

# Deep Value Driller AS

## Q1 2024

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# OVERVIEW CONTENT

- > Comments from the Board of directors
- > Key Figures
- > Financial statement
- > Notes
- > Disclaimer

# Comments from the Board of directors

## Main events

Early 2023, the company signed a bareboat charter for the Drillship "Deep Value Driller" with Saipem as Charterer. The Charterer will utilize the Drillship for operations on the Ivory Coast under a drilling contract with Eni Côte d'Ivoire Ltd. The bareboat charter term is for 11 wells firm with 6 wells options. Estimated firm revenue is USD 160 million to the Group (excluding the rate payable for any optional extensions of the Contract).

The Drillship has since end of January 2023 been undergoing an intensive reactivation project, and the Drillship was delivered to the Charterer 8. September 2023. The drillship arrived West Africa mid-October 2023 where she commenced operation 1. November. The rig has been on full day rate since 1 Nov 2023. The rig is working on her third location. The remaining reactivation project activities, including BOP 2, have been finalized and closed on board the drill ship during first quarter 2024.

In February 2023 Deep Value Driller Ltd. entered into a USD 75.0 million loan facility agreement with a reputable private lender. 26 March 2024 signed a contract to upsize this loan 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. Loan upsize recognition early April.

## Main events going forward

AGM is called for May 14th. The board of directors proposes that the AGM resolves to distribute a dividend in the amount of NOK 3.00 per share, in total NOK 260 million. The distribution shall constitute a repayment of DVD's paid-in capital. Key information relating to the proposed cash dividend is included in the Company's announcement of 26 March 2024.

The board of directors also proposes that the general meeting authorizes the board to resolve and distribute dividends, based on the annual accounts for 2023. The board's resolution will inter alia be conditioned on that distribution of dividends at the time of distribution is deemed appropriate based on the Company's financial situation, as further detailed in the stock exchange notice of 26 March 2024.

## Key figures

### Rig purchase 2021

**\$65,000,000**

- 7th Generation Drillship
- Built in 2014
- Build cost USD 750 million

### Equipment purchase 2021

**\$3,663,387**

- Maintenance system, part of initial purchase

### Operational cost ITD (Inception To Date)

**\$30,699/day**

- Average daily operational cost pr. Q1 2024

( Formerly labeled 'stacking cost' )

### Reactivation costs ITD

**\$64,292,268**

- Accumulated reactivation cost pr. Q1 2024

# Financial statement

## Q1 2024

### Interim Consolidated Profit and Loss (P&L) Statement

Unaudited Amounts in USD

Operating income and operating expenses	Note	Q1 - 2024	Q1 - 2023
Daily rate		13 650 000	-
Other income		751 463	-
<b>Total Income</b>		<b>14 401 463</b>	-
Operational cost		(1 858 726)	(2 195 851)
Employee benefits expense		(60 457)	(467 489)
Depreciation and amortisation expenses	2	(3 943 838)	(721 780)
Other expenses		(40 763)	(1 059 470)
<b>Total expenses</b>		<b>(5 903 783)</b>	<b>(4 444 590)</b>
<b>Operating profit (loss)</b>		<b>8 497 680</b>	<b>(4 444 590)</b>
<b>Operating profit (loss) before depreciation (EBITDA)</b>		<b>12 441 518</b>	<b>(3 722 810)</b>
<b>Financial income and expenses</b>			
Financial income		228 288	200 736
Financial expenses		(2 451 003)	(2 444 553)
<b>Net financial items</b>	3	<b>(2 222 716)</b>	<b>(2 243 817)</b>
<b>Net profit (loss) before tax</b>		<b>6 274 964</b>	<b>(6 688 407)</b>
Income tax for the period		(209 241)	159 257
<b>Profit (loss) for the period</b>		<b>6 065 724</b>	<b>(6 529 149)</b>
<b>Transferred to retained earnings</b>		<b>6 065 724</b>	<b>(6 529 149)</b>

# Financial statement

## Q1 2024

### Interim Consolidated statement of Financial Position

Unaudited Amounts in USD

Assets	Note	31 March 2024	31 December 2023
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Concessions, patents, licences	2	3 826	4 270
<b>Total intangible assets</b>		<b>3 826</b>	<b>4 270</b>
<b>Property, plant and equipment</b>			
Ships	2	59 958 186	60 678 856
Reactivation project cost	2	57 973 902	60 425 188
Equipment and other movables	2	636	1 305
<b>Total property, plant and equipment</b>	<b>2</b>	<b>117 932 724</b>	<b>121 105 349</b>
<b>Non-current financial assets</b>			
<b>Total non-current financial assets</b>		<b>-</b>	<b>-</b>
<b>Total fixed assets</b>		<b>117 936 550</b>	<b>121 109 618</b>
<b>Current assets</b>			
Inventories		1 514 200	1 514 200
<b>Debtors</b>			
Other short-term receivables		11 846 614	7 008 116
<b>Total receivables</b>		<b>11 846 614</b>	<b>7 008 116</b>
Cash and cash equivalents		8 132 291	11 931 255
<b>Total current assets</b>		<b>21 493 104</b>	<b>20 453 570</b>
<b>Total assets</b>		<b>139 429 654</b>	<b>141 563 188</b>

### Interim Consolidated statement of Financial Position

Unaudited Amounts in USD

Equity and liabilities	Note	31 March 2024	31 December 2023
<b>Equity</b>			
<b>Paid-in capital</b>			
Share capital	4,5	1 019 177	1 019 177
Treasury stock	4	(3 519)	(3 519)
Share premium reserve	4	82 209 233	82 209 233
Other paid-up equity	4	383 146	383 146
<b>Total paid-up equity</b>		<b>83 608 037</b>	<b>83 608 037</b>
<b>Retained earnings</b>			
Other equity		3 519	3 519
Uncovered loss	4	(45 323 067)	(51 388 791)
<b>Total retained earnings</b>		<b>(45 319 548)</b>	<b>(51 385 272)</b>
<b>Total equity</b>		<b>38 288 489</b>	<b>32 222 766</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Deferred tax liabilities		2 365 486	2 365 486
Liabilities to financial institutions	3	75 000 000	75 000 000
<b>Total Long-term liabilities</b>		<b>77 365 486</b>	<b>77 365 486</b>
<b>Current liabilities</b>			
Payable tax		613 210	403 970
Trade payables		8 305 587	16 409 420
Other current liabilities		14 856 882	15 161 547
<b>Total current liabilities</b>		<b>23 775 679</b>	<b>31 974 936</b>
<b>Total liabilities</b>		<b>101 141 164</b>	<b>109 340 422</b>
<b>Total equity and liabilities</b>		<b>139 429 654</b>	<b>141 563 188</b>

# Financial statement

## Q1 2024

### Interim Consolidated Indirect cash flow

Unaudited Amounts in USD

NRS Indirect method	Q1 2024	Q1 2023
Amount in USD		
<b>Cash Flow from operating activities</b>		
Profit/Loss before tax	6 274 964	(6 688 408)
Ordinary depreciation	3 943 838	721 780
Profit/Loss sale of fixed assets	-	-
Changes in inventories	-	389 124
Changes other short term receivable	(4 838 498)	(2 568 734)
Changes in accounts payable	(8 103 834)	9 601 040
Change in other accrual items	(304 665)	2 498 849
<b>Net cash flows from operating activities</b>	<b>(3 028 194)</b>	<b>3 953 651</b>
<b>Cash flow from investment activities</b>		
Acquisition of intangible assets		
Acquisition of tangible assets	(770 769)	(12 532 876)
Share investment		
<b>Net cash flow from investment activities</b>	<b>(770 769)</b>	<b>(12 532 876)</b>
<b>Cash flow from financing activities</b>		
Proceeds from equity	-	-
Capital increase costs	-	-
Debt financing	-	75 000 000
Loan repayment	-	(6 000 000)
<b>Net cash flow from financing activities</b>	<b>-</b>	<b>69 000 000</b>
Net change in cash and cash equivalents	(3 798 963)	60 420 775
<b>Cash and cash equivalents at the end of period</b>	<b>8 132 291</b>	<b>60 528 914</b>

# NOTES to the Financial statements Q1 2024

## Notes to the Financial statements

### Note 1: Summary of Significant Accounting Policies

#### Company overview

Deep Value Driller AS is a company which purpose is contracting, managing and owning drilling rigs.

#### Basis for preparation

The interim report, which has not been audited by the Company's independent auditor, has been prepared in compliance with the provisions laid down in the Norwegian Accounting Act NRS 11 and generally accepted accounting principles in Norway.

<b>Note 2: Fixed assets</b>	<b>Intangible assets</b>	<b>Fixtures and fittings</b>	<b>Rig</b>	<b>Reactivation project costs</b>	<b>Total</b>
Acquisition at 31 December 2023	8 835	8 031	68 663 387	63 521 499	132 201 752
Additions in Q1 2024	-	-	-	770 769	770 769
<b>Acquisition cost at 31 March 2024</b>	<b>8 835</b>	<b>8 031</b>	<b>68 663 387</b>	<b>64 292 268</b>	<b>132 972 521</b>
Opening book value 2024	4 270	1 305	60 678 856	60 425 188	121 109 618
Depreciation & amortisation Q1 2024	(444)	(669)	(720 669)	(3 222 056)	(3 943 838)
Accumulated depreciation & amortisation	(5 009)	(7 395)	(8 705 201)	(6 318 366)	(15 035 971)
<b>Closing Book Value 31 March 2024</b>	<b>3 826</b>	<b>636</b>	<b>59 958 186</b>	<b>57 973 902</b>	<b>117 936 550</b>



# NOTES to the Financial statements Q1 2024

## Note 3: Long-term liabilities

On March 26, 2024, the loan facility of 75 million USD was upsized by 50 million USD to 125 million USD. Monthly installments will start in August 2024 as earlier planned, but the maturity of the loan facility has been extended to July 2026, thus aligning with the end of the firm period for the Group's current bareboat charter.

Note 4: Shareholders' equity	Share capital	Own Stock	Share premium	Other paid-up equity	Other equity	Uncovered loss	Total
Opening balance 1 January 2024	1 019 177	(3 519)	82 209 233	383 146	3 519	(51 388 791)	32 222 765
Share-based payment profit for the period				-		6 065 724	-
Closing balance 31 December 2023	1 019 177	(3 519)	82 209 233	383 146	3 519	(45 323 067)	38 288 489

# NOTES to the Financial statements Q1 2024

## Note 5: Shareholders above 1% as of 31 March 2024

Shareholders	Ordinary	Share of votes
UTHALDEN AS	7 978 365	9,20 %
Goldman Sachs & Co. LLC	6 444 835	7,43 %
SOLAN CAPITAL AS	6 000 000	6,92 %
TORSTEIN INGVALD TVENGE	3 300 000	3,81 %
HORTULAN AS	3 284 040	3,79 %
ALDEN AS	3 259 660	3,76 %
SCAN CHEMICALS AS	2 400 000	2,77 %
CAMACA AS	2 100 000	2,42 %
BNP Paribas Securities Corp.	1 902 861	2,19 %
THOR HUSHOVD	1 707 311	1,97 %
CACEIS Bank Spain SA	1 605 000	1,85 %
CIPRIANO AS	1 500 000	1,73 %
NORDA ASA	1 455 284	1,68 %
Citibank Europe plc	1 438 224	1,66 %
HØGSET HOLDING AS	1 200 000	1,38 %
ARVO INVEST AS	1 171 398	1,35 %
Euroclear Bank S.A./N.V.	1 113 401	1,28 %
SONGA CAPITAL AS	1 069 131	1,23 %
NORDNET LIVSFORSIKRING AS	1 035 453	1,19 %
MELESIO INVEST AS	1 030 591	1,19 %
CLEARSTREAM BANKING S.A.	1 014 568	1,17 %
ALCANCIA CAPITAL AS	1 000 000	1,15 %
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 %
Merrill Lynch International	958 363	1,11 %
CACEIS Bank	906 429	1,05 %
The Bank of New York Mellon SA/NV	868 004	1,00 %
<b>Total</b>	<b>59 742 918</b>	<b>68,9 %</b>
Others (interest < 1 %)	26 953 749	31,1 %
<b>Total</b>	<b>86 696 667</b>	<b>100 %</b>

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.

# Disclaimer

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