amortized to interest expense evenly over the duration of the loan.

Cash and cash equivalents

The cash flow statement is presented using the indirect method of accounting. Cash includes cash in hand and at bank. Cash equivalents are short-term liquid investments that can be immediately converted into a known amount of cash and have a maximum term to maturity of 12 months.

Provisions

A provision is recognised when:

- as a result of a past event, there is a legal or constructive obligation.
- It is probable that an outflow of economic benefits will be required to settle the obligation, and it can be reliably estimated.

Provisions are considered at each balance sheet date and are adjusted to reflect updated best estimates.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term, highly liquid investments with maturities of three months or less.

Marked risk factors

Market risk is the risk of change in market prices and demand, thereunder changes in currency exchange rates and interest levels.

Liquidity risk

Liquidity risk is the risk that the company will not be able to settle its financial commitments as they fall due. With regular prognoses and liquidity analysis, the company will, as far as possible, ensure that sufficient access to funds is made available in order to settle commitments on the due date without unacceptable losses or risks of damaging the company's reputation.

Currency risk

The company's presentation and functional currency is US Dollar. Only minor operating costs and balance sheet entries are denominated in other currencies than NOK. Currency risk is considered low.

Interest rate risk

The Group's interest rate risk arises in both the short and medium-term perspective as The Group's borrowings is held at floating interest rates. Changes in the interest rate level will have a limited but direct impact on future cash flows.

Borrowings have been at a low level. Therefore, no measures implemented towards reducing the exposure towards interest rate risk.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. Credit risk arises principally from the company's receivables from customers. At period end the Company's had no receivables.

Note 2 Sales

	Deep Value Driller AS		Deep Value Driller Group	
	2023	2022	2023	2022
Operating revenues by geographical location:				
West Africa	-	-	11 087 288	-
International waters	-	-	1 544 850	-
Norway	440 295	207 088	-	-
Total	440 295	207 088	12 632 138	-
Operating revenues by segment:	2023	2022	2023	2022
Charter hire	-	-	11 226 667	-
Other	440 295	207 088	1 405 471	-
Total	440 295	207 088	12 632 138	-

Note 3 Salary costs and benefits, remuneration to the managing director, board and auditor**Deep Value Driller AS****Remuneration to management**

Warrants as disclosed in note 10 below have been issued to the managing director and board members. Warrants that have been issues as payment for services have been recognised in the financial statements. These warrants have an estimated fair value of USD 300 004. The warrants will be equity settled.

The estimated vesting period is, for calculation purposes, one, two and three years respectively for the three classes of warrants. The warrants were granted at 31 March 2021, no expense has been recognized for the period. The fair value of the warrants has been estimated based on the terms and conditions on which the warrants were granted. It takes into account an estimated volatility of 25%.

Leading personnel	Warrant-based pay	Expensed 2021	Expensed 2022	Expensed 2023	Total
CEO, Svend Anton Maier	900 000	73 334	33 334	13 333	120 001
Chairman, Einar J. Greve	900 000	73 334	33 334	13 333	120 001
Board member, Gunnar Hvammen	450 000	36 667	16 667	6 667	60 001
Board member, Glen Ole Rødland	300 000		57 160	25 982	83 142
Total	2 550 000	183 335	140 494	59 315	383 144

Deep Value Driller Group

Personnel Cost	2023	2022
Salaries	870 501	544 911
Employer taxes	8 364	160 304
Pensions	0	0
Other personnel cost	132 631	121 747
Sum	1 011 496	826 962

Leading personnel	Salary	Bonus	Other	Total
CEO, Svend Anton Maier	555 606	300 000	86 649	942 255
Chairman, Einar J. Greve	-	-	13 333	13 333
Board member, Gunnar Hvammen	-	-	6 667	6 667
Board member, Glen Ole Rødland	-	-	25 982	25 982
Board member (MALTA), Anthony Lawrence Buttigieg	14 896	-	-	14 896
Total	570 501	300 000	132 631	1 003 132

Bonus:

This year, the CEO was awarded the bonus following the successful fulfilment of the stipulated condition to secure a chartering agreement for the company's mobile offshore drilling rig.

Auditor

Remuneration to the auditor is distributed as follows:

	AS 2023	Group 2023
Statutory audit	70 266	94 909
Other attestation services	0	
Tax advice	0	2 371
Other non-audit services	0	0
Total	70 266	97 280

Amounts are before vat.

Note 4 Fixed assets**Deep Value Driller AS**

	Intangible assets	Fixtures and fittings	Total
Acquisition of fixed assets			-
Acquisition cost 31 December 2023	8 835	8 031	16 866
Accumulated depreciation 31 December 2023	4 565	6 726	11 291
Book value 31 December 2023	4 270	1 305	5 575
This period's ordinary depreciations	1 767	2 682	4 449
<i>Economic life</i>	<i>5 years</i>	<i>3 years</i>	

Deep Value Driller Group

	Intangible assets	Fixtures and fittings	Ships	Capitalised class costs	Total
Acquisition of fixed assets	-	-	-	-	-
Acquisition cost 31 December 2023	8 835	8 031	68 663 387	63 521 499	132 201 752
Accumulated depreciation 31 December 2023	4 565	6 726	7 984 531	3 096 311	11 092 133
Book value 31 December 2023	4 270	1 305	60 678 856	60 425 188	121 109 619
This period's ordinary depreciations	1 768	2 682	2 882 677	3 096 311	5 983 438
<i>Economic life</i>	<i>5 years</i>	<i>3 years</i>	<i>5-20 years</i>	<i>5 years</i>	

On 24 March 2021 the company acquired the 7th generation mobile offshore drilling rig "Bolette Dolphin", a GUSTO P10000 designed drill ship built in 2014 at Hyundai, Heavy Industries Co Ltd (South Korea) with IMO Number 9625516 for a purchase price of USD 65 million from Bolette Fleetco Ltd.

On 09 August 2021 Deep Value Driller AS sold the Rig to Deep Value Driller Ltd. The sale was financed with a seller's credit between the companies. This credit has been established in accordance to the company's transfer pricing policy.

Note 5 Inter-company items between companies in the same group etc.

	Deep Value Driller AS		DVD Holding LTD		Deep Value Driller LTD	
	2023	2022	2023	2022	2023	2022
Long-term liabilities					68 663 387	68 663 387
Short-term liabilities			56 727	26 206	22 732 997	18 294 591
Total	0	0	56 727	26 206	91 396 384	86 957 978
Long-term receivables	68 663 387	68 663 387				
Short-term receivables	22 789 724	18 320 796				
Total	91 453 111	86 984 183	0	0	0	0

The company has calculated the interest rate of the long-term liabilities on accordance with the transfer pricing policy.

	Deep Value Driller AS		DVD Holding LTD		Deep Value Driller LTD	
	2023	2022	2023	2022	2023	2022
Interest income	5 336 198	3 047 622				
Interest expenses					5 336 198	3 047 622
Total	5 336 198	3 047 622	0	0	5 336 198	3 047 622

Note 6 Tax**Deep Value Driller AS**

This year's tax expense	31.12.2023	31.12.2022
Entered tax on ordinary profit/loss:		
Payable tax	403 970	0
Changes in deferred tax assets	822 962	1 542 524
Tax expense on ordinary profit/loss	1 226 932	1 542 524
Taxable income:		
Ordinary result before tax	3 223 737	2 158 471
Permanent differences	59 316	140 505
Capital Raise cost	0	0
Changes in temporary differences	-1 499 067	-7 075 632
Allocation of loss to be brought forward	-2 241 671	-3 446 476
Conversion differences	-17 199	8 223 133
Taxable income/loss brought forward	1 766 787	0
Payable tax in the balance:		
Payable tax on this year's result (22%)	403 970	0
Total payable tax in the balance	403 970	0

Specification of temporary differences	31.12.2023	31.12.2022	Difference
Tangible assets	-6 675	-3 271	3 405
Revaluation reserve (Long term financial assets)	9 408 019	7 513 852	-1 894 166
Profit and loss account	1 350 867	1 742 562	391 694
Total	10 752 211	9 253 143	-1 499 067
Accumulated loss to be brought forward	0	-2 241 671	-2 241 671
Effect of not recognised deferred tax assets			0
Basis for deferred tax	10 752 211	7 011 472	-3 740 738
Deferred tax (22 %)	2 365 486	1 542 524	-822 962

Deep Value Driller group

This year's tax expense	31.12.2023	31.12.2022
Entered tax on ordinary profit/loss:		
Payable tax	403 970	0
Changes in deferred tax assets	822 962	1 542 524
Tax expense on ordinary profit/loss	1 226 932	1 542 524
Taxable income:		
Ordinary result before tax	-23 075 735	-13 420 636
Permanent differences	59 316	140 505
Capital Raise cost	0	0
Changes in temporary differences	-1 499 067	-7 075 632
Allocation of loss to be brought forward	-2 241 671	-3 446 476
Conversion differences	-17 199	8 223 133
Taxable income/loss brought forward	-26 774 357	-15 579 106

Payable tax in the balance:

Payable tax on this year's result	403 970	0
Total payable tax in the balance	403 970	0

Specification of temporary differences	31.12.2023	31.12.2022	Difference
Tangible assets	-6 675	-3 271	3 404
Revaluation reserve (Long term financial assets)	9 408 019	7 513 852	-1 894 167
Profit and loss account	1 350 867	1 742 562	391 695
Total	10 752 211	9 253 143	-1 499 068

Accumulated loss to be brought forward	- 49 366 440	- 24 889 310	24 477 130
Effect of not recognised deferred tax assets	49 366 440	22 647 639	-26 718 801
Total	10 752 211	7 011 472	-3 740 739

Deferred tax (22 %)	2 365 486	1 542 524	-822 963
----------------------------	------------------	------------------	-----------------

Note 7 Shareholders' equity

Deep Value Driller AS

	Share capital	Own Stock	Share premium	Other paid-up equity	Other equity	Uncovered loss	Total
Pr. 31.12.2023	1 019 177	-3 519	82 209 233	323 830	3 519	-4 438 485	79 113 755
Loss for the period						1 996 806	1 996 806
Share based payment				59 316			59 316
Pr. 31.12.2023	1 019 177	-3 519	82 209 233	383 146	3 519	-2 441 679	81 169 877

Deep Value Driller Group

	Share capital	Own Stock	Share premium	Other paid-up equity	Other equity	Uncovered loss	Total
Pr. 31.12.2023	1 019 177	-3 519	82 209 233	323 830	3 519	-27 086 124	56 466 116
Loss for the period						-24 302 667	-24 302 667
Share based payment				59 316			59 316
Pr. 31.12.2023	1 019 177	-3 519	82 209 233	383 146	3 519	-51 388 791	32 222 765

Note 8 Subsidiaries, associates, joint ventures

Subsidiary company	Country	Owner share	Equity	Profit
Deep Value Driller Holding Ltd	Malta	100 %	1 413	-26 688 280
Deep Value Driller Ltd	Malta	100 %	1 413	-30 521

Note 9 Inventories

Deep Value Driller Group

As of 08 September 2023, the fuel level on the vessel Deep Value Driller was 530,81 m³ (cubic meter) at the time of handover to the charterer. This initial fuel level is considered the inventory at the start of the charter. Any changes in the fuel level by the end of the charter period is the responsibility of the charterer. Specifically, any deficiency in the fuel level at the time of vessel redelivery will be billed to the charterer at prevailing market prices.

Note 10 Cash and cash equivalents**Deep Value Driller Group**

Included in Cash and Cash Equivalents is a retention account that is mandated to maintain a balance equivalent to twelve months of forecasted interest expenses. As of the reporting date, this retention account is required to hold a minimum of USD 7,312,500.

Note 11 Share capital, shareholders etc.

The share capital in Deep Value Driller AS as at 31.12.2023 consists of:

	Number	Par value	Posted USD
Ordinary shares	86 696 667	0,01176	1 019 177
Total	86 696 667	0,01176	1 019 177

All shares give the same rights in the company.
Deep Value Driller AS had 1145 shareholders as at 31.12.2023.

Statement of the largest shareholders as at 31.12.2023:

Shareholders	Ordinary	Share of votes
UTHALDEN AS	7 868 365	9,08 %
SOLAN CAPITAL AS	6 000 000	6,92 %
Goldman Sachs & Co. LLC	5 904 781	6,81 %
HORTULAN AS	3 375 000	3,89 %
ALDEN AS	3 209 660	3,70 %
TVENGE	3 200 000	3,69 %
SCAN CHEMICALS AS	2 400 000	2,77 %
CAMACA AS	2 150 000	2,48 %
BNP Paribas Securities Corp.	1 902 861	2,19 %
HUSHOVD	1 707 311	1,97 %
NORDA ASA	1 677 692	1,94 %
CACEIS Bank Spain SA	1 605 000	1,85 %
CIPRIANO AS	1 500 000	1,73 %
Citibank Europe plc	1 438 224	1,66 %
HØGSET HOLDING AS	1 200 000	1,38 %
OLA RUSTAD AS	1 171 398	1,35 %
CLEARSTREAM BANKING S.A.	1 134 441	1,31 %
Euroclear Bank S.A./N.V.	1 111 501	1,28 %
MELESIO INVEST AS	1 030 591	1,19 %
SONGA CAPITAL AS	1 026 447	1,18 %
TTC INVEST AS	1 000 000	1,15 %
A HOLDINGS AS	1 000 000	1,15 %
PORTIA AS	1 000 000	1,15 %
THABO ENERGY AS	1 000 000	1,15 %
NORDNET LIVSFORSIKRING AS	998 330	1,15 %
The Bank of New York Mellon SA/NV	953 538	1,10 %
CACEIS Bank	906 429	1,05 %
Total	57 471 569	66,3 %
Others (interest < 1 %)	29 225 098	33,7 %
Total	86 696 667	100 %

Deep Value Driller AS owns 300 000 Treasury stocks at par value 0,1 NOK which amounts to 0,35% of the company's total stocks.

Shares and warrants held by leading employees and members of the board as of 31.12.2023:

	Warrants	Shares
CEO, Svend Anton Maier (Tarraco AS) *	900 000	275 000
Chairman Einar J. Greve (Cirpiano AS)	1 495 000	1 500 000
Board member Gunnar Hvammen (Solan Capital AS & Thabo Energy AS)	2 433 333	7 000 000
Board member, Glen Ole Rødland	300 000	-
Total	5 128 333	8 775 000

*As of 31.12.2023 the CEO holds 275 000 ordinary shares.

Note 12 Warrants

The Company has in general meetings resolved to issue 8,403,333 warrants (Nw. frittstående tegningsretter) pursuant to section 11-12 of the Norwegian Private Companies Act as set out below:

Name	Number of warrants
1) Tarraco AS (Svend Anton Maier)	900 000
2) Cipriano AS (Einar J. Greve)	1 495 000
3) Solan Capital AS (Gunnar Hvammen)	2 433 333
4) Uthalden AS (Harald Moræus-Hanssen)	1 983 333
5) First Fondene (First Generator and First Global Fokus)	991 667
6) Glen Ole Rødland	300 000
In Total:	8 103 333

The warrants were subscribed and granted on March 2021 and June 8th 2022

Each warrant gives the holder the right to demand the issuance of one Share. The consideration to be paid per Share is NOK 8.50 for the first shareholders 1-5 and a share price of NOK 12.50 for shareholder 6. The warrants must be exercised no later than 5 March 2026 on the following conditions:

- i) 1/3 of the warrants may be exercised if the Shares for a period of at least five consecutive trading days are trading to a price which is at least 20% higher than NOK 8.50;
- ii) the next 1/3 of the warrants may be exercised if the Shares for a period of at least five consecutive trading days are trading to a price which is at least 40% higher than NOK 8.50; and
- iii) the final 1/3 of the warrants may be exercised if the Shares for a period of at least five consecutive trading days are trading to a price which is at least 60% higher than NOK 8.50.

Other than as set out above, the Company has not issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such instrument to subscribe for any shares in the Company.

Note 13 Liabilities to financial institutions

On 23 February 2023 Deep Value Driller Ltd in Malta entered into a 75 million USD senior secured term loan facility agreement to fund the reactivation activities for the Drillship, refinancing of the Company's existing credit facility and general corporate purposes.

The loan will be repaid by 1,4 million USD monthly as from August 2024 and a balloon payment of 50 million USD in February 2026.

An amount equal to 12 months of interest payments on the Loan shall be standing to the credit of the Debt Service Reserve Account at all times. The group is in compliance with this covenant.

On 3 November 2023 the Deep Value Driller AS entered a 7,5 million USD credit facility with major shareholders to fund recertification cost overrun.

The loan was repaid on 4 April 2024, which was prior to the maturity date of 2 September 2024.

Note 14 Subsequent events

On 2 February 2024 Deep Value Driller AS signed an addendum on 7,5 million USD credit facility moving maturity date on the loan to 2 September 2024.

On 26 March 2024 Deep Value Driller Ltd. entered into an agreement with existing creditor on 75 million USD loan on an upside of 50 million USD. The loan will be used to repay 7,5 million USD shareholders loan, remaining reactivation costs and distribution to shareholders.

The loan will be repaid by 1,4 million USD monthly as from August 2024 and a ballon payment of 93 million USD in July 2026.

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Deep Value Driller AS

Opinion

We have audited the financial statements of Deep Value Driller AS (the Company), which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company and the Group comprise the balance sheet as at 31 December 2023, the income statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company and the Group as at 31 December 2023 and their financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the chief executive director) is responsible for the other information. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally

accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Stavanger, 29 April 2024
ERNST & YOUNG AS

The auditor's report is signed electronically

Erik Søreng
State Authorised Public Accountant (Norway)

PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Søreng, Erik

State Authorised Public Accountant (Norway)

On behalf of: ERNST & YOUNG AS

Serial number: no_bankid:9578-5999-4-1529830

IP: 147.161.xxx.xxx

2024-04-29 10:40:04 UTC



This document is digitally signed using **Penneo.com**. The digital signature data within the document is secured and validated by the computed hash value of the original document. The document is locked and timestamped with a certificate from a trusted third party. All cryptographic evidence is embedded within this PDF, for future validation if necessary.

How to verify the originality of this document

This document is protected by an Adobe CDS certificate. When you open the

document in Adobe Reader, you should see, that the document is certified by **Penneo e-signature service <penneo@penneo.com>**. This guarantees that the contents of the document have not been changed.

You can verify the cryptographic evidence within this document using the Penneo validator, which can be found at <https://penneo.com/validator>